



PEDALS FOR PROGRESS
SEWING PEACE
2020 ANNUAL REPORT
10/01/19 to 09/30/20
www.p4p.org
86 East Main St
P.O. Box 312
High Bridge, NJ 08829



Vermont



Guatemala



Pedals for Progress, a New Jersey nonprofit corporation, empowers sustainable economic development by recycling bicycles and sewing machines from the U.S. and shipping them to motivated people 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: 22-3122003). A five-member unpaid board of trustees oversees a paid staff of 4 and a network of hundreds of volunteers.

2020 HIGHLIGHTS

Pedals for Progress shipped 4 containers and 4 LCL (Less-than-Container-Load) shipments for a total of 1,827 bicycles, and 356 sewing machines, to 8 nonprofit agency partners in 8 developing countries. This brings cumulative donations shipped since 1991 to 159,312 bicycles, 5,213 sewing machines.

We concentrated our collection operations within the New York City and Philadelphia suburbs, which increased our efficiency. Our bicycle and sewing machine collections were sponsored by 15 community partners in seven states.

2020 Shipments

Recipients of Fiscal 2020 Bicycle Container Shipments

1. PASS, Albania (474 bicycles and 50 sewing machines)
2. Association Défi et Révolution de la Vie Rural (DRVR), Togo (463 bicycles and 100 sewing machines)
3. Norbert and Friends Foundation, Arusha, Tanzania, (437 bicycles and 57 sewing machines)
4. TVA Association, Thailand (472 bicycles)

Started the year 10/1/19 with 547 bicycles in inventory.

Ended the year 9/30/20 with 684 bicycles remaining in inventory.

2019 Total Shipped: 2,824, 2020: 1,827 Total Collected: 1,964

Bicycle Shipments by Region

	Fiscal 2020	Fiscal 2019
Africa	50%	33%
Asia	25%	18%
Eastern Europe	25%	34%

Recipients of Fiscal 2020 Sewing Machine LCL Shipments

1. Rags2Riches, Philippines (35 sewing machines)
2. Rising Hope Foundation for Change, Cameroon (72 sewing machines)
3. Mityana Open Troop Foundation, Uganda (72 sewing machines)
4. Village Care Initiatives, Sierra Leone (72 sewing machines)
5. More Care International, South Africa (71 sewing machines)

Started the year 10/1/18 with 114 sewing machines in inventory.

Ended the year 9/30/19 with 139 sewing machines in inventory.

2019 Total Shipped: 565, 2019 Total Collected: 590

Sewing Machines Shipments by Region

	Fiscal 2020	Fiscal 2019
Africa	64%	85%
Asia	10%	0%
Eastern Europe	26%	8%
Central America	0%	7%

OVERSEAS PARTNERS

During the year, Pedals for Progress focused on a small number of reliable partners for the majority of our shipments.

The most critical factors in creating a sustainable, self-financing partnership are shipping costs and effective administration by our overseas partners. We currently consider 5 partnerships as sustainable, i.e., capable of paying for successive shipments. Experience has proven that when the shipping costs are at or below \$15 per bike or \$10 per sewing machine, 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. Landlocked countries remain beyond our reach due to excessive inland transportation costs. Domestic shipping is also expensive; our domestic inland trucking costs to get shipments to port have more than doubled in the last five years.

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.

Still, we are hopeful that other partner organizations, including some that did not receive bikes in 2020, will pay all or most expenses for new shipments in fiscal 2020, or subsidies will be found to initiate new programs. In 2020, due to decreased donations of bikes due to Covid-19, the demand for containers was greater than the supply available to ship.



San Andrés Itzapa, Chimaltenango, Guatemala

CONTINUING PARTNERS

1. Fundación Integral de Desarrollo Sostenible y Medio Oriente (FIDESMA), San Andrés Itzapa, Chimaltenango, Guatemala. FIDESMA distributes 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 10,333 bikes and 314 sewing machines. Although they did not receive a container in our fiscal 2020, they received one of the first containers of our fiscal 2021.
2. Programi i Alternativave Sociale Stimuluese (PASS), Tirana, Albania. PASS was established in 2002 with the goal of encouraging community action and raising public awareness of local social and environmental issues in the Albanian capital city of Tirana. We have now shipped 8,298 bikes and 459 sewing machines.
3. The Mityana Open Troop Foundation, Mityana, Uganda. Sewing machines are awarded to vocational project graduates as start-up tools to enable them to start their own businesses. This year's shipment of 72 sewing machines was sponsored by the Dewan Foundation.
4. The Norbert and Friends Foundation, Arusha, Tanzania. NFF had requested a container for 2020 but we did not have a container for them due to being shut down all spring for Covid-19.
5. Association Défi et Révolution de la Vie Rurale (DRVR), Togo. With a generous grant from the Dewan Foundation we were able to initiate this program last year. They are now a true Revolving Fund Partner, having received first an LCL shipment of sewing machines and then a full container of bikes. They revolved back funds from that container and their second container is in transit.
6. GoBike, Kastriot, Kosovo. We did not make a planned a shipment for spring 2020 because we were shut down for Covid-19.

Tanzania



Uganda



NEW PARTNERS 2020

1. TVA Association Bangkok, Thailand. With the financial support of the Dariu Foundation we shipped our first container to Thailand on June 6th.
2. More Care International, Pretoria, South Africa, received 71 sewing machines.
3. Rags2Riches, Manila, Philippines, will soon be receiving 35 sewing machines including 8 featherlights.



Philippines

FINANCES

2020 was a challenging year for Pedals for Progress. We started out the year in a very strong financial position with an incredible spring collection schedule ahead of us. It didn't exactly turn out the way we had planned.

Due to the Covid-19 pandemic, we shut down March 26, 2020. As we received a Paycheck Protection Program loan, we were able to keep paying our small staff during the spring even though they did no work.

Traditionally we make two solicitations per year, one in the spring and one in the fall. The November 2019 solicitation was very well received. Normally we shut down the operational side of the organization in mid-November and do not employ anyone again until late March. We never opened the operational side in spring 2020. That limited our spending by removing a lot of expense. During the shutdown, we did send out our spring solicitation and that was also very well received.

In late August 2020, we resumed normal bicycle collection operations and had a very successful September collecting bicycles and a return to positive cash flow.

GOVERNMENT, CORPORATE, and FOUNDATION HELP



We received a Paycheck Protection Program loan for \$19,800.



We received a \$5,000 grant from Rolex Foundation that helped us weather the storm this spring and help initiate our new program with Rags2Riches in the Philippines.



FedEx continues to deliver to New Jersey, at no cost, the bicycles collected by the Green Mountain Returned Peace Corps Volunteers, based in Burlington, Vermont.

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 would like to thank Robert Loftin, Drew & Bree Decker, and Daryl Detrick with the Warren Hills Regional HS Chess Club for all of their volunteer hours helping to pack outgoing shipments. A special thanks to Michael Sabrio for managing at bike collections and taking over the Webmaster duties. We thank our Tinkerers Dennis Smyth and Mary O'Brian for their excellent work refurbishing many of the sewing machines we shipped.

We especially thank these collectors:

Jerry Agasar with the Newtown Rotary Club: 223 bikes and 50 sewing machines

Casey Walsh with Faith Lutheran Church: 179 bikes

Liz Sweedy with the Morris County NJ Municipal Utilities Authority: 175 bicycles

Joanne Heidkamp with the Green Mountain RPCVs: 139 bikes and 100 sewing machines

Cynthia McNeal Plater with Croton Lay Interfaith Council: 117 bikes and 31 sewing machines

Dan Matyola & Kip Bateman with the Branchburg Rotary Club: 114 bikes and 15 sewing machines

Warren Rorden with Westfield Rotary Club: 100 bikes and 11 sewing machines

Mark Call with the Rotary Club of Norristown: 84 bikes and 7 sewing machines

Kelli McMahon with Tohickon Middle School Team Infinity: 83 bikes and 3 sewing machines

Nina Seiden with Passaic County Office of Solid Waste & Recycling: 78 bikes and 14 sewing machines

Brian Wood and Ram Dharanipragada with Temple Beth-El Brotherhood & Sri Sathya Sai Baba Center of Bridgewater: 65 bikes and 2 sewing machines

Paulette Harland with New Dover United Methodist Church: 64 bikes and 8 sewing machines

Christine Potts with St. John's Memorial Episcopal Church: 57 bikes and 1 sewing machine

Jessica Klein and Dylan Klein with Rae Kushner Yeshiva High School: 51 bikes

And thanks also to all of the other collectors not listed here.

PROGRAM CHALLENGES

Pedals for Progress faced substantial challenges in 2020. We started out with an excellent fall collection season and anticipated an even stronger spring 2020 collection season. Unfortunately, we were shuttered for the entire spring season because of the Covid-19 pandemic. We have a lot of ground to make up to resupply our program partners we were unable to ship to during 2020.

In late August 2020, we became operational once again and had a very productive September. 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 bike category. 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. Though the quality of bikes was higher than ever, our volume was significantly down due to the pandemic.

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 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. However, our bicycle partners need relatively few sewing machines. The challenge is to find the funding to deliver machines to small sewing programs like the Mityana Open Troop Foundation in Uganda or to get them delivered very inexpensively. Most new sewing projects require only two pallets of machines. Due to that low volume, initial shipments were previously shipped via air freight, which 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 shipping allows us to expand our small standalone sewing machine projects globally.



Tanzania

GOALS FOR 2021

During fiscal 2021, Pedals for Progress plans to ship approximately 3,600 bicycles and 600 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 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 that 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 people in need help themselves.

2020 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

Lori Smith, Office Manager

Michael Sabrio, Webmaster

Alan Schultz, Loading Manager

Robert Delghiaccio, Warehouseman

Robert Loftin, Warehouseman

Will Reisen, Warehouseman

Troy Thompson, Warehouseman

Further information about Pedals for Progress is available at www.p4p.org. This includes our financial statements, IRS Form 990s, and information about our 501(c)(3) nonprofit tax-exempt status.

To receive our newsletters or information on how to collect bikes and/or sewing machines, contact lori@p4p.org. To request a donation of a container of bicycles or sewing machines, contact Dave at dschweidenback@gmail.com.

2020 Donors

\$15,000

Leo & Helen Hollein

\$5000+

The Alexander Divinski Family Trust, Diane & Jon Claerbout, K & E Jones Family Trust, Rolex, Andrew & Emily Williams

\$1000+

William Alexander, Anonymous (2), AXA Foundation, Chad & Cecilia Bardone Charitable Fund, BioVid, Blessed Sacrament Catholic Church, ExxonMobile Foundation, Anne Fitzgerald, Mary & Gary Kamplain, David Schweidenback & Geraldine Taiani

\$500+

Carolyn Bargman, Burgdorff Foundation, Steve Caporelli, Susan & John Clausen, Gary Day, Economic Concepts, Inc. Jane & John Fisher, David Flesner, Holly Hatch in memory of Brian Dannemann, The Barbara A. Kelly Charitable Gift Fund, Jennifer Kushinka, Brian & Carrie Montgomery, Heather Molnar, Mark & Susan Pavlin in memory of Mrs. Margaret Pavlin, Peoples Capital Group, Slawson Family in honor of Michael Sabrio, St. James Lutheran Church, David Stalknecht, Ronald W. Subber & Martha C. Wood Charitable Fund, Laura Taff, W. Mark Wheeler III Charitable Fund, James & Charlotte Winzenburg

\$100+

Anonymous, Anonymous in honor of Barnert Temple, Ernest & Lynn Ackerman Giving Fund, Linda Ahlstrand, James & Jean Allen, John & Debra Aniano, Hedy Augenbraun, Kenneth & Lucie Austin, John Azzoli, Gary & Jill Bainbridge, Richard Barrett, Beth Bartel, Donald & Margaret Beatty, Rowland Bennett, Robert Berk, Daniel Black, Betty Bock, Boeing, Joan & Jeffrey Bradley, Rob Brown, Robert & Susan Buler, Ernest & Marilyn Businelli, Susan Cavanaugh, Judith Stein Coleman, Todd & Cheryl Collart, Colts Neck Reformed Church, David Craig, Paul Demers & Joanne Heidkamp, Kevin Dolan, Joseph Donahue, Richard & Arlene Donat, James Doyle & Leah Healey, Diane Drahos, Stephen & Margaret Drew, John Elias, Kerry Reed Ellett, Fair Lawn Rotary Club in memory of Frank Dinneen, Ann Harper Fender, Mitchell & Elizabeth Ferges, Jon & Marilyn Fineman, Phoebe Fisher, Anita Flanagan, Mary Forsberg & Carl Pray, Mary Giglio & Peter Ciesielski, Timothy & Kathleen Williams Ging, John & Scarlet Gorton, Cynthia Grant, Carlos S. Gutierrez, Douglas & Joann Fick Hahn, Natalie Hall, Mark Harbaugh, Harmonia Holdings Group, Jill Harris & Daniel Bar, Richard Hatzenbeller, Elizabeth Henderson, Wayne & Catherine Lundring Hillard, Thomas & Virginia Holian, John & Ann Holt, Daniel & Barbara Hotko, Kevin & Susan Hubbard, Richard & Beverly Hughes, Michael & Linda Husar, John & Linda James, Jay's Cycle Center, Mary Frances Jeffrey, David Johnson, Johnson & Johnson, Thomas & Melinda Johnston, Louis Joyce, E. Edward Keyser, John & Carol Jean Kissane, Josefa Klein, Edith Konopka, Sandra Koziol, Ellen Kraft & Vincent Brugger, William & Catherine Krauss, Margaret Krist, Lehea Kuphal, Paul & Margaret Kurtulik, Jennifer Kushinka, Dean & Laura Livingston, John & Marguerite Lizzo, Joseph Skinner Logan, Loughlin Family Foundation, Kathleen Lynn, Jacob & Nora Luftman, Edward Maher, Gene Marsh, Albert Martin, Milton & Virginia McDonnell, Robert & Jill McGinnis, James & Maryann McGrane, David & Wisitsee Monahan, Brian & Caroline Montgomery, Andy & Becky Moody, Cecilie Mary Mota, A. Hirotoshi & Sumie Nishikawa, Cynthia Norman, John & Mary Nosek, Lawrence & Linda O'Gorman, Judith O'Malley, Major B.E. Newton, Steven & Nancy Oman We Care Fund, Christine & Jefferson Osborn, Paul Parent, Luis Pi-Sunyer, Gregory Pearson & Mary Ann Schran, Linda Peer, Thomas & Christine Rutz Penna, Vicki Pettit & Dennis Trainor, William & Cynthia McNeal Plater, Gary & Cathleen Plefka, Porter Family Fund, Janet Powers, Presbyterian Women, Duncan Price, Susan Rau, Gary & Esther Redding, Christopher & Kimlynn Risko, Louis & Francoise Rollmann, Warren & Virginia Rorden, Rotary Club of Newtown, Margreet Ryan, Heather Santos, Sheldon & Mary Ann Schafer, Michael & Helen Schuler, Nancy Schwartz, Alan Seabright, Scott & Barbara Shreve, Paul & Paulette Shriver-Staats, Jill Sitkin, Nicole Smith, Dennis & Kathleen Smyth, Woo & Susan Song, Sherry Kejzman Soutiere, South Mountain VELO Club, Judy & Craig Strong, Jane Carll Tant, The Nemek Group LLC DBA College Hunks Hauling Junk, Erik Thielking, John Thoman, Jr & Lee Venolia, Janet Davis Travis, Michiel Ultee & Patricia Dedert Fund, John Wafer, Jeff Wagner, Barbara Waters, David & Eileen Wilkie, Dennis & Maureen Williams, Daniel Wilson & Linda Kuehl in memory of Merrill Castell, David Wilson in memory of Merrill Castell, Philip & Jane Wilson, Othmar & Ellen Winkler, Arthur Woolf, Christine Worny

2020 Collection Sponsors

Asbury Park Rotary
Croton Lay Interfaith Council
Green Mountain Returned Peace Corps Volunteers
Junior Woman's Club of Rutherford
New Dover United Methodist Church
Newtown Rotary Club
Passaic County Office of Solid Waste & Recycling
Rae Kushner Yeshiva High School
Rotary Club of Branchburg
St. Andrew's Presbyterian Church Youth Group
Temple Beth-El Brotherhood
Tohickon Middle School Team Infinity
Totowa Public Library
Westfield Rotary Club



Newtown, PA, Rotary Club, 24 October 2020

P4P/SP 2020 Balance Sheet

Accrual Basis

ASSETS

Current Assets

Checking/Savings

Peapack-Gladstone-Checking-3240	6,702.57
Peapack-Gladstone-Savings-3232	15,087.96
First Allied Mutual Funds	<u>36,193.73</u>
Total Checking/Savings	57,984.26

Accounts Receivable

Accounts Receivable	<u>1,424.00</u>
Total Accounts Receivable	1,424.00

Other Current Assets

Undeposited Funds	<u>930.00</u>
Total Other Current Assets	<u>930.00</u>

Total Current Assets 60,338.26

Fixed Assets

Accum. Dep - Equipment	-51,674.49
Equipment	53,550.54
Tools	<u>25.50</u>

Total Fixed Assets 1,901.55

Other Assets

Inventory	-3,096.00
Prepaid Insurance	<u>6,610.00</u>
Total Other Assets	<u>3,514.00</u>

TOTAL ASSETS 65,753.81

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable	<u>-1,164.00</u>
Total Accounts Payable	-1,164.00

Other Current Liabilities

SBA/PPP	19,700.00
Accrued Expense	-5,400.00
Accrued Expenses	<u>800.00</u>
Total Other Current Liabilities	<u>15,100.00</u>

Total Current Liabilities 13,936.00

Total Liabilities 13,936.00

Equity

Retained Earnings	55,130.51
Net Income	<u>-3,312.70</u>
Total Equity	<u>51,817.81</u>

TOTAL LIABILITIES & EQUITY 65,753.81

P4P/SP 2019 Profit and Loss

Accrual Basis

Ordinary Income/Expense		
Income		
Antique Bikes		780.00
Contributions - Cash w/Bikes		19,775.05
Contributions - Civic Groups		2,807.58
Contributions - Corp/Foundation		9,872.02
Contributions - Individuals		107,235.50
Contributions - Religious Org.		3,130.53
Contributions - Sewing Machines		2,920.00
Interest Income		49.15
Investment Income		629.83
Revolving Funds		13,378.00
Total Income		160,577.66
Expense		
travel expense		580.01
Reconciliation Discrepancies		-0.06
Advertising		80.00
Bank Service Charges		356.49
Collection Expense		5,815.57
Credit Card Fees		1,191.58
Dave's Mileage		579.70
Dues and Subscriptions		0.00
Insurance		
Business Owners	4,224.20	
Worker's Comp	-4,019.80	
Total Insurance		204.40
Licenses		
Permits	790.00	
State Fees	276.50	
Total Licenses		1,066.50
Merchandise Cost		419.64
Office Supplies		1,558.70
Payroll Expenses		
Labor Assessment	0.00	
Office Salaries	17,923.88	
Officers' Salaries	66,829.98	
Outside Services		
Payroll Preparation Fee	549	
Total Outside Services		549.00
Payroll Taxes		
Taxes - EE	231.93	
Taxes - ER	6926.25	
Total Payroll Taxes		7,158.18
Retirement Expense	11,956.08	
Payroll Expenses - Other	29.74	
Total Payroll Expenses		104,446.86
Postage and Delivery		2,745.16
Printing and Reproduction		6,017.99
Professional Fees		
Bookkeeper	1,192.50	
Accounting	2,845.00	
Total Professional Fees		4,037.50
Rent		16,200.00
Shipping & Packing		19,648.65
Telephone & Internet		
Telephone & Internet	2,621.57	
Telephone & Internet - Other	154.17	
Total Telephone & Internet		2,775.74
Travel		
Travel Expenses	0.00	
Total Travel		0.00
Utilities		-52.79
Total Expense		167,671.64
Net Ordinary Income		-7,093.98
Other Income/Expense		
Other Income		
Unrealized Gain/Loss	3,781.28	
Total Other Income		3,781.28
Net Other Income		3,781.28
Net Income		-3,312.70