Pedals for Progress
2011 Annual Report
Pedals for Progress recycles unwanted American bicycles and sewing machines, and ships them to economic development projects in the developing world. Pedals for Progress (P4P) is a nonprofit charity incorporated under the laws of New Jersey, and registered with the Internal Revenue Service as a tax-exempt charity under section 501(c)(3) of the federal tax code. A 5 member unpaid board of trustees with 10 staff oversees a network of many hundreds of volunteers.

2011 Board of Trustees

David Schweidenback, Chairman, President

John Strachen,

Scott Callahan

Jeremy Doppelt, Secretary

Robert Zeh

Staff
David Schweidenback, President and Founder
Gary Michel, Vice President, Domestic Collection Coordinator
Reykha Bonilla, Web Master
Beverly Merchant, Office Manager
Sharie Schultz, Bookkeeper
Adam Fisher, Warehouseman
Ian Gage, Warehouseman
Jason Drew, Warehouseman
Bryan Molyneux, Warehouseman
Alan Peter Schultz, warehouseman

Further information about Pedals for Progress is available at www.p4p.org. To receive our newsletter InGear, or information on how to collect bikes, or to request a donation of a container of bicycles, contact pdls4@comcast.net or bev@p4p.org.

Pedals for Progress, Box 312
High Bridge, NJ 08829-0312
tel 908.638.4811

Mission Statement

“To supply economic development aid by recycling bicycles and sewing machines in the U.S. and shipping them to the people of the developing world.”
Pedals for Progress, a New Jersey nonprofit corporation, recycles unwanted American bicycles and sewing machines, and ships them to economic development projects in the developing world. Pedals for Progress (P4P) is a nonprofit charity incorporated under the laws of New Jersey, and registered with the Internal Revenue Service as a tax-exempt charity under section 501(c)(3) of the federal tax code (EIN: 223-122003). A five-member unpaid board of trustees oversees a paid staff of 10 and a network of many hundreds of volunteers.

2011 HIGHLIGHTS
Pedals for Progress shipped 8 overseas containers for a total of 4,157 bicycles, 294 sewing machines, and approximately $20,000 in bicycle parts and accessories, to 6 nonprofit agency partners in 6 developing countries. P4P also made two separate shipments (included in numbers above) of only sewing machines, one to an existing country and another to a new country. This brings cumulative donations shipped since 1991 to 133,504 bicycles, 2,070 sewing machines, and over $12 million in parts and accessories.

We concentrated our collection operations within the New York City and Philadelphia suburbs, which increased our efficiency. Overall, our bike collections and container loading sessions were sponsored by approximately 60 community partners in nine states. Outside of our regional footprint, (Hartford Connecticut to Harrisburg Pennsylvania and Albany New York to Wilmington Delaware) we also had collections in Northern Vermont, and Eastern Iowa.

In late December 2008 P4P received the donation of a 72 acre track of land in Roxbury Township, NJ valued at $240,000. This gift was in memory of Hans F. and Charlotte M. Stoffel by their children. There is a contract for sale of this property for $300,000. We hope to finalize this contract during 2012.

OVERSEAS PARTNERS
During the year, Pedals for Progress focused on a small number of reliable partners able to pay full shipping costs. Of all shipments in 2011:

- 40.8% of the bicycles were shipped to Central American partners, versus 60.7% the previous year
- 33% to Africa, versus 29.5% the previous year
- 12.6% to Eastern Europe (Albania), versus 9.8% as the previous year
- 13.6% to Asia, This is the first time we have had an Asian program.

The most critical factor in creating a sustainable, self-financing partnership is shipping costs. We currently consider 5 partnerships as sustainable, i.e., recipient organizations capable of paying for successive shipments over three or more consecutive years. Experience has proven that when the shipping costs are at or below $15 per bike, with good management, this cost is low enough to sustain a self-financing partnership. Without charitable donations, grants or other funding, Pedals for Progress is limited to working primarily in Asia, Central America and the Caribbean, while Africa, Eastern Europe, and the Pacific require subsidies to pay their much higher shipping costs. We are forced to use smaller 40 foot containers when shipping to Africa and Eastern Europe. African and Eastern European programs pay more for shipping a container and get a considerably smaller container than the containers used to Central America and Vietnam. 45 foot containers to Central America and Vietnam hold 100 more bicycles or 17% more than 40 foot containers. Eventually overseas distribution success is determined by per unit cost.

Still, we are hopeful that other partner organizations, including several that did not receive bikes in 2011, will pay all or most expenses for new shipments in 2012, or subsidies will be found to initiate new programs. Notably a very long-term partner, the Fujian Amateur Cycling Association, in Fiji requested a new shipment of bicycles. P4P started the program in 1993 but have not shipped a container since 2002. In 2011, due to decreased donations of bikes, there was greater demand for containers than we had the capacity to ship.

Five Totally Sustainable Partners
1. EcoBici in Rivas, and Nandaime, Nicaragua markets bicycles to low-income users in the many small towns of the southern Pacific coast region of Nicaragua. Surplus funds are invested in small-scale rural community development projects. Since 1992, Pedals
for Progress has shipped a total of 20,903 bikes and 182 sewing machines to EcoBici. This program prefers to receive four containers per year yet this year we were only able to ship two. A new independent documentary, produced by Greg Sucharew, to document our efforts in Rivas, Nicaragua, was shot in 2010 and 2011 and will be ready for release in early 2012.

2. WeBikes in Accra, Ghana distributes bicycles locally and regionally for individual economic enhancement. In total, since 2006, WeBikes has received 5,265 bikes and 222 sewing machines. This program also would prefer to receive 4 to 6 containers per year but we were only able to deliver two in 2011.

3. Fundación Integral de Desarrollo Sostenible y Medio Oriente (FIDESMA) in San Andrés Itzapa, Chimaltenango, Guatemala is distributing bicycles locally and regionally for individual economic enhancement. FIDESMA uses the income generated from operations to support agricultural extension and other community services in this highland indigenous community. In total, since 1999, FIDESMA has received 6,335 bikes and 128 sewing machines. FIDESMA is content receiving one container of bicycles per year.

4. Programi i Alternativave Sociale Stimuluese (PASS) in Albania was a new project started in 2010. With the help of the Clif Bar Family Foundation and the Sorros Foundation subsidizing the first shipment, a new revolving fund was established. PASS was able to revolve funds from the 1st shipment to receive its 2nd shipment in 2011 and there are plans for a 2012 shipment. 986 bikes shipped to date.

5. Vinh Long Union of Friendship (ViUFO) in Vinh Long Vietnam, supported by the Dariu Foundation of Switzerland received its initial container of 565 bicycles in the beginning of 2011 and was prepared to receive its 2nd container in the fall of 2011. Unfortunately do to low collection volumes the 2nd container was pushed back until the spring of 2012.

PROGRAM REQUIRING SUBSIDY IN 2011 AND GOING FORWARD

1. Entrepreneurship Institute of Technology (EIT) in Uganda promotes job creation by training skilled workers, specifically teaching technical work-related skills, and by providing ongoing consultation to small businesses created by graduates. In total, since 2006, EIAAT has received 2,286 bikes and 188 sewing machines. P4P was a only able to continue supplying this program with the continuing support from the Clif Bar Family Foundation and the William and Helen Mazer Foundation. Not only is the actual shipping cost double any other program, the government also highly taxes imported goods.

STAND ALONE SEWING MACHINE RECIPIENTS

1. Peace Corps volunteer Liz Deppe of Cedar Rapids Iowa introduced us to the Central Leeward Secondary School, Peter’s Hope, Barrouallie, St. Vincent, West Indies. P4P was able to ship 20 sewing machines to this public school at very low cost. PCV Liz is now teaching sewing to all interested secondary students and we have hopes to expand this program to the other public schools in St. Vincent and the Grenadines islands.

2. We shipped 50 sewing machines to Miracles in Action in Guatemala. P4P was able to deliver the sewing machines at very low cost by including them in our container to our bicycle partner FIDESMA. Miracle in Action provides Guatemalans living in
extreme poverty with opportunities to help themselves through educational, vocational, and other sustainable development projects. They are placing over half of the machines in public secondary technical schools and the other half will be distributed to working Guatemalans seeking a better life.

Recipients of Shipments During 2011
1. EcoBici, Nicaragua (1,141 bicycles, 10 sewing machines)
2. WeBikes, Ghana (928 bicycles, 97 sewing machines)
3. FIDESMA, Guatemala (558 bikes, 35 sewing machines)
4. PASS, Albania (523 bikes,)
5. EIAAT, Uganda (442 bicycles, 82 sewing machines)

Sewing Machine Only:
Miracles in Action, Guatemala (50 sewing machines)
Central Leeward Public School, St. Vincent/Grenadines (20 sewing machines)

While our primary goal is to supply environmentally sound transportation to communities and stimulate the greater movement of goods and services, our partners often generate extra funds from the bikes we ship them. These windfall funds, in turn, can finance a breadth of community development activities.

CORPORATE HELP
Corporate sponsorships are very important to our mission and our success. Easton Bell Sports once again supplied Pedals for Progress with a variety of new parts. These help our partners refurbish many of the bicycles they receive. We also received bicycle helmets and some parts from Kent Bicycle International.

We benefited from our ongoing relationship with FedEx, which shipped to our main storage facility 90 bicycles and 8 sewing machines collected by the Green Mountain Returned Peace Corps Volunteers of Vermont.

We received the last installment of a $30,000 three year grant from Clif Bar Family Foundation which subsidized another shipment to Uganda and a portion of our domestic bicycle production costs. We hope this grant will be renewed in 2012.

We are very thankful for the support of these companies and institutions and the recognition they have given us.

KEY VOLUNTEERS
Pedals for Progress depends on the efforts of volunteers, several hundred of them, to publicize and work collections, prep bikes for shipping, help us warehouse bikes, and eventually load them into containers bound for our partner agencies overseas. Pedals for Progress thanks, in particular Mike Sabio, who was instrumental in collecting, warehousing and loading the New Jersey containers shipped overseas.

We thank Tim Weitzel and Key Trucking of Dubuque, Iowa, who collected and delivered 145 bicycles and 12 sewing machines to New Jersey. Charles Hughes of Albany NY who collected 199 bikes on his first try. Jackie Johnson & Holcomb Farms in W. Granby, CT collected 129 bikes and 15 sewing machines and Anne Fitzgerald of the Memorial United Methodist Church in Avon CT who collected 99 bikes and 37 sewing machines. Henry Hanson, who with the Vineland NJ Rotary Club collected 181 bicycles and 20 sewing machines. David McKay Wilson with the Westchester County Bicycle Club who collected 68 bicycles one morning but averaged $20 per bike donation. Dan Matyola & Kip Bateman of the Branchburg Rotary Club 113 bikes. Warren Rorden and the Westfield Rotary Club 116 bikes. Devon Smith of the South Brunswick Education Association who collected 108 bikes and 20 sewing machines. These are just some of many volunteers who helped make 2011 a successful year.

FINANCES
Much of the domestic economy began to see a turnaround in 2011. For the Not for Profit companies in the United States, like Pedals for Progress 2011 was another challenging year. Fund raising in 2011 yielded $483,742 a decrease of $84,118 from 2010. The largest source of income was the bicycles, bicycle parts, and sewing machines donated valued at $242,704 and accounting for 50% of all income. The bicycles were accompanied by $47,830 in cash donations or $11.75 with each of the 4,072 bikes collected. For the first time cash donations with sewing machines were recorded separately, which garnered $3,576 or $12.46 with each of the 287 a machines donated. Strong individual contributions totaled $102,548 an all-time record high.

The year was especially difficult with our average bikes per
collection dropping down to 57; historically the mean has been in the mid-80s. The fixed cost of running a bicycle collection is paid for by the donations with the 1st 40 bicycles. Dropping from the 80s to 57 bikes per collection, reduced operational profit margins. The number of collections declined to 60 as many of our collection partners took a year off due to the poor economy. We are forecasting a turnaround in 2012 as the economy improves.

Expenses were lower at $556,204 but only down 4% over prior year. 80% of all expenses totaling, $442,195 were related to the program expenditures to support the partner programs of Pedals for Progress. 10% or $54,262 was spent to facilitate bicycle collections and the associated fund raising. The remaining $59,747 was spent on supporting services with the largest item being property taxes on donated land.

Overall, net assets were reduced by $72,462 in 2011 from 2010. Of the total, $46,212 in expenses were non-cash expense leaving a much smaller $28,050 cash reduction for fiscal 2011. The good news is that the bank account ended 2011 with $18,746 in cash and cash equivalents. By careful reduction in operational expense, Pedals for Progress is prepared for a strong rebound as the economy improves.

PROGRAM CHALLENGES
Pedals for Progress faced substantial challenges in 2011. Our organization is in many ways a trucking company that links bike donors to overseas recipients. Transportation costs account for over 25 percent of our total expenses, and every mile from collection point to final destination depends on diesel fuel. So, the continuing high cost of diesel fuel greatly affected our overall operational costs.

We have for years requested a minimum $10 donation with each bicycle. Our costs to collect each bicycle is now closer to $18 per bicycle. P4P considered raising our minimum donation but it is impossible at this time. The organization needs to raise more funds to afford the escalating costs.

Pedals for Progress saw a reduction of bike donations in 2011. 2008 to 2010 national sales of bicycles fell for the first time since they started keeping records. P4P bicycle recycling saw a very similar reduction in volume. Several groups that had run bicycle collections decided to take a year off, so not only did we receive less bicycles per collection, we had fewer collections. It is hoped that with the economy rebounding and national bicycle sales will rise again which will produce the extra bicycles for P4P to recycle.

Pedals for Progress developed partnerships worldwide to diversify relationships and reduce the risk of events in one country or region negatively affecting our operations. Since it isn’t possible to reduce transportation costs, we are seeking sponsorships to supplement our African and other high-cost partnerships. Partner programs in Central America, which have a landed cost of under $15 per bike, are successful financially and require no further subsidies to continue shipments. Eastern European and African inland partners cannot succeed without continued financial support. International shipping costs in these regions run from $16 per bike to as high as $30 (Uganda).

Shipping the sewing machines within bicycles shipments makes the delivery of these heavy objects affordable. Our bicycle partners however have limited needs of sewing machines. We have to date successfully found a way to afford the transportation for small standalone sewing machine projects. The challenge is to find...
the funding for delivering the machines (Krygystan) or get them delivered very inexpensively (St. Vincent, Miracles in Action Guatemala). Most new potential sewing projects require only twenty to thirty machines and because of the small volume they must be airfreighted, which can be very expensive. Where bicycle shipments are mostly self-funded, we continually need to fundraise to afford sewing machine co-op start-up costs.

GOALS FOR 2012
It is expected during 2012 that Pedals for Progress will ship approximately 5,000 bicycles and 300 sewing machines. Collection sites where we send our personnel will be limited to the greater suburbs of New York and Philadelphia. Bicycles collected outside this region need to be delivered to our New Jersey warehouse by the collection sponsors. During 2012, Pedals For Progress will strive to have sufficient inventory of bicycles, parts, and accessories to supply all of our core self-sustaining partnerships. It is hoped that we might perhaps have enough bicycles to renew our program in Fiji which has asked for a container for the 1st time since 2002.

Our challenges are financial, not supply-side driven. With more funding we can collect significantly more bikes just within our current footprint, and initiate more programs internationally. Increasing production requires more staff for attending potential collections and more vehicles on the road. The operational costs of producing the bicycles and sewing machines are significant. We are unable to accept bicycles that do not have an accompanying cash donation which limits production. Most large charities do not like to give money for operational expenses, but in our case it is the collection expenses which produce the product which we deliver. In many ways we are a trucking company and it is those miles in the trucks, that produces the product that makes the difference and helps the people in need.

We are seeking more members for the Board of Trustees. We simply need more help with the fundraising duties necessary to both our short-term and long-term success.

![Georgia](image-url)
## Pedals for Progress - Statement of Activities

**Years Ended December 31, 2011 and 2010**

(With Comparative Totals for the years Ended December, 31 2010)

<table>
<thead>
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<th></th>
<th>2011</th>
<th>2010</th>
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**Expenses:**

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<td>Program Services</td>
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<td>Bicycle and sewing machine recycling</td>
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<tr>
<td>Supporting Services</td>
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<tr>
<td>Management and general</td>
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<td>$19,410</td>
<td>$38,820</td>
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<tr>
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<td>$119,495</td>
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<td>Net assets, end of year</td>
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<td>$433,768</td>
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## Pedals for Progress - Statement of Functional Expenses

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$500+

Joan Abel, Carolyn Bargman, Richard Barrett, Berkeley Heights High School Student Activity, Roseanne & John Clark, Colts Neck Reformed Church, Stephen & Margaret Drew, Faith Lutheran Church, Flemington Presbyterian Church, Galaxy Glass Corporation, John & Jill Gower, Pamela Hanlon, Hanover Cyclers Inc., Bob & Laura
Hockett, Charles & Constance Katzenbach, Kent International Inc., Ellen Kraft & Vince Brugger, Lower Valley Presbyterian Church, Medford-Vincentown Rotary Club, Middletown-Odessa Rotary Club, Annette & Paul Miller, Barbara Moran & Brian Collins, Mark & Susan Pavlin, George & Julianne Pease, Susan Rau, Rotary Club of Newtown, Thomas Skallerup & Deirdre Clarkin, St. James Lutheran Church of Gettysburg, Vineland Rotary Charities Foundation, Jim Winzenburg

$1000+


$10,000+

Donald & Marcia Bisenius, Clif Bar Family Foundation, Jane Divinski & John Alexander, Leo & Helen Hollein.

Visit our website: www.p4p.org for more information
2011 Collection Sponsors

Artists’ Gallery
Beck Middle School
Berkeley Hts Middle School & Berkeley Hts Rotary Club
Bikesport
Blair Academy Community Service
Branchburg Rotary Club
Brook 35 Plaza
Brookdale Christian Church
Charles Hughes
Chris Hranj of Boy Scout Troop 186, an Eagle Scout project
Christian Health Care Center
Church of the Holy Spirit Youth Group
Colts Neck Reformed Church
Congregation Brothers of Israel
Cub Scout Pack 69 of Boonton
Daniel Sauber, an Eagle Scout project
Drewettyman
Dubuque Community Y
Fair Lawn PM Rotary Club – PENENO
Fairmont Presbyterian Church
Faith Lutheran Church of New Providence
Flemington Presbyterian Church & Flemington Rotary Club
Haddonfield Rotary Club
Indiana Midday Rotary Club
Jackie Johnson with support from Holcomb Farm
Long Island Returned Peace Corps Volunteers
Medford Vincentown Rotary
Megan Dill & Danielle Murray
Mei-Lin Sloan, a bat mitzvah project
Memorial United Methodist Church of Avon, CT
Metuchen Rotary Club & the First Presbyterian Church of Metuchen
Middletown-Odessa Rotary Club
Mitch Paolello. An Eagle Scout project
Montclair Rotary Club
Morris County MUA
Mount Pocono Rotary Club
New Dover United Methodist Church
New Hope Solebury Quaker Meeting
Newtown Rotary Club
Pascack Hills High School Environmental Club
Ridgewood Rotary Club
Rotary Club of Haddonfield
Rotary Club of Norristown
Rotary Interact Club at Moravian Academy
Rotary Club of the Stroudsburgs
South Brunswick Education Association
Madison High School Environmental Club
Rotary Club of the Palisades & NJ & Leonia Youth Groups
Rotary Club of the Stroudsburgs
St. Andrews Presbyterian Church (PYC Youth Group)
St. John Memorial Episcopal Church
Temple Emanu-El of Livingston
The Bicycle Touring Club of North Jersey (BTCNJ)
The Green Mountain Returned Peace Corps Volunteers
The Grove West
The Indiana Midday Rotary Club
Tohickon Middle School’s Team Discovery
Town & Country Properties
Tyler Novet, an Eagle Scout project
Vineland Rotary
Warwick Valley Quilters Guild
Westfield Rotary Club
Westchester Cycle Club

Colt’s Neck Reformed Church, Colt’s Neck, NJ