

**Endorphin Power Company**  
**Annual report 2006**

Great progress was made in 2006, despite many frustrations. Perhaps it's my nature, but nothing ever happens fast enough for me any more. The community seems well aware of EPC now, and the company is more financially stable than it has ever been. However, because of the looming transitional housing construction project, it has been extremely difficult to assess our true financial status. Once construction is complete, I will have a much better view of our income and expenses. But until that time, we will continue with our existing programs, volunteer dependency, bare bones staffing and all around penny pinching.

Hopefully 2007 will be EPC's turning point when income from our services provided will exceed our expenses.

In an effort to be consistent with prior reports, the following will include 6 updates on our focus areas followed by our year end financial statements.

**1. Outreach**

While we continue to accept donations of food and clothing, our outreach activities have scaled back to a great extent. In 2004, outreach was a way for us to assess needs in the community and to expose our volunteers to the social problems of Albuquerque. Because we now have a headquarters, we feel that our mission is better accomplished by staying put.

While EPC volunteers no longer cruise the streets to distribute donations, Child of All Nations accepts donations EPC receives and distributes them to people in need.

Child of All Nations is a social service provider lead by Yosa Alaniz and Beaver Northcloud. Since August 2006 they have leased space within our EPC headquarters and part of our agreement is that they appropriately distribute our donations of food, toys and clothing.

**2. MATS (Metropolitan Assessment and Treatment Services)**

Assuring the success of MATS remains EPC's primary objective. However, MATS progress was a bit disappointing in 2006 for the following reasons:

- a. In mid 2006 Bernalillo County terminated their contract with the City of Albuquerque to provide services within MATS. While this may have been a good decision for the long run, it meant that their newly formed 30 day treatment program was terminated after existing for a few short months. It is hoped that such a program will be resurrected again in 2007.
- b. Bernalillo County hired lobbyist Ed Mazel in early 2006 to seek additional funds for transitional housing from the NM State Legislature. An additional \$850,000 were obtained leading to \$1.75 million available to build transitional housing on the MATS property. After receiving donated transitional housing units from Ted Waterman along with his donation of transport fees, Bernalillo County decided that the units could not be used. The units lay dormant on MATS property for the greater part of 2006 and are currently slated for auction. It is hoped that 20 of these units will be available for use in EPC's transitional housing to limit our transport fees. But MATS' transitional housing plans are currently uncertain.

- c. Commissioner Archuleta successfully convinced the leaders of UNM, Presbyterian and Lovelace Hospitals to each contribute \$300,000 for 2 years (\$1.8m total) to establish medically monitored detox within MATS in order to decompress local emergency departments. However, at the time of this writing, medically monitored detox is still not available within MATS.

EPC continues to support Commissioner Archuleta and Deputy County Manager John Dantis in their immense efforts to improve MATS. However, it seems that barriers to progress in New Mexico are far greater than I ever could have predicted.

On a positive note, Turquoise Lodge will be moving into MATS in 2007 which should add new life and energy to the MATS milieu.

### **3. EPC Community Center Headquarters**

2006 was a year for program development at EPC, accentuated by numerous special events including a Juneteenth celebration, a haunted house, an Octoberfest fiddle concert, a few art shows and many other community building festivities. Our community center progress will be reviewed room by room.

- a. Endorphin Power Fitness Center

see section 5 below

- b. Endorphin Power Fine Arts

The central gallery space has housed a wide variety of meetings and events ranging from UNM ER journal club gatherings, to art shows, to salsa dance classes. It is hoped that more and more groups will utilize this space in the coming years.

- c. Clinic

Acupuncture never took hold in the the 2<sup>nd</sup> floor north apartment. However, we are ecstatic to have St. Joseph Community Health leasing the entire space now. We look forward to all of our future collaborations with Jenni, Sidney, Charlie, Michelle and friends.

- d. Café

By end of 2006, the café remains dormant. However, it is slated to be renovated once construction of our transitional housing is complete. Until that time the café will be used as a staging area for donations and supplies. It is hoped that one day the café will be a central meeting point for everyone in the community.

- e. Community room

Our upstairs meeting space continues to improve. Many meetings now take place within this space including weekly AA, NA, CMA, Al-Anon meetings as well as our general meetings.

- f. Computer center

The computer center remains a work in progress. We hope to eventually develop actual computing classes. But such classes will require funding for instructors and marketing to find interested participants. It is likely that the computer center will continue to languish until additional funds are available and our transitional housing structure is completed. The associated library on the other hand is flourishing thanks in large part to Megan Donavan.

- g. Other spaces

EPC's landscaping continues to become more and more impressive, thanks in large part to Lynne Fullerton and financial donations by Reuben Last.

#### **4. Housing**

The County's 48 unit Waterman transitional housing project came to a halt in 2006, because the County chose not to use the Waterman units. However, at the time of this writing, the County is still committed to creating transitional housing on MATS property.

EPC is also committed to creating transitional housing using 20 of Ted Waterman's donated housing units. The McCune Charitable Foundation in Santa Fe has awarded \$100,000 toward such construction along with another \$100,000 from McCune Pittsburgh. The Daniels Fund has awarded \$150,000 and the LaFarge Corporation has awarded \$25,000 of in-kind materials support. Additional funds will be available through a \$170,000 line of credit loan through Bank of the West. Once our transitional housing is complete, we will be much better positioned to achieve our mission. It is hoped that construction will commence in early 2007.

#### **5. Exercise center**

Exercise as a means of therapy is in EPC's core philosophy. Thanks to a \$20,000 grant in 2005 from United Way of Central New Mexico as well as numerous donations from Mike Hayes of the Home Fitness Warehouse, and smaller donations from other individuals, we now have a well equipped gym. Our staffing challenges have been largely overcome because of 2 UNM work study students named Raquel Alvarez and Chase Kulback. By end of 2006 we still cannot claim to have served many MATS graduates in our gym. However it is hoped that EPC's transitional housing as well as the addition of Turquoise Lodge to MATS will bring much more life to our gym. Eventually, we hope to see daily workout programs for EPC "guests" as well as programs for patients and staff from MATS. Until these programs exist as well as graduates from these programs, we will continue to focus on revenue generation, and general gym improvements.

#### **6. Alternative energies**

2006 saw the first exercycles generating electricity at EPC! Funds from our United Way grant enabled purchase of generators as well as energy storage equipment. Peter Schillke and David Theis were central figures in development of such equipment. In addition, EPC's "Power Tower" is helping to create energy awareness in Albuquerque having been displayed in numerous settings including Albuquerque's Earth Day and the Solar Fiesta.

We hope that 7 exercycles will generate electricity in the EPC gym by the end of 2007. We also hope to see solar panels incorporated into the Waterman housing project. But consistent with all creative projects, the development timeline will depend on available funds and volunteer energy.

#### **A final word about staffing**

EPC has demonstrated how much can be done through the efforts of volunteers. However, at a certain point it becomes critical to have a reliable paid staff. Numerous individuals now receive compensation for their work at EPC. EPC funds are used for some. Other employees are paid as UNM work study students. And others work for the National Indian Youth Council. But in all cases the compensation is minimal and noone receives benefits. It is hoped that 2007 will see refined job descriptions and our first full time employees will emerge. Perhaps we will even offer employee benefits in the next 1-2 years. But all will depend on available funds following completion of our transitional housing structure.

## 2006 Year end financial statements

### Profit/loss

	<u>Jan - Dec 06</u>
Ordinary Income/Expense	
Income	
4 · Contributed support	
4010 · Indiv/business contribution	30,268.52
4125 · Slishman Splint Sales	1,100.00
4130 · Gifts in kind - goods	277.97
4140 · Donated art, etc	160.00
4230 · Foundation/trust grants	350,000.00
4250 · Nonprofit organization grants	580.85
4420 · Affiliated organization revenue	300.00
4 · Contributed support - Other	<u>0.00</u>
Total 4 · Contributed support	382,687.34
5 · Earned revenues	
5150 · Program-related sales - other	
5151 · CPR Training	<u>2,250.00</u>
Total 5150 · Program-related sales - other	2,250.00
5210 · Membership dues - individuals	3,820.00
5310 · Interest-savings/checking	226.11
5330 · Gross rents revenue	12,494.72
5440 · Non-program sales	1,335.00
5490 · Miscellaneous revenue	
5491 · Coin Operated Revenue	21.75
5495 · Research Service Learning Prog	<u>22,000.00</u>
Total 5490 · Miscellaneous revenue	<u>22,021.75</u>
Total 5 · Earned revenues	<u>42,147.58</u>
Total Income	424,834.92
Cost of Goods Sold	
5000 · Cost of Goods Sold	<u>710.00</u>
Total COGS	<u>710.00</u>
Gross Profit	424,124.92
Expense	
7200 · Salaries & related expenses	
7225 · Contracted Services	<u>14,000.00</u>
Total 7200 · Salaries & related expenses	14,000.00
7500 · Other personnel expenses	
7540 · Professional fees - other	<u>533.76</u>
Total 7500 · Other personnel expenses	533.76

<b>8100 · Non-personnel expenses</b>	
8110 · Supplies	8.00
8111 · Building Renovations & Repair	7,601.01
8130 · Telephone & telecommunications	886.45
8131 · Web Site	99.95
8145 · Bank Fees	4.00
8100 · Non-personnel expenses - Other	<u>0.00</u>
<b>Total 8100 · Non-personnel expenses</b>	<b>8,599.41</b>
<b>8200 · Occupancy expenses</b>	
8220 · Utilities	6,738.70
8250 · Mortgage interest	<u>21,947.62</u>
<b>Total 8200 · Occupancy expenses</b>	<b>28,686.32</b>
<b>8290 · Waterman Project</b>	
8292 · Waterman Permit, fees	<u>2,089.42</u>
<b>Total 8290 · Waterman Project</b>	<b>2,089.42</b>
<b>8300 · Travel &amp; meetings expenses</b>	
8310 · Travel	600.02
8315 · Board of Director Meetings	105.00
8320 · Conference,convention,meeting	<u>220.00</u>
<b>Total 8300 · Travel &amp; meetings expenses</b>	<b>925.02</b>
<b>8500 · Misc expenses</b>	
8520 · Insurance - non-employee	4,398.00
8540 · Staff development	112.17
8590 · Other expenses	
8591 · UNM Research Serv. Learn Prog.	<u>14,387.39</u>
<b>Total 8590 · Other expenses</b>	<b><u>14,387.39</u></b>
<b>Total 8500 · Misc expenses</b>	<b>18,897.56</b>
<b>8600 · Business expenses</b>	
8670 · Organizational (corp) expenses	<u>10.00</u>
<b>Total 8600 · Business expenses</b>	<b><u>10.00</u></b>
<b>Total Expense</b>	<b><u>73,741.49</u></b>
<b>Net Ordinary Income</b>	<b><u>350,383.43</u></b>
<b>Net Income</b>	<b><u><u>350,383.43</u></u></b>

## Balance sheet

Jan 18, 07

### ASSETS

#### Current Assets

##### Checking/Savings

1010 · Cash in bank - operating	
1012 · Bank of the West	140,521.09
1013 · Bank of the West CD	<u>150,000.00</u>
Total 1010 · Cash in bank - operating	290,521.09

1030 · Cash in Bank - Fiscal agent	
1035 · Bank of the West - UNM RSLP	<u>5,612.61</u>
Total 1030 · Cash in Bank - Fiscal agent	<u>5,612.61</u>

Total Checking/Savings 296,133.70

##### Accounts Receivable

1110 · Accounts receivable	630.00
1210 · Pledges receivable	50,000.00
1240 · Grants receivable	<u>2,064.45</u>
Total Accounts Receivable	52,694.45

##### Other Current Assets

1120 · Inventory Asset	-50.00
1299 · Undeposited Funds	277.97
1450 · Prepaid expenses	
1455 · Escrow -Tax & Insurance Impound	<u>3,334.31</u>
Total 1450 · Prepaid expenses	<u>3,334.31</u>

Total Other Current Assets 3,562.28

Total Current Assets 352,390.43

#### Fixed Assets

1620 · Buildings - operating	
1621 · Building 509 Cardenas	<u>340,000.00</u>
Total 1620 · Buildings - operating	340,000.00

1640 · Furniture, fixtures, & equip	
1641 · Fitness Center Equipment	<u>20,000.01</u>
Total 1640 · Furniture, fixtures, & equip	20,000.01

1725 · Accum depr - building	
1726 · Accumulated Depreciation - Bldg	<u>-12,370.00</u>
Total 1725 · Accum depr - building	<u>-12,370.00</u>

Total Fixed Assets 347,630.01

<b>TOTAL ASSETS</b>	<b><u>700,020.44</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2010 · Accounts payable	<u>500.00</u>
<b>Total Accounts Payable</b>	<u>500.00</u>
<b>Total Current Liabilities</b>	500.00
<b>Long Term Liabilities</b>	
2730 · Mortgages payable	
2731 · Building Loan - 509 Cardenas SE	<u>285,108.31</u>
<b>Total 2730 · Mortgages payable</b>	<u>285,108.31</u>
<b>Total Long Term Liabilities</b>	<u>285,108.31</u>
<b>Total Liabilities</b>	285,608.31
<b>Equity</b>	
3001 · Opening Bal Equity	51,966.25
3010 · Unrestrict (retained earnings)	<u>362,445.88</u>
<b>Total Equity</b>	<u>414,412.13</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>700,020.44</u></b>