

Oxford House, Inc.

Annual Report

Fiscal Year

2008

Oxford House
Time for Recovery

Theme of the Tenth Oxford House World Convention

Oxford House, Inc.

1010 Wayne Avenue, Suite 300
Silver Spring, Maryland 20910

Tel. 301-587-2916 • Fax 301-589-0302

www.oxfordhouse.org

National Oxford House Resident Profile

Number of Women's Houses:	321	No. of Women Residents:	2,337
Number of Houses For Men:	982	No. of Men Residents:	7,487
National Network of Houses:	1,303	Total Number of Residents:	9,824
Number of States with Houses:	42	Cities with Houses:	383
Cost Per Person Per Week:	\$98.75	Rent Per Group Per Month	\$1,380
Percent Veterans	18%	Average Age	36.2 yrs.
Residents Working 6/15/08:	91%	Average Monthly Earnings:	\$1,480
Percent Addicted To Drugs or Drugs and Alcohol:	73%	Percent Addicted to Only Alcohol:	27%
Race --		Marital Status --	
White;	54%	Never Married	45%
Black;	42%	Separated	18%
Other	4%	Divorced	33%
		Married	4%
Prior Homelessness:	53%	Average Time Homeless:	6 Mos.
Prior Jail:	76%	Average Jail Time:	13 Mos.
Average AA or NA Meetings Per Week:	5.1	Percent Going To Counseling <u>and</u> AA or NA:	44%
Average Length of Sobriety of House Residents:	16.5 Mos.	Residents Expelled Because of Relapse:	19.4%
Average Length of Stay In An Oxford House:	10.1 Mos.	Average No. of Applicants For Each Vacant Bed:	13

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About Oxford House, Inc.

Oxford House, Inc. is the thirty-four year old Delaware nonprofit, 501(c)(3) corporation that serves as the umbrella organization of the worldwide network of more than 1,323 individual Oxford Houses. Its central office is at 1010 Wayne Avenue, Suite 300, Silver Spring, Maryland 20910.

At the end of its 33rd year, Oxford House is recognized as providing a highly successful method for individuals recovering from alcoholism and/or drug addiction to avoid recidivism. Over the last two decades, Oxford House has expanded from a handful of recovery homes in the Washington, D.C. area into a national network of self-help recovery homes and has successfully established houses in Australia, Canada and Ghana.

The Oxford House™ model has remained the same since the first Oxford House started in Silver Spring, Maryland in October 1975. Residents of each Oxford House follow the standard disciplined democratic procedures to run each rented house and pay all household expenses. Replicating the basic model in 42 states has involved outreach by dedicated residents and alumni to help find suitable houses to rent, recruit new residents, teach them the system of operation and help local clusters of houses to organize chapters and state associations to keep each other on-track.

During 2008, about 24,000 individuals lived in an Oxford House somewhere in the country for some period of time. Around 80% stayed clean and sober and research data suggest that most of them will avoid relapse – forever.

This year's annual report focuses on how Oxford House™ achieved the transformation from a small cluster of self-help recovery homes in the Nation's Capital area into a national network of more than 1,300 recovery homes. Oxford House™ development has just begun and it has important implications for both effective demand-reduction of illicit drugs and modernization of America's health care system.

We invite those who want more detail about the way individual Oxford Houses operate to visit the organization's website: www.oxfordhouse.org and to read last year's annual report found at that site under "About Us/Finances."

Silver Spring, Maryland
January 16, 2009

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INTRODUCTION

During 2008, under the guidance of Oxford House, Inc. [OHI] – the national, 501[c][3] nonprofit, umbrella organization – Oxford House continued to expand. And, as the financial statements show, OHI lived within its budget and its income exceeded expenses by a modest amount.

The theme of the successful world convention held in New Orleans in November 2008, was “Time for Recovery.” The theme reflected the demonstrated fact that Oxford Houses afford residents the opportunity to live in a house for as long as it takes them to become comfortable in sobriety. The only conditions for continued residence are that residents maintain sobriety and pay their equal share of household expenses. Independent research has found that Oxford House residents have a far higher success rate than is seen in other programs. This success argues for dramatically increasing the number of Oxford Houses in an effort to reduce the chronic recidivism currently experienced following treatment. This report identifies the main characteristics of Oxford House that foster successful replication and outlines what is needed to permit faster growth.

Oxford Houses provide a cost-effective recovery system that enables recovering individuals to stay as long as necessary for them to become comfortable enough in sobriety to avoid relapse. Its success is the result not only of the self-help recovery program followed in each Oxford House program but also upon the following:

- OHI relies on both its own data and independent studies to track program participants and recovery outcomes over time.
- OHI proactively protects civil rights essential to Oxford House replication and quality control.
- OHI develops large clusters of new Oxford Houses and keeps large networks of houses on track by using trained outreach workers and by using proven techniques to train residents, chapters, and state associations throughout the country.
- Oxford Houses continue year after year, becoming totally self-supporting after initial start-up. Quality control is achieved through voluntary associations inculcated during the start-up phase.

Each of these important elements is discussed in more detail in the body of this report.

The demand for the cost-effective, successful recovery program provided by Oxford House far exceeds the available supply of chartered Oxford Houses. Many more houses are needed to address the demand. Oxford House is committed to continued expansion; however, expansion at the rate needed will require greater Federal and State support.

Given the characteristics and success of the Oxford House model and OHI’s experience to date in replicating houses, it is estimated that the existing network of more than 1,300 Oxford Houses serving about 24,000 recovering individuals a year could be doubled for less than \$50 million dollars over the next three years. Costs would include the development of a revolving loan fund of \$8 million and \$39 million for training, managing and compensating outreach workers.

With expansion, over approximately 50,000 recovering individuals a year would be able to live in Oxford Houses. Based on past studies, approximately 40,000 would stay clean and sober without relapse – four times more than if the recovering homes did not exist.

Research

During the last 33 years, more than 250,000 individuals have lived in an Oxford House. Most of them became comfortable enough in sobriety to avoid relapse. They would attribute their successful sobriety to Oxford House. Testimonials are useful but insufficient alone to evaluate any program.

From the beginning of Oxford House, residents and alumni have invited independent research. Perhaps the initial motivation for this was a defense to those who wondered if “inmates could run the asylum”, but as years passed outside expertise became a tool to understand the dynamics that made Oxford House so effective.

In 1988, Bill Spillaine, Ph.D., a retired NIDA employee, took a job at Catholic University and asked to review the first twelve years of Oxford House outcomes. The men and women in Oxford House readily agreed and his report that 80% of the Oxford House residents had remained clean and sober from the day they had moved into an Oxford House has stayed the norm.

This early work convinced the residents and alumni of Oxford House that tracking the demographics and progress of Oxford House residents and alumni was essential for monitoring the performance of the Oxford House program. Since that time, Oxford House Inc. has conducted its own regular surveys of residents and also encouraged outsiders to both use the Oxford House data and create their own studies.

In many ways Oxford House has become a gateway for recovery studies. While Oxford House residents and alumni respect the anonymity principle of AA and NA, they understand that Oxford House as an institution prides itself on openness and scientific behavioral research.

In 1991, when Leonard Jason, Ph.D. at DePaul University in Chicago asked permission to do some research studies of Oxford House, the residents and alumni of Oxford House quickly agreed. They have continued this practice of inviting independent research by bona fide researchers.

More than 100 papers have been published in peer-reviewed journals covering all aspects of what takes place among the residents of Oxford House that

Recent Published Researchers Oxford House Studies

Leonard A. Jason, PhD, DePaul University, Chicago
John M. Majer, PhD, Richard J. Daley College, Chicago
Bradley D. Olson, PhD, Northwestern U., Chicago
Joseph R. Ferrari, PhD, DePaul University, Chicago
Carol S. North, MD, University of Texas, Dallas
Margaret I. Davis, PhD, Dickinson College, Carlisle, PA
Josefina Alvarez, PhD, DePaul University, Chicago
David R. Groh, PhD, DePaul University, Chicago
Benjamin C. Graham, MS, DePaul University, Chicago
Douglas L. Polcin, EdD, Public Health Institute, CA
Jeffrey D. Roth, MD, FASAM, Psychiatrist, Chicago
Judah J. Viola, PhD, National-Louis University, Chicago
Friedner Wittman, PhD, University of California, Berkley.
Thomasina Borkman, PhD, George Mason University, VA
William L. White, MA, Chestnut Health Systems, Illinois

result in the development of sobriety comfortable enough to avoid relapse.

Policymakers, who rely upon scientific research to develop ways and mean to make health care affordable, effective and open to access by all, should be impressed by the strength and scope of research about alcoholism and/or drug addiction arising from the data from thousands of individuals who are living or have lived in Oxford Houses. Prior to the development of this research there was a paucity of research in the field.

Both NIDA and NIAAA have funded studies to determine whether and how Oxford Houses have worked to enable addicted individuals to master abstinence. For example, one DePaul study followed 897 residents in 219 Oxford House across the country for 27 months. Each resident was interviewed every three months and a friend identified at the first interview verified the self-reports of the interviewees. At the end of the period, 87 percent had stayed clean and sober without relapse. In another NIH study, 150 individuals just getting out of primary treatment were randomly divided into two groups: one going to Oxford House; the other to their normal living place. After 27 months, 69 percent of the group going to Oxford Houses had stayed clean and sober

without relapse while only 35 percent of the control group had maintained sobriety. Even when the comparison of outcomes used a controlled study with everyone having the same primary treatment regime, those who resided in an Oxford House following treatment were twice as likely to stay clean and sober.

Another study measured self-efficacy in sobriety for newly recovering individuals living in an Oxford House versus those who only went to AA/NA. The Oxford House group gained confidence in sobriety five times faster.

The universality of Oxford House living has also been examined. Separate studies showed that Oxford Houses worked for all subgroups. For example, deaf recovering individuals did well in Oxford Houses; both men and women did well in Oxford Houses; women with children did well, those with criminal records did well; those with mental illness or dual diagnosis did well; and formerly homeless individuals did well. In addition, neighbors have accepted Oxford Houses in their neighborhoods. The list of studies and findings encompass a wide range of outcomes that ratify the concept and system of operation.



Pergamon

Addictive Behaviors 27 (2002) 837–845

**ADDICTIVE
BEHAVIORS**

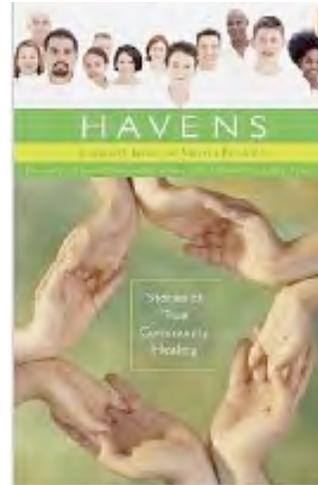
Comorbidity among Oxford House residents:
A preliminary outcome study

John M. Majer^{a,*}, Leonard A. Jason^a, Joseph R. Ferrari^a, Carol S. North^b

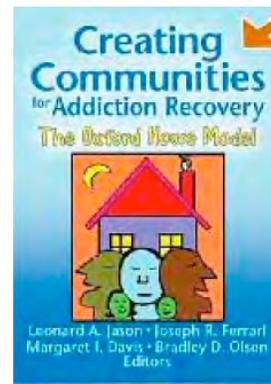
^aDepartment of Psychology, DePaul University, 2219 North Kenmore Avenue, Chicago, IL 60614, USA
^bDepartment of Psychiatry, Washington University School of Medicine, St. Louis, MO, USA

More than 100 published, peer-reviewed articles have been published in academic journals. The evidence is in and it is time for the country to focus on Oxford House as a means to improve treatment outcome for alcoholics and drug addicts. Already three books have been published based upon the DePaul University studies.

Many of the published articles from academic and professional journals are available at the Oxford House website: www.oxfordhouse.org under “Publications/Evaluations/DePaul.” A complete list of more than 100 peer-reviewed published articles is at the website and can be downloaded.



HAVENS: TRUE STORIES OF COMMUNITY HEALING. Westport, CT: Praeger Publishers. (2004) Leonard Jason & M. Perdoux



Creating Communities for Addiction Recovery: The Oxford House Model. (2006) Leonard Jason, Joseph Ferrari, Margaret Davis, & Bradley Olson, New York: Haworth Press.



RESCUED LIVES: THE OXFORD HOUSE APPROACH TO SUBSTANCE ABUSE. New York: Routledge (2008) Leonard Jason, Bradley Olson & Katherine Fole

Research Results and Expansion

Independent research has provided evidence of the successful recovery outcomes for individuals residing in Oxford Houses. Its examination of the dynamics of Oxford House performance suggests that the Oxford House program can be replicated on a large scale. For example, the books and published articles make clear that the success of the Oxford House concept and system of operations is not dependent on charismatic or gifted individual leaders but rather it derives from the proven system of operation.

Reliance upon democracy, self-support and grassroots operation partially explains why the organization has been able to expand on a significant scale. There are thousands of recovery support programs that work in a particular community but, because they depend upon one or two dedicated individuals or large capital expenditures for their success, they are difficult – if not impossible – to replicate on a large scale. The 33-year old Oxford House program has developed the organizational competence and method of expansion that gives it a unique ability to serve the nation as it strives to reduce the demand for illicit drugs and the harm caused by both drug addiction and alcoholism. It has done so while producing a product – hundreds of self-sufficient recovery homes – that follow the same disciplined system of operations.

Recovery without Relapse – A Core Oxford House Principle

Oxford House embodies a philosophy that believes that once an alcoholic and/or drug addict is detoxified and given primary treatment, relapse should be the exception not the norm.

Beginning about the time the first Oxford House started in 1975, the alcoholism and drug treatment community began to preach, “Relapse is part of the disease of alcoholism and drug addiction.” Many suspect that the propagation of that belief was motivated by complaints from the health insurance industry, which at that time had not yet cut back on coverage for substance abuse treatment or other behavioral health problems. For the last thirty-three years Oxford House has demonstrated that relapse is not necessarily “part of the disease of alcoholism and drug addiction”. As a matter of fact, with good

support for long-term sobriety, recovery without relapse can be the norm.



Oxford House-Hill
2103 21st Ave South
Seattle, Washington 98144
Established 2008 • Home to 9 Men

Outcome studies have continually shown that 80% or more of Oxford House residents become comfortable enough in sobriety to avoid relapse. William L. White, the leading historian concerning alcoholism, drug addiction, treatment and recovery has recently suggested that perhaps “relapse may reflect a defect in the treatment protocol presently followed in the country rather than being inherent in the disease of addiction.” He cites Oxford House as a thirty-year experiment in showing that with appropriate support recovery without relapse can be the norm.

Oxford House continually emphasizes that recovery without relapse is the expected and achievable goal – and Oxford House residents have proven its validity.

As the nation reforms its health care system, it is important to recognize this reality. Recycling individuals in and out of treatment costs too much – for society and for the recycled individuals and their families. Over half the residents coming into Oxford House have been through residential treatment three times or more. Ten percent have been in treatment ten times or more. The government TEDS data show that fewer than 40% of those entering treatment are there for the first time. Stopping – or significantly reducing – relapse rates could nearly double the number of primary treatment slots available in the county without spending an additional penny.

Protection of Legal Rights

April 24, 1993 – New York Times

Judge Rules Zoning Code Can't Block Group Homes

In a ruling that could make it easier to set up group homes for handicapped people in residential neighborhoods on Long Island, a Federal judge has barred Babylon Town officials from shutting down a home for recovering alcoholics and addicts.

Judge Leonard D. Wexler of Federal District Court in Hauppauge ruled this week that Babylon zoning ordinances blocking the group home violated the Federal Fair Housing Act of 1988 by discriminating against handicapped people, a group that under the law includes recovering alcoholics and addicts.

Neighbors began to complain after the house at 73 East Walnut Avenue in the hamlet of East Farmingdale was rented in August 1991 by Oxford Homes Inc. of Silver Spring, Md. The group, which has established 375 similar homes across the nation, received a \$4,000 state grant for the home here, where six to eight adult tenants live at any given time.

Town's Argument Rejected

Judge Wexler rejected Babylon's argument that the residents did not fit the town's definition of family, saying the definition should be expanded to include groups of handicapped people. He also found that the town violated the Federal law by failing to respond when Oxford Homes asked where such a home would be permitted under town zoning. The law requires municipalities to zone for such homes.

Richard H. Schaffer, the Babylon Town supervisor, said the town zoning code defined a family as a single person or collection of people related by kinship, adoption, blood or marriage. He said the code allowed no more than four unrelated people to live in a single-family residence. "My concern is that local governments be given control over what we would like to have in place," he said. "The home doesn't fit the definition, although I am sure the people there are all living through a similar situation." He said the town had made no decision on whether to appeal.

Robert L. Schonfeld, a lawyer for Oxford House, said the ruling would have a significant impact on future disputes over group homes for the handicapped. "This means that zoning laws cannot be used to zone out residences for handicapped persons," he said. The ruling, which Mr. Schonfeld said was the first of its kind in the Federal District Court jurisdiction that includes Long Island, Brooklyn and Queens, is similar to decisions handicapped groups have won elsewhere since the 1988 Federal law was enacted.

'Message Should Be Clear'

"By now the message should be clear in New York and elsewhere that people with disabilities have the right to live in residential communities peacefully," said Beth Pepper of the Bazelon Center for Mental Health Law in Washington, who served as co-counsel in the Federal suit.

A resident of the East Farmingdale group home, Matt Greene, said today that there had been "no trouble" with neighbors, but he declined to elaborate. Neighbors said they feared the worst when the home opened, but they had no complaints now. "No problem," said one resident, a man who declined to give his name. "They aren't any worse than the rest of the neighborhood." Another neighbor, who spoke on the condition of anonymity, said: "They really haven't been bothering anybody, but I wish it wasn't there anyway. It's going to be hard to sell your house."

Occupants of Oxford Homes share living expenses, must be self-supporting and must agree to move out if they cannot remain drug- or alcohol-free. Kerry Smith, 24, who rents the house next door, said she was alarmed when she heard from the owner of the group home that eight men would be moving in across from her and her 4-year-old son. "I said, eight guys, eight of them? And I'm a single parent living next door." But they haven't caused any problems. They don't stay up late. There's no loud music. They keep to themselves."

The federal Fair Housing Act Amendments of 1988 [FHA] greatly strengthened the prohibitions against discrimination and enlarged the scope of the Act to include handicapped individuals. The fact that FHA was passed by the same 100th Congress that passed § 2036 of the Anti-Drug Abuse Act of 1988 enabled Oxford House to take full advantage of the new law as expansion around the country began. The article reprinted on this page reports on one of the struggles during the first few years of expansion.

While the *Babylon Case* referred to in the article solved the problem for Oxford House-Farmingdale, that was just one of dozens of individual cases from coast to coast. Oxford House, Inc. determined that, without the ability to rent a house in a good neighborhood, groups of recovering individuals would not have the chance to live together to support their recovery. Both the Federal Fair Housing Act and the Americans with Disabilities Act make it clear that communities have to make a reasonable accommodation in restrictive zoning to protect the rights of handicapped individuals.

When Oxford House began expansion many communities opposed the rental of Oxford Houses in good residential neighborhoods. Within a few months litigation had sprung up in a number of states including New York, New Jersey, Maryland, Missouri, Kentucky, Kansas, Connecticut, Illinois, Washington, Oregon, Virginia and even the District of Columbia where Oxford Houses had existed for more than 13 years. Consequently, Oxford House, Inc. decided that it had to work to protect the civil rights of the recovering individuals trying to establish self-run, self-supported recovery homes.

Local communities frequently stirred up an abundance of unfounded fears once they learned that recovering alcoholics and/or drug addicts planned to live in their neighborhoods. Community meetings frequently turned into near mob scenes full of anger and intolerance. In an early case in New Jersey, the town mobilized against a newly established Oxford House and held a public meeting focused on driving the residents away and harassed the residents. The U.S. Justice Department was notified and agreed to join Oxford House, Inc. in defending the rights of the residents under the Fair Housing Act. This successful partnership provided Oxford House, Inc. with the confidence to continue expansion.

The Federal District Court immediately issued a Temporary Restraining Order to stop the jurisdiction from further harassment of the women until the matter could be tried and resolved by the court. A little over two years later, the Court found in favor of Oxford House but that was far from the end of the story.

During the late 1980s and early 1990s, Oxford House, Inc was a party in actions in Federal courts in more than two-dozen jurisdictions. Finally, in late 1994, the United States Supreme Court granted certiorari in the case *City of Edmonds, WA v. Oxford House, Inc.*, a case involving a ten-man Oxford House in Edmonds, Washington.

On March 15, 1995, the Court decided the case in favor of Oxford House by determining that recovering individuals were “handicapped” within the meaning of the FHA and thereby a protected class.

CITY OF EDMONDS v. OXFORD HOUSE, INC., ET AL. 514 U.S. 725 (1995)
CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE NINTH CIRCUIT
No. 94-23. Argued March 1, 1995—Decided May 15, 1995

City of Edmonds, WA v. Oxford House, Inc. should have ended harassment by local officials against the renting of houses in good neighborhoods by recovering alcoholics and/or drug addicts wanting to stay clean and sober. Unfortunately, it continued even though Oxford House prevailed in jurisdiction after jurisdiction.

Local jurisdictions, spurred on by various groups including the National League of Municipalities, tried various ways to achieve the same goal of keeping recovering drug addicts from living together in good neighborhoods by using other means, such as by citing fire safety code violations for Oxford Houses despite the fact that no such requirements were applied to ordinary families renting the same houses. One of these cases, involving the city of West Haven, Connecticut, was scheduled for trial in federal court in Waterbury just two days after the terrible tragedy on September 11, 2001. Since no planes were flying, counsel for Oxford House called the judge to see if a postponement was in order. The judge replied that his court was not going to be put out of business by terrorists.

On the morning of September 13, 2001 the trial began in Federal District Court and in the courtroom were 14 lawyers representing various

parties including the Fire Marshalls, Insurance Companies, City and Oxford House, Inc. The argument was simply whether 7 men could live in an ordinary single-family house in West Haven without a sprinkler system.

Seven men had lived in Oxford House-Jones Hill in West Haven since June 1, 1997 but had been constantly harassed by the city to move out because they violated the ordinance that no more than 3 unrelated individuals could live together in an area designated as single-family residential. Finally, when it became clear that Oxford House, Inc. would not tolerate intimidation of either the men or the landlord, the city tried a new tack of using fire safety as a way to exclude them from the neighborhood. So it was that two days after 9-11 the trial began in *Beverly Tsombanidis, Oxford House, Inc. and John Doe v. City of West Haven Fire District Number One and the City of West Haven*. 180 F. Supp.2d 262 (2001).

Senior Federal Judge Gerard L. Goettel, in his decision in favor of Oxford House, explained in detail the different types of discrimination under the Federal Fair Housing Act and the basic requirements on government and others to make reasonable accommodation. He found the City had violated the civil rights of the seven residents intentionally and awarded Oxford House, Inc. attorneys their full fees and expenses. The City appealed and the 2nd Circuit Court affirmed the outcome of the case but did strike one count by the lower court of discrimination based on disparate treatment of the men. Today, Oxford House – Jones Hill continues to provide a place for men to become comfortable enough in sobriety because its umbrella organization fought for the civil rights of the residents then, today and tomorrow.

Discrimination is not restricted to NIMBY proponents. Property insurance companies classify property in all sorts of ways in order to price casualty insurance policies. Oxford House, Inc. has had to litigate a number of cases to prevent landlords from being charged more than they would have to pay if renting to a single family. In *Wai v. Allstate Insurance Co*, 75 F. Supp. 2d 1 (D.D.C. 1999), two landlords who rented their homes to people with disabilities were denied standard landlord insurance and were directed to purchase costlier commercial insurance policies.

The Court held that although insurance policies are not explicitly mentioned in the text of the FFHA, denial of homeowners’ insurance on the basis of

disability violates §3604(f)(1), which declares it unlawful to “discriminate in the sale, or rental, or otherwise make unavailable or deny, a dwelling to any buyer or renter because of handicap.” The court held that denial of insurance coverage would make a dwelling unavailable to the persons with disability and the insurer had to make a reasonable accommodation. Oxford House was a party to the suit. The *Wai Case* settled the fact that recovering alcoholics and drug addicts are subject to the nondiscrimination provisions of both FFHA and ADA but Oxford House, Inc. has had to litigate or threaten to litigate in many subsequent cases. In each instance, the outcome has been the same: insurance companies must make a reasonable accommodation in the rates they charge landlords for rental to a group of recovering individuals.

Replication of Oxford Houses depends upon strong enforcement of laws prohibiting discrimination in all forms.

Knowledge Transfer

When Alcoholics Anonymous began in the late 1930s, it took a lot of time and effort to carry the message of this new program of individuals helping each other to stay clean and sober. Oxford House – established thirty years later – has enjoyed the benefits of a technological revolution. Not only is it possible to travel from place to place in the country easily but printing, publication and communication are low cost and very efficient. Even since Oxford House began there have been major changes in technology. Most individuals now living in Oxford Houses do not know what Oxford House “old-timers” are talking about when they explain that the Oxford House Manual[®] written in 1975 had to be totally re-typed whenever a single change was made. Personal computers, low-cost telephone service, the Internet and inexpensive transportation have made it possible for the men and women in Oxford Houses throughout the country to communicate with each other easily and frequently via telephone, email, fax or the Internet.

The most effective means of transferring knowledge among the recovery community is word of mouth. Bill Wilson, the co-founder of Alcoholics Anonymous, always ended his conversations about AA with the request, “Pass It On.” So too with Oxford House. From the grassroots to the top of the organization knowledge about the organization is passed on and usually re-enforced by story telling.

For example, listening to a group of Oxford House residents from different houses discussing how their houses run, it would not be unusual for one person to stress the importance of the weekly business meeting and then re-enforce the importance by relating some problem that came up because his or her particular house started to meet every other week rather than once a week.

“The electric bill was not paid on time,” one resident might tell another and “the next thing we knew the lights went off.” The implication was that if a timely meeting had been held someone would have notice that the electric bill was overdue. Worse yet, the cable TV bill might have gone unpaid and the world might have come to an end. These kinds of interchanges take place among Oxford House residents because the system of organization includes establishment of various forums like weekly house meetings, chapters, state associations, workshops, and conventions to re-socialize individuals who during their addictive years became isolated from others. In the process of running an individual household individuals develop interpersonal relationships tied to sobriety. The information transfer between all of these individuals slowly but surely permits them to develop sobriety that is comfortable enough to avoid relapse – forever.

The best assurance that communication will stay on track with respect to the mechanics of operating an Oxford House is the utilization of trained outreach workers who visit local houses and chapters to spread the good news about Oxford House and detect any deviation from the time-tested system of operations that has worked so well in so many places for the organization for over 33 years. The outreach workers are always Oxford House residents or alumni. They have the culture of Oxford House bred in their bones. Nevertheless, they receive training from the World Services Office to make sure that their understanding of the concept and system of organization is orthodox. The attitude: “if it isn’t broke, don’t fix it” is a spillover from AA/NA slogans and culture. That orthodoxy works well for recovering individuals who crave certainty as they latch onto something to replace their former addictions.

The outreach worker must not only know the mechanics of how Oxford Houses work but must also know how to carry out the public relations and legal necessities of renting a suitable house,

recruiting suitable residents and complying with a host of requirements that lock an individual house into the proven Oxford House system of operation. A good description of the outreach workers duties was provided in the FY 2007 Annual Report downloadable from the website under “About Us/Finances.”

In addition to relying upon the residents and alumni of Oxford House – now numbering around 250,000 – Oxford House relies upon the thousands of members in the self-help recovery community and professionals in the field. They can see firsthand the transformation of the individuals that take place among residents of each Oxford House. The transparency of the entire organization from the website to the toll-free number at the World Services Office invites everyone to care about the success of Oxford House. This asset is not taken lightly by the organization and each conversion of a temporary charter to a permanent charter asks for a recommendation by two members of the AA community. The purpose of this is not only to pass on information about Oxford House to a larger audience but it is also to have eyes and ears on the ground to detect any potential failure of an individual Oxford House. In almost all cases any failure can be cured by prompt corrective action and members of the recovery community are always ready to help.

All the Oxford Houses hold an annual convention alternating yearly between Washington, DC and some other city in the United States. The programs for these conventions are at the website under “About/Us/History” and can be downloaded. Each convention has about twenty break-out sessions where panels of experts make presentations about various aspects of addiction and recovery. More than 500 individuals attend and each break-out session is well attended. The residents and alumni at the convention learn and carry home to their fellow residents and alumni the information they have learned. The 2008 convention was held in New Orleans at the Hilton New Orleans-Riverside. The 2009 convention will be held at the Hyatt Regency on Capital Hill in Washington, D.C. The conventions become places where new friends are made and where experience, strength and hope from recovery is shared by all of those in attendance. This broadening of socialization associated with recovery and Oxford House provides effective knowledge transfer about the program and its promise.

Government officials – including the then-Federal Drug Czar, John Walters, and Director of the Center for Substance Abuse Treatment, Dr. Westley Clark, made presentations at General Sessions of the Convention in New Orleans. Oxford House has been similarly honored in each of its nine previous annual conventions by the attendance of top government officials. Attendance by high government officials helps two-way information sharing and contributes to an understanding of what is happening in the recovery field in general and with respect to Oxford House in particular.



On Friday night at the New Orleans Oxford House World Convention in 2008, more than 550 attendees went on a dinner cruise on the Mississippi. While Conventions are mostly about learning the latest information about addiction and recovery, they also provide an opportunity to enjoy life.

Finally, delegates elect one-third of the Oxford House World Council each year. The World Council is made up of 12 members who are residents or alumni of Oxford House. It plays an important advisory role to the Board as policies are set for the development of new Oxford Houses and the infrastructure needed to help existing houses to work together and stay on track.

Quality Control

Quality control to assure that each Oxford House follows the proven concept and system of operation is assured by granting each house a charter that permits it to be part of the national network of Oxford Houses. The charter has three conditions:

1. The group must be democratically self-run and
2. The group must be financially self-supporting, and
3. The group must agree to immediately expel any resident who returns to using alcohol and/or drugs.

These simple rules – along with organization monitoring – assure that each Oxford House strictly adheres to the system of operation set forth in the Oxford House Manual[®] and various standard forms. The manual forms and other material are downloadable from the Oxford House website: www.oxfordhouse.org under “Manuals” or “Publications.” The charter conditions provide all the leverage the national umbrella organization needs to prevent a house from going off track. The democratic self-run provision is tied to the specifics of the Oxford House Manual[®] and standard forms and procedures. The financial self-support provision means every house has to pay its own household expenses including rent to the landlord. If a house is late with rent to the landlord, the landlord will call the toll-free number at Oxford House World Services and corrective action is taken. During 2008, only three landlords had to call the World Services Office and all were satisfied within a few days. The expulsion of residents who return to using alcohol and/or drugs happens in about 20% of the cases.

Once a cluster of three or four houses is started in an area, they are organized into a Chapter so that they can provide mutual support and report to the World Services Office any houses that are failing to follow charter conditions. Chapters are the frontline of compliance supervision but, as noted above, local members of AA also report any house that seems to be not following the charter conditions. In most cases houses stay on track but, in the rare case of noncompliance, the World Services Office takes immediate corrective action. In the 33-year history of Oxford House only two charters have had to be revoked.

Each weekly house meeting follows parliamentary procedures and a definite format is followed to make certain bills are paid, the house is kept clean, vacancies are promptly filled and relapsers are immediately expelled. Each officer in the house has specific duties. (See chart at the right.)

Each house is carefully monitored through its beginning stages and walked through the things that must be done to convert its temporary charter into a permanent one. This step-by-step process includes proof that the house has obtained a FEIN number and established a group checking account. All income and expenses are run through the single account. All checks drawn against the account require the signatures of two officers in the house and approval by the full membership of the house

at a business meeting. Minutes of the meeting are submitted to the World Services Office and two letters recommending the conversion of the temporary charter to a permanent one are required.

President

- Leads Weekly Meeting
- Overall Leadership
- Attends Chapter Meetings
- Co-signer of checks

Secretary

- Takes Meeting Notes
- Contacts Treatment Providers
- Notifies House Applicants
- Monthly reports to OHI

Treasurer

- Keeps Checkbook
- Pays House bills
- Co-signer of checks

Comptroller

- Collects Weekly Rent
- Audits Treasurer's Books
- Posts weekly payments

Coordinator

- Supervises Household Chores
- Buys House Supplies
- Reports to meeting on chores
- Enforces fire safety practices

Admission to an Oxford House is similar to getting into an exclusive club. The group interviews the applicant after he or she fills out an application and

then the group discusses whether or not the person should be accepted. Acceptance of a new member into a house requires an 80% affirmative vote. This makes the individual feel good about “having made it” and it commits all the existing residents – or at least most of them – to making the new house member welcome in the house. Every house has an incentive to keep all the recovery beds in the house full. First, the culture builds in a commitment to help as many newly recovering individuals as possible to have an opportunity to master sobriety comfortable enough to stay clean and sober. Second, because household expenses (including rent) are shared equally a vacant bed costs remaining residents extra money. The equal share of household expenses is established very close to the actual costs for running the house. In 2008, nationally, the average cost per member was about \$100 a week – range \$75 a week to \$150 a week.

In every Oxford House, expenses and income information is made available to every member of the house – usually by posting income and expenses on a bulletin board in the hall or kitchen.

At every level, Oxford House prides itself on transparency because the organization is democratically self-run and belongs to the residents and alumni. This principle of transparency has been followed since the first Oxford House started in 1975. It has served the organization well. Since each person has an equal vote in the house, any wrongful use of house funds is immediately reported to the chapter or Oxford House World Services.

The monthly chapter meeting involves officers from several houses – those that are members of the chapter. At that level the wellbeing of each house is discussed at each monthly meeting. If a house is in trouble – vacancies, unpaid bills, a suspected relapsed resident not being expelled – members from other houses come to assist. Each chapter has a Housing Services Committee to provide assistance to a house in need and to develop new houses when demand for beds in an area exceeds supply.

To help houses and chapters get organized on a sound footing, Oxford House, Inc. uses paid outreach workers in many places. The outreach workers are all residents or former residents of an Oxford House and are trained to provide professional expertise. Until a geographic area is well organized, the outreach worker assures quality control by intervening on a house – by-house basis.

Within Oxford Houses it is not uncommon for residents to explain to new residents that Oxford House is just like McDonalds – except there are no Golden Arches in the front yard. The point that the residents make to each other is that French Fries at all McDonalds always taste good and always taste the same because somewhere within the organization there are standard rules to assure quality. In Oxford House the standard rules are the election of five officers, whose general duties are shown on the previous page. Officer terms are limited to six months to avoid bossism. There are nine Traditions to keep the house focused on recovery and there are weekly business meetings with everyone having an equal vote to keep houses democratic.

In the final analysis – because Oxford House belongs to the recovering men and women who live or have lived there – primary responsibility for assuring quality control resides at the grassroots level. However, chapters, state associations and the national umbrella organization serve as checks to make sure that each Oxford House performs as intended. This ability has recently been enhanced by making the national website interactive with each house. The house is expected to post vacancies each week and to report voluntary and involuntary departures from the house. These data will become very important for determining how to best match supply with demand for recovery housing in all geographic areas – another benefit of modern technology.

Self Help with Modest Funding for Expansion

The primary credit for successful expansion must be given to the men and women in recovery who learned how Oxford Houses operate and put that knowledge to good use. In some cases, a person living in a house in one part of the country will move to new area in another part of the country and get a new house started. In some cases, treatment professionals, church groups or members of the recovery community will learn how Oxford Houses are established and work with World Services to get a new house started.

Most house start-ups, however, require two things that cost money: [1] on-site trained outreach workers and [2] small start-up loans.

The 2007 Annual Report spelled out the specific tasks and costs for an outreach worker. On average, an outreach worker costs about \$80,000 a year for salary, fringes, supervision and expenses. In nearly all the 42 states having Oxford Houses, Oxford House World Services received – at one time or another – a grant or contract from the state to develop a network of houses with the state.

Every Oxford House is a rented house in a good neighborhood but usually an outreach worker needs to locate the house, find the landlord and rent it on behalf of the newly formed Oxford House group. Once rented the new residents have to be recruited, trained and settled into the new house. Once established, a house continues operations year after year – 290 have been operating 15 years or more.

In most cases, the initial rental requires payment of the first month's rent and a security deposit. This has usually come from the start-up loan funds established under §2036 of the Anti-Drug Abuse Act of 1988 – P.L. 100-690. Under the original law each state had to establish a recovery home revolving loan fund of \$100,000. In 2000, with the support of Oxford House, Inc., the mandate in the law was changed to a permissive provision that states can adopt but are not required to do so. [42 USC 300x-25] Oxford House was convinced in 2000, and continues to be convinced, that eventually all professionals in the addiction field will see the benefits of Oxford House development. Teaching by example was always the hallmark of Alcoholics Anonymous – attraction not promotion – and it is the hallmark of Oxford House today.

The revolving loan fund provision of the Anti-Drug Abuse Act was the primary catalyst for expanding the network of Oxford Houses across the country. Each group was expected to repay the start-up loan back to the state revolving loan fund within two years. This usually means a 24-month repayment plan of \$170 a month. Conditions for receiving the loan are spelled out in the law and track the conditions of the Oxford House charter. About 14 states continue to maintain a revolving loan fund.¹

Oxford House, Inc. continues to prefer a permissive legal provision in the federal law but states should be given an incentive to use it. For example, the federal government could provide an incentive grant of \$100,000 to states that establish

or maintain such a fund. In addition, to assure on-site technical assistance, matching grants of up to \$200,000 should be provided states that use outreach workers to develop a state network of Oxford Houses.

The evidence is in. Relapse is not necessarily part of the disease of alcoholism and/or drug addiction. Oxford House has amply demonstrated that time and peer support makes relapse a relatively rare event. Relapse may be the result of a defect [lack of long-term recovery support] in treatment protocol. Recovering individuals are often not provided the supportive housing they need to master sobriety comfortable enough to avoid future use of alcohol and/or addictive drugs. Time, peer support and a safe alcohol and drug-free living environment existed during 2008 for about 24,000 recovering individuals living in one of 1,300 Oxford Houses in the United States. The other three million recovering individuals trying to gain comfortable sobriety had to do without Oxford House support. Every additional Oxford House provides an opportunity for additional recovery without relapse.

A Final Note of Hope

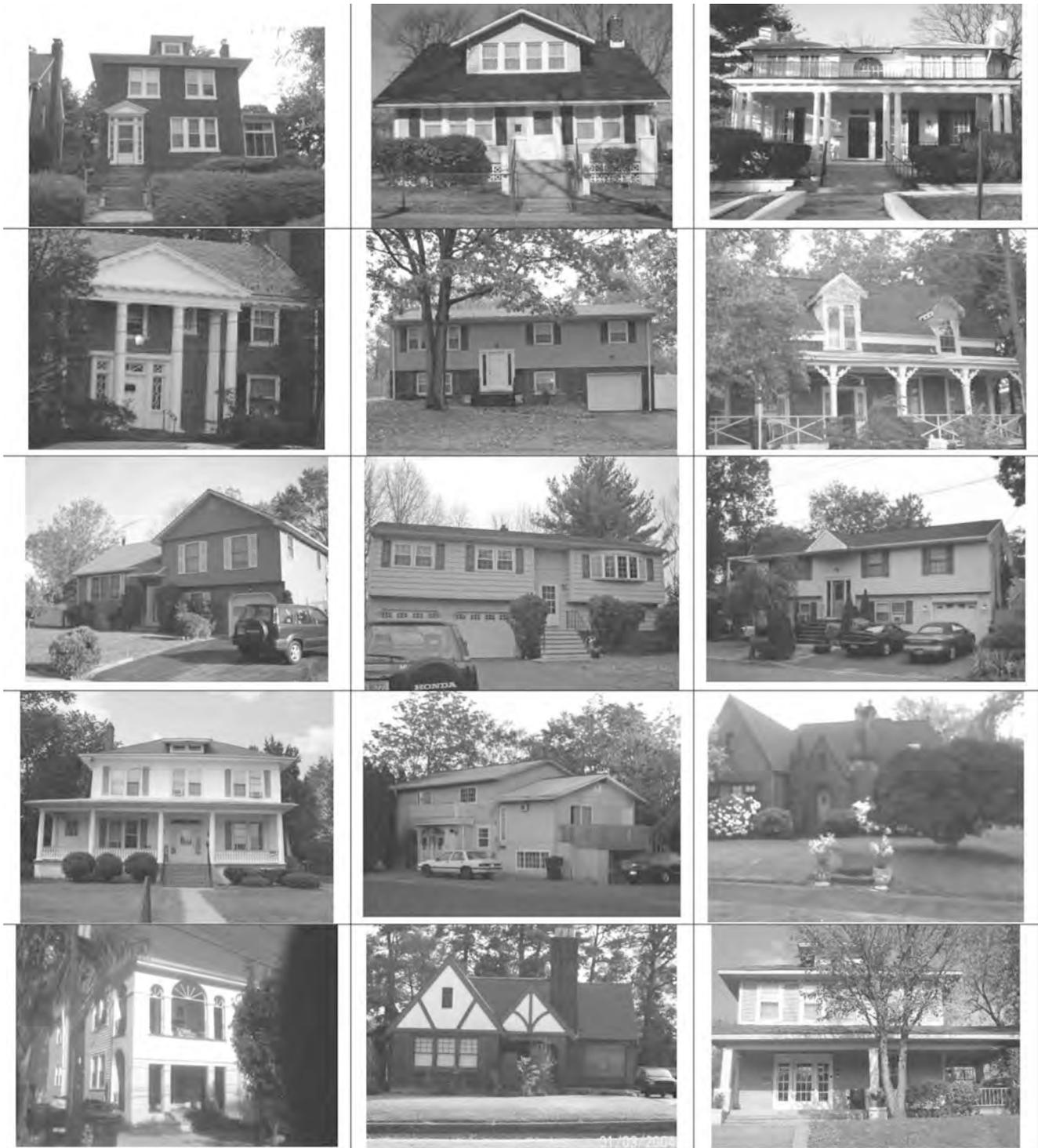
The Oxford House website is not only used internally by individual Oxford Houses to keep track of vacancies and to keep in touch with the larger Oxford House family. But it also is a wide-open window for the world to learn everything about Oxford House. There are no secrets among Oxford House members and we welcome professionals and the public to learn more about what we do and how we do it.

The only way there will ever be enough Oxford Houses to serve those in recovery will be through thousands of partnerships between Oxford House and other organizations in communities across the country.

As veterans come home from Iraq and Afghanistan, many will experience problems including substance abuse. More than 2,000 veterans now live in Oxford Houses across the country. Many more can find solace there if church groups, civic organizations and veteran's organization all pitch in to help find, start and support good houses in good neighborhoods to help Oxford House grow to fully meet the national need.

¹ \$4,000 was the cap in the 1988 law. Congress should adjust it to \$6,000 to offset some inflation and extend repayment to 36 months.

Oxford House: Creating a National Network of Recovery Houses One House at a Time



At the end of 2008, it would take 88 pages like this one to show pictures all of the Oxford Houses in the United States Network of Oxford Houses. The fifteen Oxford Houses above are typical of all Oxford Houses.

Each Oxford House™ is a good house in a good neighborhood and more than 10,068 recovering individuals are living in the national network of 1,323 Oxford Houses at any given time. During the course of the year, nearly 30,000 individuals lived in the houses with more than 80% staying long enough to master sobriety comfortable enough to avoid relapse. Visit the Oxford House website: www.oxfordhouse.org to see more.

Oxford House, Inc.
Statement of Financial Position
June 30, 2008²

ASSETS	
CURRENT ASSETS	
Cash	\$ 179,657
Accounts Receivable, Net	207,361
Employee Advances	13,876
Litigation Receivable, current portion	18,000
Loans Receivable	<u>5,195</u>
Total Current Assets	<u>424,089</u>
PROPERTY AND EQUIPMENT	
Furniture and Office Equipment	97,620
Less Accumulated Depreciation	<u>(64,149)</u>
Net Property and Equipment	<u>33,471</u>
OTHER ASSETS	
Litigation Receivable	15,806
Loans Receivable	36,369
Restricted Cash	97,425
Deposits	<u>10,635</u>
Total Other Assets	<u>160,234</u>
TOTAL ASSETS	\$ 617,795
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 152,618
Accrued Salaries	196,810
Accrued Payroll Taxes	9,772
Deferred Revenue	27,718
Program Advances	8,210
Line of Credit	25,156
Total Current Liabilities	<u>420,234</u>
NET ASSETS, Unrestricted	<u>197,561</u>
TOTAL LIABILITIES & NET ASSETS	\$ 617,795

Statement of Activities

SUPPORT AND REVENUE	
Federal Awards	\$
State and Local Awards	1,594,766
General Contributions	325,774
Convention Revenue	197,264
Combined Federal Campaign	107,040
Interest Income	8,821
Interest Income	<u>3,469</u>
Total Support and Revenue	<u>\$ 2,237,134</u>
EXPENSES	
Program Services	
State and Local Program -	\$1,594,766
Federal Funds	
State and Local Program -	325,774
Non-Federal Funds	
State and Local Program -	110,194
Other	<u>110,194</u>
Total Program Services	<u>2,030,734</u>
Supporting Services	
Management and General Fundraising	132,914
Fundraising	<u>720</u>
Total Supporting Services	<u>133,634</u>
Total Expenses	<u>2,164,368</u>
INCREASE UNRESTRICTED NET ASSETS	72,766
NET ASSETS Beginning of Year	<u>124,795</u>
NET ASSETS End of Year	<u>\$ 197,561</u>

² See notes accompanying financial statement at end of the Annual Report. See box at right for instructions on how to get full copy of audit by Robert Ben-Kori, CPA.

Oxford House, Inc.
FY 2008 Expenses
By Category and Function

Expense Item	State/Local House Program	Management And General	Total Expenses
Salaries	\$ 888,766	\$ 41,590	\$ 930,356
Payroll Taxes	69,938	9,163	79,101
Fringe Benefits	<u>179,451</u>	<u>14,385</u>	<u>193,836</u>
Total Personnel	<u>1,138,155</u>	<u>65,138</u>	<u>1,203,293</u>
Travel & Lodging	514,484	800	514,284
Convention Expense	87,318		87,318
Telephone/Facsimile	58,094	3,951	62,045
Rent	51,895	8,578	60,473
Outreach Program	60,124		60,124
Professional Fees	32,688	13,168	46,576
Meeting/Conference	31,646	770	32,416
Office Supplies	17,994	3,912	21,906
Printing/Publications	12,906	4,393	17,299
Postage & Delivery	8,763	2,727	11,490
Depreciation	9,232	286	9,518
Repairs/Maintenance		8,322	8,322
Bad Debts		7,456	7,456
Payroll Services	3,101	3,963	7,064
Insurance	2,224	2,650	4,894
Interest Expense		3,708	3,708
Taxes/Licenses	2,110	585	2,695
Dues / Subscriptions		1,479	1,479
Bank Charges		1,028	1,028
Total Expenses	\$2,030,734	\$132,914	\$2,164,368³

Individual Oxford Houses followed through on a resolution at the 1999 Oxford House World Convention to make voluntary contributions to Oxford House World Services for the purpose of defraying expansion and service expenses. During FY 2007, houses contributed over \$180,000.

The 2001 World Convention passed a resolution to earmark all house contributions in excess of \$200,000 a year for a national revolving loan fund to help start new Oxford Houses. Since states are no longer required to maintain start-up revolving loan funds, it will become important for future expansion for Oxford House, Inc. to have a self-sustaining loan fund that can take up the slack. About \$22,000 was used for in-house revolving loan fund in FY 2008.

A full copy of the Oxford House, Inc. audit and IRS form 990 is available from Oxford House World Services. Telephone 301-587-2916 or e-mail Info@oxfordhouse.org to receive a copy of the audit.

³ Includes \$720 total fundraising expenses in addition to program expenses and M&GA expenses.

OXFORD HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 1 – Summary of Significant Accounting Policies

Organization

Oxford House, Inc. is a nonprofit organization incorporated under the laws of the State of Delaware on October 25, 1987 for the purpose of aiding in the rehabilitation and to improve social condition and environment for recovering alcoholics and drug addicts. This is accomplished by developing plans and programs for their recovery and by establishing homes for recovering substance abusers. Independently chartered “Oxford House” operates throughout the country as self-run, self-supported recovery houses. Oxford House, Inc. acts as the national umbrella organization and provides overall direction and technical, assistance to the independent “Oxford Houses.”

Basis of Accounting

Oxford House, Inc. presents its financial statements on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting standards (SFAS) No. 117, Financial Statements of Not-for-Profit organizations. Under SFAS No. 117, Oxford House, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allowance For Doubtful Accounts

Accounts receivable are considered to be fully collectible.

Property and Equipment

Property and equipment is stated at cost or donated value and is depreciated using the straight-line method over the estimated useful lives of the assets.

Acquisitions of property and equipment in excess of \$100 are capitalized. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expenses.

Grant Contract Revenue

Grant contract revenue is recorded when earned under the provisions of the applicable contracts.

Contributions

Oxford House, Inc. accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

Oxford House, Inc. is exempt from Federal income taxes under section 501 (c)(3) of the Internal Revenue Code and has been classified as a publicly supported organization. As a 501(c)(3) nonprofit organization the organization is also exempt from State income taxes. Accordingly, no provision for income taxes is required in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash Equivalents

For purposes of the statement of cash flows, Oxford House, Inc. considers all highly liquid debt instruments with maturity of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2008.

Restricted Cash

Oxford House, Inc. maintains restricted bank accounts and certificates deposit under various contractual obligations.

Escrow Funds

Grants from individual states for funding of the loan program (Note 5) are segregated into escrow accounts for the benefit of the individual states. Those funds are not included in the financial statements of Oxford House, Inc. as they are considered to be state funds.

Major Customers

Oxford House, Inc. derives a substantial portion of its income from State awards funded in whole or in part by Federal funds and from awards from the states of North Carolina, Washington and New Jersey.

Note 2 – Loans Receivable

Oxford House, Inc. makes start-up loans to certain recovery houses and temporary loans [bridge loans] to other recovery houses. At June 30, 2008 loans receivable were \$41,564 net of allowance of \$10,390.

Note 3 – Accrued Salaries

Included in accrued salaries are salaries owed to officers of Oxford House, Inc. as follows:

J. Paul Molloy, President	<u>\$ 196,810</u>
	<u>\$ 196,810</u>

Note 4 – Lease Commitments

Oxford House, Inc. leases office space and office equipment under operating leases. The office space lease is subject to operating cost increases. This lease commenced June 2008 and is scheduled to terminate April 30, 2013.

The following is a schedule of approximate future minimum lease payments under non-cancelable operating leases for office space with initial or remaining terms of one year or more as of June 30, 2008:

2009	\$ 107,211
2010	107,211
2011	110,418
2012	113,721
2013	<u>117,122</u>
	<u>\$ 555,683</u>

Lease expense for the year ended June 30, 2008 approximated \$60,500.

Note 5 – State Escrow Accounts

Oxford House, Inc. has received restricted funds from various entities to be used solely for the purpose of extending revolving loans to establish new houses, which are then repaid by these houses.

Oxford House, Inc. managed funds or held and managed funds in escrow accounts under contracts with various states to meet the requirement of Public Law 100-690, "The Anti-Drug Abuse Act of 1988." Such escrow accounts are not reflected in the accompanying financial statements of Oxford House, Inc. Held funds, including outstanding loan balances approximate \$660,000 at June 30, 2008.

Note 6 – Claims and Litigation

Oxford House, Inc. is subject to other various claims and litigation. In the opinion of management, the outcome of such matters will not have a material effect on the financial position of Oxford House, Inc.

Note 7 – Line of Credit

Oxford House, Inc. has a line of credit note of \$60,000 of which \$25,156 is outstanding at June 30, 2008. The note is secured by a \$60,000 certificate of deposit, which is included in restricted cash appearing on the statement of financial position. The interest rate is the prime rate minus 1%, currently 7.25%. Oxford House, Inc. is to make minimum monthly payments of interest only. The note is considered payable on demand.

Note 8 – Letter of Credit

Oxford House, Inc. has an unused letter of credit for \$29,000 with a local bank.

Note 9 – Concentrations of Credit Risk

Oxford House, Inc. maintains its cash accounts at various financial institutions. The balances, at times may exceed federally insured limits. At June 30, 2008, Oxford House, Inc. had cash on deposit exceeding the insured limit by approximately \$177,000.

Note: Auditors full report, including supplemental single state audits, can be obtained with an e-mail request www.info@oxfordhouse.org or by writing to Oxford House, Inc. 1010 Wayne Avenue, Suite 300, Silver Spring, Maryland 20910.

Together We Can
Theme of 2009 Oxford House World Convention
September 3-6
Hyatt Regency Hotel on Capital Hill
Washington, DC

OXFORD HOUSE TRADITIONS

1. Oxford House has as its primary goal the provision of housing for the alcoholic and drug addict who wants to stay clean and sober.
2. All Oxford Houses are run on a democratic basis. Our officers serve continuous periods of no longer than six months.
3. No Member of an Oxford House is ever asked to leave without cause -- drinking, drug use, or disruptive behavior.
4. Oxford House members realize that active participation in AA and/or NA offers assurance of continued sobriety.
5. Each Oxford House should be autonomous except in matters affecting other houses or Oxford House, Inc. - as a whole.
6. Each Oxford House should be financially self-supporting.
7. Oxford House should remain forever non-professional.
8. Propagation of the Oxford House, Inc. concept should always be conceived as public education.
9. Members who leave an Oxford House in good standing should become associate members

Register for the 11th Annual World Convention at the Oxford House Website:
www.oxfordhouse.org

Oxford House World Services
1010 Wayne Avenue, Suite 300
Silver Spring, Maryland 20910

Internet: www.oxfordhouse.org

Oxford House™

1975-2008

*33 Years of Organized Self-Help To Enable Alcoholics and Drug Addicts
to Recover Without Relapse*

- Providing Sole Authority for Oxford House Charters
- Providing Technical Assistance to Establish New Oxford Houses
- Providing Technical Assistance to Keep Existing Oxford Houses on Track
- Providing Organization of Chapters to Help Houses Help Themselves
- Providing the Time, Living Environment and Support to Enable Alcoholics and Drug Addicts to Achieve Recovery Without Relapse
- Providing the Legal, Philosophical, and Scientific Framework for a Cost-effective, Worldwide Network of Supportive Recovery Housing.

Write or Call

Oxford House World Services

1010 Wayne Avenue, Suite 300
Silver Spring, Maryland 20910

Telephone 301-587-2916

Facsimile 301-589-0302

E-Mail Info@oxfordhouse.org

Web Site: www.oxfordhouse.org