

## **Financials/ Financial History for Needful Provision, Inc. (NPI)**

When founded in June 1995, NPI's founder, David A. Nuttle, donated a series of patented and trade secret technologies he had previously invented/ developed to assist poor Third World populations quickly achieve self-sufficiency and well-being ... the foundation of NPI's charitable activities, worldwide.

On the books, NPI's patents owned have been given a conservative value of just over \$2 million due to many problems associated w/ assigning a fair market value to this type of intellectual property (IP). In early 2012, seven of the subject patents were sold to Neu Verde Energy (NVE) for \$7 million ... with closing to occur in August 2012. The primary value was placed on Nuttle's U.S. Patent No. 5,121,708 and associated trade secrets for algalculture, or production of algal-biodiesel fuels. (NPI will greatly expand its charitable activities with this new funding.)

Part of the value of the above patents was attributed to a series of grants awarded to David A. Nuttle for development of these technologies. Examples of such grants include a \$35,000 grant from the U.S. Dept. of Agriculture (USDA Grant No. 83-SBIR-8-0011), and a \$40,000 grant from the National Science Foundation (NSF Grant No. ISI-8560517). Similar grants were received from the U.S. Dept. of Energy (DOE), the NC biotechnology Center, and others. All of these grants were based on scientific peer review, and therefore helped to establish market value of the new technologies being developed.

Seeking to be a mostly self-sufficient charity, NPI licensed several of the above said patents owned, in the late 1990s & early 2000s, to NextPath Technologies, Inc. and a related division, NextPath Environmental Services, LLC. The resulting royalty income, of around \$250,000 yearly allowed NPI to acquire and/or operate agricultural training centers in Oklahoma, Kenya, India, and Mexico. For accounting purposes, NPI owns 45 acres in Cherokee County, Oklahoma, and that land was improved with two structures and agricultural production models ...models used to train disadvantaged & minority farmers in modern sustainable agricultural practices. (With the current dramatic collapse in area real estate prices, total market value (of this real estate) may not exceed \$95,000.).

NPI's royalty income ended abruptly, in the mid-2000s, because NextPath Technologies and NextPath Environmental Services both ceased operations for reasons that had nothing to do with NPI's technologies licensed to them. Rather than starting new and unproven fund raising efforts, NPI's Board elected to seek other licensees or potential buyers for NPI's patents owned. Since it was probable that it might take considerable time to accomplish this task, it was decided that NPI would operate on a very minimal budget with volunteer staff and Directors. Due to the fact that NPI's distance education programs were costing very little, while benefiting and average of over 800 poor people daily, that has been the focus of efforts from 2005 -2011.

During its period on minimal income and minimal operations, NPI continued to file IRS Form 990s even though our income was less than \$25,000 per year. The above said book value of NPI's patents owned is what required continued reporting to IRS. NPI's staff and Board used the "down-time," due to lost royalty income, as a time to prepare for expanded efforts to assist developing nations soon achieve the community and agricultural advances needed once new sources of funding were found. The volunteers assisting NPI had a positive view of how time was being spent to help achieve future charitable goals ... and this was being done with very very little cash.

With the \$7 million from NPI's 2012 patent sales the flowing major initiatives have been very carefully planned and prepared by NPI:

- 1) A major Kenyan counter-desertification initiative using new NPI technologies being developed with help from NC State University, The University of Arizona, and the Chinese Academy of Sciences (P.R. China).
- 2) A \$2 million start-up for manufacturing of NPI's self-help products developed for the U.N. Foundation, NGOs, & Third World governments. Actual manufacturing & sales will be accomplished by NPI's affiliated for-profit, Preparedness Systems Intl. (PSI).
- 3) Renewed/ expanded training of disadvantaged and minority farmers at NPI's training site in Oklahoma.
- 4) Testing of a relief aircraft developed for NPI by Millennium Aerospace Corp. (MAC) ... & testing of a new/ innovative communications system developed for NPI by GIT Satellite.
- 5) Development of a small, mobile, biochar kiln to concert dead, down, insect-killed, and fire-burned timber into biofuels, biochar (to increase soil fertility), and green electricity (by thermoelectric means) using heat from kilns. N.C. State University is now assisting with this project. (PSI, will also be responsible for this commercial effort ...see above.)

NPI is not in need of a financial audit since no funds are expended for fund raising, and the staff as well as Directors are all volunteers. Values/ assets shown on the books are the above said patents and real estate, with values reasonably established by the current market. Annual income, in recent years, has been under \$50,000 ... and total debt current under \$2,000. These plain and very simple facts do not justify spending \$2,000 to \$3,000 for a professional, certified audit. Those who do not like how NPI operates will not provide charitable donations, but NPI is not asking for such donations ... so there is no loss. (Financials for PSI, see above, are separate.)

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NPI's Board has refused to replicate the poor practices of many charities spending over 50 to 70 percent of their income to pay for the cost of fund raising. As a consequence, NPI has been developing the means to generate its own funds from affiliated social enterprises.

