Pedals for Progress
2012 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.

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.”

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 shipped 7 overseas containers for a total of 2,432 bicycles, 3,769 sewing machines, and approximately $5,000 in accessories, to 6 nonprofit agency partners in 6 developing countries. P4P also made a separate shipment of $5,000 worth of sewing machines. This brings cumulative donations shipped since 1991 to 137,273 bicycles, 2,386 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 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 northern 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 $340,000. 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 expect the final closing of the sale in 2013. There are a number of large expenses recorded in the 2012 profit loss statement ($34,327) which will only be paid when the land is sold.

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.
For Progress has shipped a total of 22,044 bikes and 192 sewing machines to EcoBici, 39,354 bikes to Nicaragua in total. This program prefers to receive four containers per year yet this year we were only able to ship two. A new independent documentary, (thebicyclecityfilm.com) produced by Greg Sucharew, to document our efforts in Rivas, Nicaragua, was shot in 2011 and 2012.

4. WeBikes in Accra, Ghana distributes bicycles locally and regionally for individual economic enhancement. In total, since 1999, FIDESMA has received 6,194 bikes and 347 sewing machines. This highland indigenous community. In total, since 1999, FIDESMA (FIDESMA) in San Andrés Itzapa, Chimaltenango, Guatemala is distributing bicycles locally and regionally for individual economic enhancement. In total, since 1999, FIDESMA has received 6,194 bikes and 347 sewing machines.

5. Programi i Alternativave Sociale Stimuluese (PASS) in Albania was a new project started in 2011. With the help of the Clif Bar Family Foundation and the Soros Foundation subsidizing the first shipment, a new revolving fund was established. 1,405 bikes shipped to date.

6. Vinh Long Union of Friendship (VIUFO) in Vinh Long Vietnam, supported by the Danu Foundation of Switzerland received its initial container in 2012 and has now received 1,185 bicycles.

Program requiring subsidy in 2012 and going forward.
1. Entrepreneurship Institute of Technology (BIT) 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, BAAT has received 2,286 bikes and 188 sewing machines. Was unable to supply a container to them in 2012 P4P. Not only is the actual shipping cost double any other program, the government also highly taxes imported goods.

4. In July we shipped 70 sewing machines to International Rural Development (IRD) which in turn shipped them to Guatemala. P4P was able to deliver the sewing machines at very low cost to the IRD warehouse in Baltimore Maryland.

Program requiring subsidy in 2012 and going forward.
1. Centro Salvadoreno de Tecnología Apropiada (CESTA) in San Salvador, El Salvador promotes environmentally sound transportation, provides youth recreation, offers bike mechanic training, small enterprise assistance, and municipal solid waste management. In total, since 1995, CESTA has received 24,457 bikes and 536 sewing machines.

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 6,880 bikes and 158 sewing machines.

4. WeBikes in Accra, Ghana distributes bicycles locally and regionally for individual economic enhancement. In total, since 2006, WeBikes has received 6,194 bikes and 347 sewing machines. This program also would prefer to receive 4 containers per year but we were only able to deliver one in 2012. We had planned to ship to them near the end of the autumn collection season but due to the hurricane we just were not able to collect those bicycles.

We shortened the 2012 collection season from 80 to 57, traditionally we have been in the mid-80s. The fixed cost of running a Bike collection is paid for by the bicycle stations and a portion of our domestic bicycle production costs. We received a $10,000 grant from Clif Bar Family Foundation which subsidized the collection of bicycles from domestic police stations and a portion of our domestic bicycle production costs. We hope this grant will be renewed in 2013. We also received a grant of $10,000 from Thule Group to support our ongoing projects.

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

We received a $10,090.17 into a non-cash loss of $14,239.83 for fiscal 2012. There were serious headwinds facing the organization in 2012 but with improving economic conditions we believe further improve-ment will be seen in 2013. We reduced our operational expenses significantly bringing our expenses to the lowest total possible and still be operational spending $254,92.98.

We thank Tim Weitzel and Key Tricking of Dubuque, Iowa, who collected and delivered 289 bicycles and 8 sewing machines to Nicaragua. Charles Hughes of Albany NY who collected 12 bikes and 64 sewing machines. Tyler D’Agnostino’s Eagle Scout Project collected 180 bikes. Jackie Johnson & Holcomb Farms in W Granby, CT collected 120 bikes and 34 sewing machines. Henry Hanson, who with the Vineland NJ Rotary Club collected 181 bicycles and 20 sewing machines and Jerry Agisar with the Newtown PA Rotary Club which collected 134 bikes and 18 sewing machines. David McKay Wilson with the Westchester County Bicycle Club who collected 109 bicycles one morning but averaged $20 per bike donation. Dan Matyola & Kip Bateman of the Branchburg Rotary Club 103 bikes and 9 sewing machines. Warren Rorden and the Westfield Rotary Club 116 bikes. Devon Smith of the South Brunswick Education Association who collected 78 bikes and 9 sewing machines. These are just some of many volunteers who helped make 2012 a successful year.

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FINANCES
We, like most companies in the United States, faced economic hardships in 2012. We raised a total of $265,438.75 that fortunately did exceed our cash expenses.

The real estate taxes and legal expenses recorded of $24,327 create cash liabilities that will only be paid at the time of the Roxbury land sale. These added non-cash expenses turned a cash profit of $10,090.17 into a non-cash loss of $14,239.83 for fiscal 2012. There were serious headwinds facing the organization in 2012 but with improving economic conditions we believe further improve-ment will be seen in 2013. We reduced our operational expenses significantly bringing our expenses to the lowest total possible and still be operational spending $254,92.98.

The year was especially difficult with our average bikes per collection dropping down to 57, traditionally we have been in the mid-80s. The fixed cost of running a Bike collection is paid for by the bicycle stations and a portion of our domestic bicycle production costs. We received a $10,090.17 into a non-cash loss of $14,239.83 for fiscal 2012. There were serious headwinds facing the organization in 2012 but with improving economic conditions we believe further improve-ment will be seen in 2013. We reduced our operational expenses significantly bringing our expenses to the lowest total possible and still be operational spending $254,92.98.

The largest line item in our income is traditionally the donations with bicycles. Cash donations accompanying bike donations generated $46,456.50 or $12.32 per each of the 3,861 bikes collected. Strong individual donations exceeded dollars with bikes.
and totaled $18,640.12 an all-time high. We recorded separately cash donations with sewing machines, which garnered $3,090. with each of the 338 a machines donated.

Fiscal 2013 will be a stub nine month ending on September 30, 2013. Thereafter our fiscal year will run October 1st to Sep- tember 30th annually.

PROGRAM CHALLENGES
Pedals for Progress faced substantial challenges in 2012. Our orga- nization 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 continu- ing high cost of diesel fuel greatly affected our overall operational costs. We have for years requested a minimum $80 donation with each bicycle. Our cost 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 2012. Spring 2012 collection season was a significant improvement over 2011 shipping one extra full container more than the previous year. The initial shipment has been postponed entirely due to lack of production in the fall of 2012.

Anecdotally, so many people told us that they would wait until after the election. It is expected during fiscal 2013 that 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 start a new program in Tanzania. The initial shipment has been postponed entirely due to lack of production in the fall of 2012.

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 cost of producing the bicycles and sewing machines are significant. We are unable to accept bicycles that do not have an accompanying cash donation, this limits production. Most large charities do not like to give money for operational expenses, but in our case it is the collection efforts which produce the product which we deliver. In many ways we are a trucking company and it is those miles in the trucks, which produces the product that makes the difference and helps the people in need.

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

It is too cold, the holiday season is approaching, and December collections are just not worthwhile. It is hoped that with the economy rebounding and national bicycle sales rising again, it will produce extra bicycles for P4P to recycle and the collections which were canceled in November we will be able to add into our spring 2013 collections.

Pedals for Progress developed partnerships worldwide to diver- sify 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 $38 (Uganda). Shipping the sewing machines within bicycles shipments makes the delivery of these heavy objects affordable. Our bicycle part- ners however have limited needs of sewing machines. We have to date successfully found a way to afford the transportation for perhaps have enough bicycles to start a new program in T anzania. The initial shipment has been postponed entirely due to lack of production in the fall of 2012.

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GOALS FOR 2013
It is expected during fiscal 2013 that Pedals for Progress will ship approximately 3,000 bicycles and 200 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 2013, 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 start a new program in Tanzania. The initial shipment has been postponed entirely due to lack of production in the fall of 2012.

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### Ordinary Income/Expense

<table>
<thead>
<tr>
<th>Income</th>
<th>Jan - Dec 12</th>
<th>Jan - Dec 12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Antique Bikes</strong></td>
<td>935.00</td>
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<tr>
<td><strong>Contributions - Cash/wBikes</strong></td>
<td>46,456.00</td>
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<tr>
<td><strong>Contributions - Civic Orgs</strong></td>
<td>1,014.00</td>
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<tr>
<td><strong>Contributions - Corp/Foundation</strong></td>
<td>28,918.31</td>
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<tr>
<td><strong>Contributions - Individuals</strong></td>
<td>118,640.12</td>
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<tr>
<td><strong>Contributions - Religious Org</strong></td>
<td>7,325.24</td>
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<tr>
<td><strong>Contributions - Sewing Machines</strong></td>
<td>3,060.00</td>
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<tr>
<td>In Kind Contributions Received</td>
<td>226,709.00</td>
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<tr>
<td>Interest Income</td>
<td>218.13</td>
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<tr>
<td>Investment Income</td>
<td>147.64</td>
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<tr>
<td>Merchandise Sales</td>
<td>130.00</td>
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<tr>
<td>Miscellaneous Income</td>
<td>1,961.60</td>
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<tr>
<td>Realized Gain</td>
<td>-100.00</td>
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<tr>
<td>Revolving Funds</td>
<td>46,362.50</td>
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<tr>
<td>Rocksey Land Sale</td>
<td>0.31</td>
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<tr>
<td><strong>Total Income</strong></td>
<td>481,805.75</td>
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<tr>
<td><strong>Expense</strong></td>
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<tr>
<td>Bank Service Charges</td>
<td>223.42</td>
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<tr>
<td>Collection Expense</td>
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<tr>
<td><strong>Computer Equipment</strong></td>
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<tr>
<td><strong>Credit Card Fees</strong></td>
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<tr>
<td>Dave's Mileage</td>
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<td><strong>Depreciation Expense</strong></td>
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<tr>
<td>In Kind Contributions Shipped</td>
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<td><strong>Insurance</strong></td>
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<td>Business Owners</td>
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<tr>
<td>D&amp;O Liability</td>
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<td>Worker's Comp</td>
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<td><strong>Total Insurance</strong></td>
<td>5,885.16</td>
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<tr>
<td><strong>Interest Expense</strong></td>
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<td><strong>Licenses</strong></td>
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<td><strong>State Fees</strong></td>
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<td><strong>Total Licenses</strong></td>
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<td><strong>Merchandise Cost</strong></td>
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<td><strong>Office Supplies</strong></td>
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<td><strong>Parts &amp; Tools</strong></td>
<td>241.50</td>
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<td><strong>Payroll Expenses</strong></td>
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<td>Labor Assessment</td>
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<td>Office Salaries</td>
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<td><strong>Officers’ Salaries</strong></td>
<td>67,448.09</td>
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<td>Outside Services</td>
<td>585.50</td>
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<tr>
<td><strong>Payroll Taxes</strong></td>
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<tr>
<td>Taxes - EE</td>
<td>25,206.27</td>
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<tr>
<td>Taxes - ER</td>
<td>11,458.42</td>
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<tr>
<td><strong>Total Payroll Tax</strong></td>
<td>36,664.69</td>
<td></td>
</tr>
</tbody>
</table>

### 2012 Contributors

Richard Barrett, Berkeley Heights BOE, Boy Scout Troop# 340, Church of St. Vincent De Paul, DesignBCM Consulting Partners Inc, Stephen & Margaret Drew, Flemington Presbyterian Church, John & Jill Gower, Doc & Sherry Hammett, Robert & Laura Hockett, Susan Rau, Rotary Club of Newtown, Michael and Kathy Moman, Mount St Mary’s University, Phogg Foundation, Jon & Susan Sides, South Mountain Velo Club, Janet Davis Travis, Jim Winzenburg

$500+


$1000+

Clif Bar Family Foundation, John Alexander & Jane Divinski, Leo & Helen Hollein, Thüle

$10,000+

Clif Bar Family Foundation, John Alexander & Jane Divinski, Leo & Helen Hollein, Thüle

2012 Collection Sponsors

Annie McBride
Berkeley Hts. Public School & Berkeley Hts. Rotary Club
Bernardsville United Methodist Church
Blair Academy Community Service
Bound Brook High School Interact Club
Boy Scout Troop 43
Branchburg Rotary Club
Brookdale Christian Church
Charles Hughes
Chester-Lon Valley &West Orange Rotary Clubs
Church of the Holy Spirit Youth Group
Colts Neck Reformed Church
Cranford Rotary Club
Daniel Kurupacki, Eagle Scout Project
Derek Teixeira & Garden State Yoga
Fair Lawn PM Rotary Club
Fairmont Presbyterian Church
Faith Lutheran Church
Flemington Rotary Club & Flemington Presbyterian Church
Franconia Mennonite Church Senior High Youth
Jackie Johnson with support from Holcomb Farm
Long Island Returned Peace Corp Volunteers
Matt Thomas, Eagle Scout Project
Metuchen Rotary Club & First Presbyterian Church
Middletown-Odessa Rotary
Morris County Municipal Utilities Authority
New Canaan Country School
New Dover United Methodist Church
Newtown Rotary Club
Parish of the Holy Cross
Pascack Hills High School Environmental Club
Ridgewood Rotary Club
Rotary Club of Morristown
Rotary Club of the Palisades
Rotary Interact Club of Moravian Academy
South Brunswick Education Association
St. Andrews Presbyterian Church (PVY Youth Group)
St. John’s Memorial Episcopal Church
St. Mary’s Catholic Church
South River-East Brunswick Rotary Club
Temple Shalom Religious School
Tenafly Rotary Club
The Community Synagogue, Temple Bet Israel, Port Jewish Center, Chuvra Tefilah, Chabad of Port Washington, The Reconstructionist synagogue of the North Shore
Tohickon Middle School’s Team Discovery
Tyler D’Agostino, Eagle Scout Project
Vineland Rotary Club
Warren Hills H.S. National Honor Society
Westchester Cycle Club & Hillside Church
Westfield Rotary Club

Visit our website:
www.p4p.org
for more information
Putting used bikes to good use.