

Financial Report

1 APRIL 2011 – 31 MARCH 2012

Our Dear Baba Family,

This financial report is the thirteenth annual report that the Avatar Meher Baba Perpetual Public Charitable Trust has prepared for general dissemination to the worldwide family of Baba Lovers.

This year is the first year that the Trustees are addressing you directly. Previously our dear Bhau would send out this report on behalf of the Board of Trustees. But due to his ill health he is no longer active in Trust affairs and it is now for us, the Trustees, to apprise the Baba world of the financial situation of the Trust.

As we look at the past financial year, we find that the Avatar Meher Baba Trust is also affected by global economic conditions. This is not entirely unexpected as Baba Lovers continue to face the economic difficulties that prevail around the world. The impact of this has necessitated a review of the Trust's priorities and financial capacity. After doing some long-term financial planning, the Board of Trustees

has decided to take the following action:

1. Maintaining Trust operations and services at current levels.
2. Most new projects that involve considerable capital expenditure and any expansion of services have been put on hold with a view to first building up the Trust's Corpus before we once again renew our efforts to develop the Trust Estate.
3. We will limit our capital expenditures during the upcoming budgetary year to five areas: (1) the purchase of critical lands around Meherabad and Meherazad; (2) the fencing of properties to prevent encroachment; (3) the completion of the Memorial Tower (where construction is already in progress); (4) obtaining the government bungalow that Beloved Baba used near the accident site in Udtara outside Satara as the site for a memorial to Meher Baba's automobile accident there in 1956; and (5) other necessary capital expenditure around the Trust Estate.

While capital expenditure will be incurred for the few projects noted above, our main focus over the next few years will be on meeting operating expenses. Naturally, the primary objective of

the Trust is to ensure that everything runs smoothly at Meherabad and Meherazad. In this way we can continue to maintain our pilgrim accommodations, our educational and medical facilities such as Meher English School, Meher Health Centre and other programs, and required infrastructure without any set-back.

By the Trust using its finances in this way, we are sure that when you come here on pilgrimage, you will be greeted by the same heart touching panorama of Meherabad and Meherazad that you are accustomed to. After all, Meherabad and Meherazad are Beloved Baba's gift to the world. And we, as Trustees of His Trust, are duty bound to ensure that His gift awaits each of you.

We greet you all and say, Avatar Meher Baba ki Jai!!!

In His Love and Service,

Trustees

Avatar Meher Baba
Perpetual Public Charitable Trust

Avatar Meher Baba P. P. C. Trust Development Plan Current and Projected Expenditures Report

THE DEVELOPMENT PLAN CHART has changed this year. It has been restricted to projected expenditures for only the next three years. It was decided not to extend the projections to more than three years because of the increasing level of uncertainty surrounding estimates for longer time periods.

The Development Plan began in 1998 when the Board of Trustees recognized that the development of Trust properties needed to proceed at a more rapid rate due to the increasing number of pilgrims coming to Meherabad. The Board also recognized that although Indian donors can receive tax deductions for their donations, donors from around the world could not. To address this, the Board approved grant agreements with eight organizations in the USA that help provide funding for the Development Plan. As a result, Baba Lovers in the USA can receive tax deductions for their donations to these organizations in support of their grants to the Trust for the Development Plan. As Indian donors already receive tax deductions for their donations to the Trust there is no need for them to make donations to the Development Plan.

In the past financial year of 2011-12, the major undertakings were the purchase of land at Meherabad and Meherazad and completion of a new Staff Quarters near the MPR.

In this new financial year of 1st April 2012 to 31st March 2013, under Meher Pilgrim Retreat, we have a budget of \$14,583 (Rs.7,00,000) to purchase the required furniture, furnishing, and appliances.

In order for the permanent electrification of the new Pilgrim Education Site, that is used to house pilgrims at Amartithi, we have a budget of \$10,417 (Rs.5,00,000).

This year we will continue to furnish the Archives, Museum and Research Buildings at Meherabad and at Meherazad with a budget of \$13,542. (Rs.6,50,000)

We plan on replacing a part of a major water

pipeline that runs from Ahmednagar to Meherabad and have budgeted \$31,250 (Rs.15,00,000) for this work.

It may surprise you to know that in a year where we are informing the Baba world about economic difficulties, we have a budget of \$520,833 (Rs.2.5 crores) to purchase land. This amount also includes fencing the land to avoid encroachment. This is

land that is needed for the preparation of the Trust Estate to receive the multitudes that will come for darshan as Meher Baba foretold.

Because of the current state of Trust finances several projects have been deferred and are currently unscheduled, among them are the New Dharamshala and the expansion of Meher English School. As

PROJECT	SPENT IN 2011-2012	TOTAL SPENT UP TO 31/3/2012	BUDGET 2012-2013	PROJECTION 2013-2014	PROJECTION 2014-2015	TOTAL REVISED ESTIMATES
Meher Pilgrim Retreat (building and furnishing)	\$1,599	\$1,421,400	\$14,583	\$12,500	\$10,417	\$1,458,900
Pilgrim Education Site	\$243	\$260,001	\$10,417	\$10,417	\$10,417	\$291,252
Archive Furnishings Meherabad	\$1,570	\$148,930	\$6,771	\$10,417	\$10,417	\$176,535
Archive Building & Furnishing M'zad		\$81,121	\$6,771	\$10,417	\$10,417	\$108,726
Administration Buildings, Staff Qtrs.	\$18,220	\$242,591				\$242,591
Infrastructure Development:	\$827	\$484,537	\$31,250			\$515,787
Samadhi Protection, Roads, Electricity, Water Supply						
Land, including Fencing: Meherabad/ Meherazad / Meher Nazar	\$73,324	\$353,514	\$520,833	\$666,667	\$625,000	\$2,166,014
Meher English School		\$153,482				\$153,482
Completed Projects						
Cultural Academy		\$14,320				\$14,320
Dharamshala Renovation		\$17,216				\$17,216
Meherazad Equipment		\$37,703				\$37,703
Health Center Expansion		\$47,800				\$47,800
Unscheduled Projects						
Storerooms		\$13,050				\$13,050
Auxiliary Building & Staff Quarters						—
College at Meherabad-Phase One						—
Administration Building						—
New Dharamshala						—
Contingency			\$3,125	\$3,125	\$3,125	\$9,375
	\$95,783	\$3,275,665	\$593,750	\$713,543	\$669,793	\$5,252,751

NOTE—\$ 95,783 represents actual amounts received.

indeed a lot of money, but at current prices this amount only allows the Trust to purchase some acres that are critical to the development of Meherabad and Meherazad. Land purchases will continue for the foreseeable future as there is still considerable acreage around Meherabad and Meherazad to be acquired under the Trust's Master Plan. Only as loving donations are received will we be able to acquire all the

these projects are not scheduled over the next three years, no cost estimates have been provided at this time as it is inevitable that any estimates made today will differ substantially by the time these projects commence. The names of these projects appear on the chart simply for information purposes in order that readers know that they continue to be part of the Trust's long-term plans.

Avatar Meher Baba P. P. C. Trust Financial Activity

From 1st April 2011 to 31st March 2012

THIS YEAR THE CHART that explains our Financial Activity has amounts shown in Indian Rupees along with the US dollar equivalent.

The Summary Cash Flow chart that explains the Trust's Financial Activity is based, as always, on the audited financial statements of the Trust and is a summary of the Trust's cash flow i.e. money received and money disbursed. It includes all facets of Trust activities — operating income and expenses, Corpus donations received and money spent on all capital projects. This chart also discloses expenses of all Trust facilities and programs so that you can get an all-around picture of the Trust and its activities.

As mentioned earlier, the Trust has decided to build up its Corpus before beginning any new major project. We have decided this so that major project expenditures will not affect the ability of the Trust to always have adequate funds to support the costs of daily operations. Once the Corpus fund has been built up, then we can begin to fund large capital projects such as the New Dharamshala and the expansion of Meher English School. As to how soon the Corpus can be built up is dependant on the level of donations received in the future.

The items in the Receipts column are self explanatory, except one note of explanation is required concerning the amount for "General Maintenance Receipts – Meherabad." This amount represents donations received from pilgrims for their stay in the various hostels at Meherabad, including Meher Pilgrim Retreat and Dharamshala.

The increase in Interest on Deposits and Investments is mainly the result of substantial increases in Indian interest rates over the last 18 months. Total Corpus Donations Rs.3.0 crores (\$627,552) are well below the Rs.10.7 crores (\$2.3 million) received in the previous year. This was not entirely unexpected as last year the Trust received some very large legacy and other one-time donations of over Rs.8 crores (\$1.9 million).

Under the column "Payments", a description of the Operating Expenses is given for each major function as follows:

Office & Administration:

Administrative expenses, including the Trust's main office at Meher Nazar and the Meherabad Trustees office

Liability of the First Charge:

The first responsibility of the Trust is to take care of Beloved Baba's Tomb and this represents the maintenance costs thereof.

Water Facilities:

Maintenance of wells, pipelines, electric bills of pumps, water charges and afforestation expenses.

Facilities for Pilgrims:

The maintenance of Meher Pilgrim Retreat, Hostel "D", Dharamshala, as well as expenses for pilgrim transportation, marketing vehicles, electricity, insurance, afforestation around the buildings at Meherabad, etc. It also includes the maintenance of the Trust's property at Meherabad. The donations received at Meher Pilgrim Retreat, Dharamshala and Hostel "D" on per day basis cover only 26% of the total operating expenditure of Facilities for Pilgrims. Total expenses for this object was Rs.1.6 crores (\$328,116).

Medical Facilities:

This includes the maintenance of Meher Health Centre, Hospital and Medical Staff Quarters, and also the Trust sponsored health camps for school children, cataract camps, dental camps, free medical aid and free medicine to indigent patients and hospitalization for the poor and needy in Ahmednagar and Pune.

Education Facilities:

The maintenance of Meher English School, Farmers' Education Center, Physical Education Center, and Music and Arts Center, including books and scholarships provided to poor students. Total expenses for these activities were Rs.34.2 lakhs (\$71,162)

Secular Education:

The expenses for Beloved Avatar Meher Baba's Amartithi, the maintenance of the library, study hall, museum, Archives and Research building at Upper Meherabad, Spiritual Academy at Lower Meherabad and Young Adult Sahavas.

Other Charitable Objects:

The Avatar Meher Baba Ahmednagar Centre and funding its programs, Veterinary-Aid Centre, Help to the Poor and Needy and general development on the Trust Estate.

Total operating expenses in 2011-2012 of Rs.3.7 crores (\$771,081) have increased by nearly 16% over the previous year. This was mainly due to sizeable salary increases to staff to remain competitive in the local market, increased cost of electricity and high inflation rates.

The second major heading in the "Payments" column is "Capital Expenditure". It shows the expenditure under the Development Plan which is detailed in the previous chart and Capital Expenditure on other major projects, which includes the purchase of land and the ongoing construction of the Memorial Tower. Under "Other" capital expenditure major items include the purchase of two school buses and fencing of land at Meherabad and Meherabad.

The last section of the chart shows the unspent cash received during the year that has mainly been invested in bank deposits.

RECEIPTS	2012 Rupees	2011 Rupees	2012 US \$	2011 US \$	PAYMENTS	2012 Rupees	2011 Rupees	2012 US \$	2011 US \$
Operating Receipts					Operating Expenses				
Interest on Deposits and Investments	4,16,52,974	3,33,37,077	867,770	740,824	Office and Administration	58,68,112	55,50,769	122,252	123,350
General Donations (including operating donations under grant : 2012- Rs. 13,28,795 (\$26,000) 2011- Rs. 17,97,949 (\$40,148)	48,71,529	92,39,897	101,490	205,331	Liability of first charge	86,076	51,599	1,793	1,147
General Maintenance Receipts - Meherabad	40,97,740	39,31,770	85,370	87,373	Water Facilities	18,47,307	17,67,991	38,486	39,289
Educational Gathtering : Amartithi Donations	9,02,971	9,43,424	18,812	20,965	Facilities for Pilgrims - Meherabad	98,77,532	74,59,343	205,782	165,763
Other	78,095	87,406	1,627	1,942	- Meherabad	18,67,850	14,07,985	38,914	31,289
	5,16,03,309	4,75,39,574	1,075,069	1,056,435	- Meher Pilgrim Retreat	40,04,163	34,82,172	83,420	77,382
Corpus Donations					Medical Facilities	62,79,917	47,71,344	130,832	106,030
For any use in the trust under Corpus	1,30,23,655	5,76,73,829	271,326	1,281,641	Education Facilities - Schooling	2,83,836	2,92,667	5,913	6,504
For use in any Development Plan project	30,18,571	33,93,744	62,887	75,417	- Farmers Education Centre	46,082	46,853	960	1,041
For specific purposes:					- Music and Arts Centre	90,588	90,421	1,887	2,009
- Dharamshala	63,82,113	3,61,55,118	132,961	803,450	- Physical Education Centre	72,068	68,947	1,501	1,532
- Memorial Tower : includes donations under grants 2012 - Rs. 45,49,026 (\$92,000); 2011 - Rs. 42,08,776 (\$92,000)	45,64,027	42,61,508	95,084	94,700	- Meher English School	29,23,261	26,32,299	60,901	58,496
- Donations In Kind	24,72,615	4,63,117	51,513	10,291	Secular Education	22,84,532	21,35,515	47,594	47,456
- Medical Facilities	4,12,402	20,40,987	8,592	45,355	Other Charitable Objects	14,80,602	22,78,960	30,846	50,644
- Water Facilities	25,000	22,18,595	521	49,302		3,70,11,926	3,20,36,865	771,081	711,932
- Educational Facilities	1,59,060	10,87,420	3,314	24,165	Capital Expenditure:				
- Other	65,000	8,929	1,354	198	Development Plan (details in Development Plan chart)	47,74,758	35,20,425	99,474	78,302
	3,01,22,443	10,73,03,247	627,552	2,384,519	Land	36,43,560	1,26,90,090	75,908	282,002
					Memorial Tower	27,59,882	59,63,860	57,498	132,530
					Other	44,20,560	36,58,893	92,095	81,309
						1,55,98,760	2,58,33,268	324,975	574,143
					Unspent cash receipts remaining in year after all expenditures, resulting in increase in cash and bank deposits	2,91,15,066	9,69,72,688	606,565	2,154,879
	8,17,25,752	15,48,42,821	1,702,621	3,440,954		8,17,25,752	15,48,42,821	1,702,621	3,440,954

NOTE—Exchange rate used—

Rs. 48/-

Rs. 45/-

Rs. 48/-

Rs. 45/-