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.

2014 Board of Trustees

David Schweidenback, Chairman
John Alexander, Treasurer
Robert Zeh, Secretary
Andrew Williams, Assistant Treasurer & Assistant Secretary
John Strachan

Staff
David Schweidenback, President and Founder
Gary Michel, Vice President, Domestic Collection Coordinator
Reykha Bonilla, Web Master
Lori Smith, Office Manager
Sharie Schultz, Bookkeeper
Patricia Hamill, Copywriter
Joseph Matar, Copywriter
Joseph Breglia, Collection Manager
Alan Peter Schultz, Warehouseman
Steven Muentener, Warehouseman

Further information about Pedals for Progress is available at www.p4p.org. This includes pdf copies of our audited financial statements, the required IRS Form 990 reporting, and information about our 501(c)(3) nonprofit tax exempt status.

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 lori@p4p.org.

Pedals for Progress
PO Box 312
High Bridge, NJ 08829-0312
Phone: 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 4 and a network of hundreds of volunteers.

2014 HIGHLIGHTS
Pedals for Progress shipped 8 containers and 3 LCL shipments for a total of 3,634 bicycles, 274 sewing machines, and approximately $360,000 in bicycle parts and accessories, to 7 nonprofit agency partners in 7 developing countries. This brings cumulative donations shipped in the last 24 years since 1991 to 142,437 bicycles, 2,860 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 41 community partners in six states.

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. The property was sold for $300,000 in early October 2013.

OVERSEAS PARTNERS
During the year, Pedals for Progress focused on a small number of reliable partners for the majority of our shipments, but were able to add new partnerships in Moldova with bicycles and sewing machines and in Tanzania with just sewing machines.

Of all bicycle shipments in 2014:
58% of the bicycles were shipped to Central American partners, exactly the same percentage as the previous year, 42% to Eastern Europe, versus none the previous year, only 12 bicycles to Africa, versus 43% the previous year.

Of all sewing machines shipments in 2014:
23% of the sewing machines were shipped to Central American partners compared to 20% the year before, 40% were sent to Eastern Europe versus none the year before, 37% were sent to Africa versus 80% the year before.

The most critical factor in creating a sustainable, self-financing partnership is shipping costs and effective administration’s overseas distributing the bikes. We currently consider 4 partnerships as sustainable, i.e., recipient organizations capable of paying for successive shipments. 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 Central America and the Caribbean, while Africa, and Eastern Europe require subsidies to pay their higher shipping costs. Eventually overseas distribution success is determined by per unit cost.

Still, we are hopeful that other partner organizations, including some that did not receive bikes in 2014, will pay all or most expenses for new shipments in fiscal 2015, or subsidies will be found to initiate new programs. In 2014, due to decreased donations of bikes, the demand for containers was greater than the supply available to ship.

NEW PARTNERS:
Community Mission Services, Dar es Salaam, Tanzania received two LCL (less than a container) shipments consisting of four pallets, shrink-wrapped with 101 sewing machines. Their mission to increase household income, reduce malnutrition in children and improve living conditions in rural and isolated Tanzania communities, cut off from their sources of employment and social services, through the empowerment of women as wage-earners and the creation of jobs.
The Turtle Conservancy. Our goal is to give people the ability to go to work. We are incredibly pleased to have begun working with the Turtle Conservancy to deliver bicycles directly to environmental protection Rangers who use those bicycles on the job to further their conservation of pristine threatened habitats worldwide. Through our partner EcoBici in Nicaragua we were able to get a dozen mountain bikes to the Paso Pacifico Turtle Rangers protecting the southwest coastal turtles of Nicaragua. We then made an LCL shipment of two pallets containing 12 mountain bikes and a vast array of replacement parts to the Durrell Wildlife Conservation Trust which does research on health assessment and ecology of both captive and wild populations of the Critically Endangered Ploughshare Tortoise (Astrochelys yniphora) in the Baly Bay area of western Madagascar.

The Mayor of Grozesti, Moldova. Peace Corps Volunteer Carol Stadden trying to improve the economic outlook of this small town of 2,200 people, convinced the Mayor to import a container of bikes from P4P. Carol’s time in the Peace Corps has since ended but the Mayor is going to continue with the program as the entire town is thrilled by the entry of the bicycles and are demanding more. The Clif Bar Family Foundation was instrumental supporting this program.

**STAND ALONE SEWING MACHINE RECIPIENTS**

**CMS Tanzania** 101 machines  
Started the year 10/1/13 with 20 sewing machines in inventory.  
Ended the year 9/30/14 with 50 sewing machines in inventory.

**RECIPIENTS OF BICYCLE SHIPMENTS DURING FISCAL 2014**

1. EcoBici, Nicaragua  
(1,103 bicycles, 6 sewing machines)

2. FIDESMA, Guatemala  
(1,022 bicycles and 60 sewing machines)

3. PASS, Albania  
(1,022 bicycles and 39 sewing machines)

4. The Mayor of Grozesti Moldova  
(475 bicycles and 72 sewing machines)

5. The Turtle Conservancy, Madagascar  
(12 mountain bicycles)

Started the year 10/1/13 with 616 bicycles in inventory.  
Ended the year 9/30/14 with 365 bicycles remained in inventory. 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, finance a breadth of community development activities. In the case of the shipment of the mountain bicycles to Madagascar, we supplied these bicycles directly to environmental conservation workers who will use them in their daily work to protect the environment and the endangered species of Madagascar.

**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 received a $10,000 grant from Clif Bar Family Foundation which subsidized the collection of bicycles and a portion of our shipping costs.

FedEx continues to deliver the bicycles collected by the Green Mountain Returned Peace Corps volunteer organization based in Burlington Vermont to NJ at no cost.

Thulé was a major sponsor in 2014 donating over $10,000 which they raised by selling T-shirts at the three largest bicycle events in the country. 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.

We thank all the people listed below:

Joanne Heidkamp w/Green Mountain RPCV 169 bikes & 28 sewing machines, Christine Potts w/St John’s Memorial Episcopal Church & Upper Saddle River Scout Troop 133 160 bikes & 3 sewing machines, Nick Surace & Henry Hansen w/Vineland Rotary Club 158 bikes & 4 sewing machines, Tim Weitzel in Dubuque, IA 136 bikes & 5 sewing machines, Dr Jerry Agasar w/Newtown Rotary 135 bikes & 10 sewing machines, Debby Leonard w/Grace United Methodist Church 108 bikes & 3 sewing machines, Anne Fitzgerald w/Memorial United Methodist Church 101 bikes & 32 sewing machines, Tom Rende w/Medford-Vincentown Rotary & Medford Police Dept & Wheelies Bicycle Sales 101 bikes & 4 sewing machines, Kathy Ging w/Long Island RPCV 99 bikes & 9 sewing machines, Warren Rorden w/Westfield Rotary 95 bikes & 7 sewing machines, Marty Shields w/Pascack Hills HS Environmental Club 93 bikes & 1 sewing machine, Devon Smith w/So. Brunswick Education Association 85 bikes & 5 sewing machines.

Dan Matyola w/Branchburg Rotary Club 71 bikes & 6 sewing machines.

Dennis Smyth & Doc Hammet who each independently refurbished hundreds of the sewing machines we shipped overseas.

Michael Sabrio and Robert Loftin who have donated countless hours in the warehouse helping to pack containers and Michael also managed a number of bicycle collection.

These are just some of many volunteers who helped make 2014 a successful year.

Somewhere between corporate help and key volunteers we need to mention the incredible work of Liz Sweedy of the Morris County New Jersey Municipal Utilities Authority, 171 bicycles were collected during 2014.

FINANCES

2014 was financially important year for Pedals for Progress (P4P). It was our best year ever for cash receipts. In late December 2008, P4P received the donation of a 70 acre tract of land in Roxbury Township, NJ valued at $240,000. This gift is in memory of Hans F. and Charlotte M. Stoffel by their children. The hope was to promptly sell this property but the recession and crash of the real estate market left this property on P4P balance sheet for several years. With great diligence of P4P President, the sale was completed on October 31, 2013. After the payment of outstanding property taxes, real estate commissions and fees, the net cash proceeds to P4P were just over $180,000. The representative the single greatest cash infusion in the history of P4P. Previously the $75,000 Rolex Award for Enterprise won in 2000 by David Schweidenback was the largest cash receipt by P4P. This asset conversion combined with strong contributions allowed P4P to increase yearend cash and investments by over $87,000 from the prior year.

Operationally, P4P needs to collect more bikes with the associated cash donations to financially achieve breakeven. The great recession greatly impacted the donation of bikes. With the recovery, other charities began to collect bikes. This competition is not expected to diminish. From 2008-2014 bicycle production has decreased and P4P has spent more on operations that it has raised. Thankfully, donors have greatly helped by increasing their contributions over this same period. This has kept P4P operational.
Throughout the period 2008-2014, P4P has learned to do more with less becoming more operationally efficient. Sewing machines have become a growth area for P4P and lower operational cost per unit as they are smaller and weigh less. Twenty to thirty sewing machines can be cost effectively shipped to more places around the globe. Management and the Board will continue to explore new ways to do more with less.

In 2001, P4P started a Capital Campaign that was canceled in 2004. Management reached out to all capital campaign donors asking to release the restricted funds for unrestricted use by P4P. 95% of all donors provided this release. 5% of donors failed to respond. After repeated attempts to contact these donors over several years, Management with the consent of the Board released these funds totaling $10,411. In February 2014, P4P donated these funds to the Hunterdon Medical Center Foundation to be used for the cardiopulmonary rehabilitation program.

With the sale of the Roxbury Land, the closure of the Capital Campaign and the growing support from direct contributors, Pedals for Progress closes out 2014 with a strong balance sheet. Management and the Board hope that all contributors will find these excellent results as a strong reason to give in 2015 and beyond.

PROGRAM CHALLENGES
Pedals for Progress faced substantial challenges in 2014. 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 hopes that we will see lower fuel costs in 2015.

We have for years requested a minimum $10 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 unreasonable at this time. The organization needs to raise more funds to afford the escalating costs. We have also for the first time begun experiencing competition for the bicycles in our domestic footprint. Previously there were no other organizations collecting bicycles, now there is a plethora of organizations collecting goods of all types including bicycles. Unfortunately most of those bicycles collected are sold for scrap metal to support the mission of the other charities collecting bikes.

P4P saw a leveling off of bike donations in spring 2014. The bicycles that we are collecting tell an interesting story. The bicycles collected this year continue to be the highest quality bikes that we have ever collected. The most common brand name was Trek and we collected over 80% mountain bikes in the adult bikes. The vast majority of bikes we collected were originally sold in a bike shop for a relatively high price. P4P collected almost no lesser quality mass merchandise bikes that are sold at big box stores like Walmart. Therefore we had the highest quality bikes ever but our volume was slightly up to flat.

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 reduction of transportation costs is doubtful, 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. P4P inland partners in Eastern Europe and Africa will fail to succeed without financial support. International shipping costs in these regions run from $16 per bike on the coast to as high as $38 inland (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. The challenge is to find
the funding for delivery of machines to small sewing programs like CSM in Tanzania or get them delivered very inexpensively. Most new potential sewing projects require only twenty to thirty machines and because of the small volume they previously required air freight that is very expensive. P4P developed in 2013 the capacity to ship by boat individual pallets of sewing machines at a very reasonable cost. This low cost way to ship will allow us to expand our small standalone sewing machine projects globally, as well as supplying conservation ranger projects with small numbers of mountain bikes when needed.

GOALS FOR 2015
During fiscal 2015, Pedals for Progress plans to ship approximately 3,600 bicycles and 330 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.

Pedals for Progress’ 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. P4P is unable to accept bicycles without 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, you can think of P4P as a trucking company. Every trip in the truck produces more bicycles and sewing machines, our products. These products make the difference globally by helping the people in need.

2014 Collection Sponsors

Bernardsville United Methodist Church
Blair Academy
Branchburg Rotary Club
Colts Neck Reformed Church
Cranford Rotary Club
Darlene Tamayne, Saint-Gobain Performance Plastics
Eitan Leinwand
Fair Lawn PM Rotary Club
Fairmont Presbyterian Church
Faith Lutheran Church
Flemington Presbyterian Church & Flemington Rotary Club
Grace United Methodist Church
Green Mountain Returned Peace Corps Volunteers
Highlands Presbyterian Church
Jackie Johnson with support from Holcomb Farm
Lebanon Reformed Church
Long Island Returned Peace Corps Volunteers
Luke Greenspan
Medford-Vincentown Rotary Club in conjunction with the Medford Police Department & Wheelies Bicycle Sales
Memorial United Methodist Church of Avon
Moravian Academy Service Club
Morris County Municipal Utilities Authority
Newtown Rotary Club
Norristown Rotary Club
Old Greenwich Presbyterian Church
Oratory Preparatory National Honor Society
Pascack Hills High School Environmental Club
Pennington Presbyterian Church Mission Committee
Project Aware, Madison High School Environmental Club
Rotary Clubs of Livingston & Livingston High School Interact Club
Rotary Club of the Palisades
Sam Gladstone & Congregation Beth Hatikvah
South Brunswick Education Association
St Andrews Presbyterian Church PYC Group
St. Johns Memorial Episcopal Church & Upper Saddle River Scout Troop 133
Temple B’nai Abraham
Temple Shalom
Timothy Weitzel
Tohickon Middle School’s Team Discovery
Vineland Rotary Club
Warren Hills High School Chess Club
Westfield Rotary Club
Wilton High School Spanish Honor Society
### Guatemala

**Profit & Loss**  
October 2013 - September 2014

<table>
<thead>
<tr>
<th>Ordinary Income/Expense</th>
<th>Oct '13 - Sep '14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
</tr>
<tr>
<td>101</td>
<td>300.00</td>
</tr>
<tr>
<td>Contributions - Cash/w/likes</td>
<td>34,962.47</td>
</tr>
<tr>
<td>Contributions - Civic Groups</td>
<td>5,330.65</td>
</tr>
<tr>
<td>Contributions - Corp/Foundation</td>
<td>28,167.67</td>
</tr>
<tr>
<td>Contributions - Individuals</td>
<td>32,544.88</td>
</tr>
<tr>
<td>Contributions - Religious Org</td>
<td>5,437.23</td>
</tr>
<tr>
<td>Contributions - Sewing Machines</td>
<td>2,750.00</td>
</tr>
<tr>
<td>In Kind Contributions Received</td>
<td>512,652.67</td>
</tr>
<tr>
<td>Interest Income</td>
<td>24.33</td>
</tr>
<tr>
<td>Investment Income</td>
<td>2,065.96</td>
</tr>
<tr>
<td>Land Sale - Revenue</td>
<td>309,000.00</td>
</tr>
<tr>
<td>Merchandise Sales</td>
<td>1,320.00</td>
</tr>
<tr>
<td>Realized Gain</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Revising Funds</td>
<td>55,525.00</td>
</tr>
<tr>
<td>Rotary Land Sale</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1,047,770.00</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td></td>
</tr>
<tr>
<td>Bank Service Charges</td>
<td>935.03</td>
</tr>
<tr>
<td>Collection Expense</td>
<td>12,967.77</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>2,303.36</td>
</tr>
<tr>
<td>Cost of Land</td>
<td>270,560.00</td>
</tr>
<tr>
<td>Credit Card Fees</td>
<td>639.67</td>
</tr>
<tr>
<td>Dave’s Mileage</td>
<td>310.55</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>671.00</td>
</tr>
<tr>
<td>Donations Expense</td>
<td>10,411.00</td>
</tr>
<tr>
<td>In Kind Contributions Shipped</td>
<td>537,779.78</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
</tr>
<tr>
<td>Business Owners</td>
<td>612.00</td>
</tr>
<tr>
<td>D&amp;A Liability</td>
<td>7,716.23</td>
</tr>
<tr>
<td>Worker’s Comp</td>
<td>6,527.00</td>
</tr>
<tr>
<td><strong>Total Insurance</strong></td>
<td>8,857.23</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>196.67</td>
</tr>
<tr>
<td>Licenses</td>
<td></td>
</tr>
<tr>
<td>Permits</td>
<td>220.00</td>
</tr>
<tr>
<td>State Fees</td>
<td>535.00</td>
</tr>
<tr>
<td><strong>Total Licenses</strong></td>
<td>755.00</td>
</tr>
<tr>
<td>Merchandise Cost</td>
<td>576.67</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>1,113.00</td>
</tr>
<tr>
<td><strong>Payroll Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Labor Assessment</td>
<td>54.95</td>
</tr>
<tr>
<td>Office Salaries</td>
<td>22,835.00</td>
</tr>
<tr>
<td>Officers’ Salaries</td>
<td>71,212.00</td>
</tr>
<tr>
<td>Outside Services</td>
<td></td>
</tr>
<tr>
<td>Payroll Preparation Fee</td>
<td>599.00</td>
</tr>
<tr>
<td><strong>Total Outside Services</strong></td>
<td>599.00</td>
</tr>
<tr>
<td><strong>Payroll Taxes</strong></td>
<td></td>
</tr>
<tr>
<td>Taxes - SC</td>
<td>33,739.46</td>
</tr>
<tr>
<td>Taxes - FR</td>
<td>14,444.40</td>
</tr>
<tr>
<td><strong>Total Payroll Taxes</strong></td>
<td>48,183.86</td>
</tr>
<tr>
<td>Retirement Expense</td>
<td>24,441.97</td>
</tr>
<tr>
<td><strong>Total Payroll Expenses</strong></td>
<td>172,627.00</td>
</tr>
<tr>
<td>Postage and Delivery</td>
<td>3,946.28</td>
</tr>
<tr>
<td>Printing and Reproduction</td>
<td>10,940.16</td>
</tr>
</tbody>
</table>

**Note**

- **Total Expense**: 1,139,085.48
- **Net Ordinary Income**: -61,325.46
- **Net Other Income**: 8,732.98
- **Net Income**: -54,592.50
2014 Contributors

$10,000+
Clif Bar Family Foundation, John Alexander & Jane Divinski, Leo & Helen Hollein

$5000+
Thule, Inc.

$1000+

$500+

Visit our website: www.p4p.org for more information
2014 Contributors
100+
