

**Two Decade Financials/ Management View for Needful Provision, Inc. (NPI)  
(Financial data all confirmed by a recent IRS audit ... Form 990s & budgets for 1995 - 2015,  
available on request, and grant audits)**

**Overview:** NPI has operated for over two decades with volunteer Officers, Directors, and staff with no salaries or benefits paid. Almost no funds were expended for fund raising as in the case of a typical charity. This low-budget operation is facilitated by the fact that NPI is dedicated to the research, development, demonstration, and teaching (mostly by distance education means) of innovative (new) technologies designed to help the world's poor better help themselves .... while conserving resources, protecting our environment, and sustaining optimal biodiversity. Individuals, corporations, and government agencies have freely supported such a unique effort, and NPI is also partly self-funded as noted below.

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. These patents generated nearly \$2 million on royalty income for NPI.

On the books, NPI's patents owned have been given a conservative value of just over \$3 million due to many problems associated w/ assigning a fair market value to this type of intellectual property (IP). In late 2013, five of the subject patents were sold to Neu Verde Energy (NVE) for \$7 million ... but NVE was not able to purchase due to lack of sufficient funds. 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. This technology is part of an innovative "package" of counterdesertification technologies invented by Nuttle and donated to NPI.

Part of the value of the above patents was attributed to a series of grants awarded to David A. Nuttle for development of subject technologies. Examples of 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 previously owned a 50 acre farm in Cherokee County, Oklahoma. This land was improved with two structures and agricultural production models ...models used to train disadvantaged & minority farmers in modern sustainable agricultural practices for more than a decade.. In addition, these facilities were used to support NPI's research efforts in several self-help areas. NPI's Oklahoma facility was closed and sold in 2010 to focus on similar distance education enhanced efforts in Colorado.

NPI's primary royalty income ended abruptly, in the mid-2000s, because NextPath Technologies & NextPath Environmental Services both ceased operations for reasons that had nothing to do with NPI's technologies licensed to them. A search for new users/ licensors of these patents continues. Some royalty income will continue from Millennium Aerospace Corp. (MAC) for one of Nuttle's classified inventions he has donated to NPI. For 2016 alone, that royalty income is estimated to be not less than \$800,000.00.

During its periods of reduced royalty income NPI was able to sustain its research efforts as well as self-help distance education programming due to very low costs for operations. NPI filed IRS Form 990s showing a reduced income from patent royalty, from NPI's patents but this was not matched by a significant reduction in NPI operations. Moreover, NPI's staff used the extra time available to prepare for expanded efforts to assist developing nations soon achieve community and agricultural advances needed. The volunteers assisting NPI had positive views of this effort.

The following major initiatives have been very carefully planned and prepared by NPI for 2016 and years to follow:

- 1) A major Kenyan counterdesertification initiative using new NPI technologies being developed with early developmental project support from NC State University, The University of Arizona, The Chinese Academy of Sciences (P.R. China), and NPI's Division in Kenya.
- 2) A \$97,000 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., Inc. (PSI).
- 3) 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.
- 4) Development of a large, mobile, biochar kiln to convert 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 may soon assist with this project. (PSI, will also be responsible for this commercial effort ...see above.)
- 5) Tubal-algalculture on arid/ desert lands of the SW U.S. to produce algal-biofuels and algal feed supplements. This is another PSI commercialization effort using NPI's proprietary technologies to produce income for PSI, and royalty income for NPI.
- 6) Continuation of a food security/ value-added foods project with 84 Montagnard refugee families located in Greensboro, NC (a \$200,000 USDA grant is pending for this project).

- 7) Expansion of NPI's varied self-help distance education programming via NPI's website ([www.needfulprovision.org](http://www.needfulprovision.org)), and distance education in cooperation with the Unlimited Learning, Inc. (ULI) ... using ULI's distance education facilities in Cortez, CO. USDA/ Rural Utilities Service has provided \$400,000., in grant funding, to support this effort.
- 8) Work with The University of Arizona and The Chinese Academy of Sciences on improved techniques for cultivation of the promising desert vegetable, Facai (Fa Cai) ... a food crop that could help reduce hunger in arid regions, worldwide.
- 9) Start of a Youth Build project, for the 4-corners area (CO, UT, AZ & NM) to provide jobs training and jobs for the many disadvantaged youth and returning military vets in this area. The Unlimited Learning, Inc., in Cortez, CO is expected to provide support for this project, and a \$1.1 million grant is being requested from the U.S. Dept. of Labor.
- 10) Completion of NPI's proprietary, miniature farming/ gardening and biochar kiln models for use in educating youth/ students in Cortez, CO and the Cortez area. Funds and facilities for this effort were donated by Cortez Milling, in Cortez, CO.
- 11) Making of a training video showing assembly and operations of the above said models (video to be used by schools, FFA Chapters, 4-H clubs, farm coops, and agricultural training centers, overseas).
- 12) Planning for an artistic urban gardening project, with some indoor crop production, in Greensboro, NC, using labor provided by local refugee farmers. Initial grant funding, \$50,000. has been requested from NC Commerce.
- 13) Use of a \$100,000 Children's Foundation grant to demonstrate a community composting toilet, with potable water system and green electricity generation, for refugee centers in Kenya.
- 14) Work with the CDC and The Chinese Academy of Sciences (P.R. China) on reduction of blowing sands, from desert areas, to reduce the threat of sand-carried exotic fungi, bacteria, and viruses distributed by means of sand storms. (A CDC grant of \$250,000 is pending.)

**N.B. Planned projects will not be started until fully funded.**

To help accomplish all the above, NPI will continue to receive support from labs, national labs, universities, corporations, other charities and a large number of skilled & dedicated volunteers.

NPI has far more potential to accomplish large charitable/ development projects than what now appears on paper as viable capabilities. As in the past, NPI will continue management by objective (MBO) policies and procedures. Operation of NPI's Kenyan Division shall continue. NPI's Divisions in Mexico and India were closed in 2012 upon completion of NPI's short-term agricultural development objectives for these nations.

NPI has no need for typical annual CPA independent audits costing around \$5,000 per year. Each of NPI's federal grants has its own project-end audit. Most of NPI's donors participate in projects as volunteers, and know exactly how funds are expended. Since NPI often engages in support of overseas national security projects, NPI is subject to extensive forensic audits by IRS. NPI recently passed such an IRS audit with no accounting or other errors found. With NPI being under such a constant examination "microscope," NPI's donors have not requested audits. If and when independent audits are required, Darrel Whitehead CPAs (a national accounting firm) has agreed to undertake same for NPI.

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 (see plans for PSI's generation of royalty income for NPI). PSI (Preparedness Systems Intl., Inc.) is preparing to manufacture 12 of NPI's self-help innovations for sale to the Third World poor using unique barter trade systems. Example products include: 1) Solar-zeolite refrigerators; 2) Small solar potable water systems; 3) Biochar cooking kilns; & 4) Composting toilets producing electricity.

**For all the above reasons, NPI does not have financials audited by an independent CPA.**

*David A. Nuttle*

**David A Nuttle, President & Chairman**