

Financial Report

1 APRIL 2021 – 31 MARCH 2022

Our Dear Baba Family,

This is the 22nd annual report that the Avatar Meher Baba Perpetual Public Charitable Trust has prepared to keep the world-wide family of Baba lovers informed on the Trust's finances.

We have just completed the second year under a pandemic! From all activities being curtailed at the start of the year, we now appear to be emerging into the clear with most restrictions being lifted and the Trust opening up, not only the Samadhi for darshan but also pilgrim accommodations. Nevertheless, there is still the risk that as new variants of the virus emerge new restrictions could be imposed.

From a financial perspective, the event having most impact this year has been the government's decision not to renew the Trust's registration under the Foreign Contribution (Regulations) Act 2010. Without this registration the Trust cannot accept donations from foreign nationals and, consequently, a major source of donations has been curtailed since early November 2021. In the last few years, foreign donations have amounted to over 50% of total donations received by the Trust. This will no doubt have a serious ongoing impact on the Trust, unless, with Baba's grace, this

shortfall can be made up by increased donations from Indians. It goes without saying that we are making all possible attempts to have the registration reinstated.

In the Financial Activity chart you will see that donations received in the year were Rs.3.7 crores (\$489,869) in Corpus and Rs.2.4 crores (\$313,329) General Donations, totalling Rs.6.1 crores (\$803,198) for the year. Whereas last year total donations received were Rs.6.9 crores (\$933,136)—Rs.5.1 crores (\$694,402) in Corpus and General Donations of Rs.1.8 crores (\$238,734)—a reduction of 11.2%.

Operating Expenses—Rs.8.5 crores (\$1,117,493)—have remained quite stable and are up by 3.1%, an increase of Rs.25.2 lakhs, over the previous year. All staff continued to be paid their full salaries through the year despite curtailed activities.

Again this year, because of restricted activities and lockdowns there has not been much development on the estate. The Trust's Master Plan is expected to drive new development but the pandemic has put all these plans on hold.

As we have for many years, our long-term financial focus remains unchanged, namely, to build Corpus in order to become self-sustaining and ensure that existing services provided by the Trust are not affected. This is becoming increasingly difficult, with expense growth, largely due to pressure on salaries, continuing to outstrip growth in income, as well as the new restriction on foreign donations.

Financially, these continue to be very trying times for the Trust. The factors in play last year continue to affect the Trust's financial position—lower returns from investments and high expenses, mainly salary costs. In addition, if the flow of foreign donations is not restored soon that will have serious financial consequences. Whatever the circumstances, we try our best to manage knowing it is His will.

In His Love and Service,

Framroze J. Mistry

Chairman

Avatar Meher Baba Perpetual

Public Charitable Trust

Avatar Meher Baba P. P. C. Trust Financial Position at 31st March 2022

The Summary Balance Sheet of the Trust, presented below, is as always based on the audited financial statements. The balance sheet provides readers a snapshot of the Trust's financial position at the end of the financial year, i.e., on 31 March 2022. It discloses the cost of assets owned by the Trust, namely property acquired and constructed since inception of the Trust, and current investments, bank balances, etc. The balance sheet also discloses the source of funds received to acquire these assets. One can see that the main source of funds are Corpus donations, both general and specific, and the Trust has used these funds to acquire its various assets.

An explanation of the captions under the "Corpus and Liabilities" column follows:

Trust Fund and Corpus:

In essence, this balance represents the capital of the Trust and is an accumulation of the following items since inception:

- The original corpus amount donated when the Trust was set up by Meher Baba. This was a very small amount in relation to the existing balance.
- All general Corpus donations made to the Trust. General Corpus donations are donations made without any restrictions and can be used by the Trust for any purpose whatsoever. General Corpus donations represent by far the largest portion of this balance.
- When Specific Corpus Donations are used, the utilized amount is transferred to Trust Fund and Corpus as explained below.
- Transfers from the Income and Expenditure Account as explained in the text that follows:

Income & Expenditure Account:

This balance represents the total accumulated Surplus/Deficit of the Trust since inception, less any amounts transferred to Trust Fund and Corpus to meet certain legal requirements or at the discretion of the Board. As a result of these transfers there is a nil balance at 31 March 2022.

In effect, this balance is also part of the capital of the Trust, similar to Trust Fund and Corpus, but standard accounting practice requires accumulated surplus amounts to be kept separate.

Specific Corpus Donations:

These amounts represent the unutilized balance of Specific Corpus Donations received by the Trust. These donations are made for specific objects and projects, and when monies donated are used for the specified purpose, an equivalent amount is transferred to Trust Fund and Corpus.

Liabilities:

This balance represents amounts owed by the Trust to third parties.

Under the "Assets" column are listed the various assets acquired and constructed by the Trust:

Fixed Assets:

This balance represents the various assets acquired or constructed by the Trust since inception. It includes tangible assets, such as land, buildings, equipment of all types, furniture, wells, vehicles of all types, infrastructure construction such as roads, water storage tanks and dams, electrical sub-station, computers, etc. It also includes intangible assets, such as software.

All these assets, except land, have a finite life, and the cost of the asset is depreciated over the estimated life of the asset. According to standard accounting practice, the original cost, accumulated depreciation of the assets, and the net value after deducting depreciation are shown as separate amounts in the Balance Sheet

Investments:

This balance represents the various types of investments owned by the Trust. There are restrictions on the types of investments Public Charitable Trusts in India can make. The restrictions are to ensure that funds of such institutions are conservatively invested. The Trust has a very conservative policy of investing only in deposits with nationalized banks and in government securities to minimize any loss.

Investments in Fixed and Term Deposits and Government Bonds are for terms ranging up to 10 years. Short-term investments are for terms less than one year.

Current Assets:

This balance represents amounts owed to the Trust by staff and third parties, and includes payments made in advance for purchase of assets.

Cash and Bank Balances:

This figure represents the total of all bank balances with the Trust's various bankers plus the cash kept on hand. The cash balance represents a very small component of the total balance.

CORPUS AND LIABILITIES	31-Mar-2022 Rupees	31-Mar-2021 Rupees	31-Mar-2022 US \$	31-Mar-2021 US \$	ASSETS	31-Mar-2022 Rupees	31-Mar-2021 Rupees	31-Mar-2022 US \$	31-Mar-2021 US \$
TRUST FUND AND CORPUS	1,08,51,93,345	1,04,15,52,281	14,316,535	14,170,779	FIXED ASSETS				
INCOME & EXPENDITURE ACCOUNT	0	0	0	0	Cost	57,27,63,866	55,82,26,278	7,556,251	7,594,915
SPECIFIC CORPUS DONATIONS					Less: Depreciation	20,74,12,399	19,44,17,141	2,736,311	2,645,131
Archives/Museum	0	0	0	0		36,53,51,467	36,38,09,137	4,819,940	4,949,784
Development Plan	1,28,63,866	1,00,83,779	169,708	137,194	INVESTMENTS				
Dharamshala	7,96,30,972	7,85,21,508	1,050,541	1,068,320	Fixed Deposits	32,60,674	1,97,60,674	43,017	268,853
Educational Facilities	23,68,610	19,58,599	31,248	26,648	Term Deposits	57,76,95,268	56,03,00,347	7,621,310	7,623,134
Medical Facilities	1,49,81,735	1,40,68,813	197,648	191,412	Short-term Fixed Deposits	5,17,09,216	2,05,00,000	682,180	278,911
Meherazad Preservation & Development	8,99,00,000	8,44,00,000	1,186,016	1,148,299	Government of India Bonds	4,23,00,000	4,23,00,000	558,047	575,510
Memorial Tower	3,64,907	3,64,907	4,814	4,965	Accrued Interest	24,82,64,357	23,54,88,115	3,275,255	3,203,920
Superstructure	70,02,118	70,02,118	92,376	95,267		92,32,29,515	87,83,49,136	12,179,809	11,950,328
Water Facilities	7,49,365	6,19,990	9,886	8,435	CURRENT ASSETS				
Other	13,12,746	13,12,746	17,319	17,861		33,50,391	25,03,896	44,201	34,067
	20,91,74,319	19,83,32,460	2,759,556	2,698,401	CASH AND BANK BALANCES				
LIABILITIES	2,92,842	89,31,291	3,863	121,514		27,29,133	41,53,863	36,004	56,515
	1,29,46,60,506	1,24,88,16,032	17,079,954	16,990,694		1,29,46,60,506	1,24,88,16,032	17,079,954	16,990,694

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

From 1st April 2021 to 31st March 2022

The financial activities summary presented below is also based on the Trust's audited financial statements. It summarizes receipts and payments, i.e., amounts received and amounts disbursed, and it covers all Trust activities—operating income and expenses, Corpus donations received, and money spent on capital expenditure. This summary discloses expenses incurred on facilities and programs so that you get an overall picture of Trust activities.

In the "Receipts" column you will note that Amartithi donations were zero as once again, due to the pandemic, the traditional in-person Amartithi program was cancelled. The other captions requiring comment are explained below:

Interest on Deposits and Investments:

Even though Investments increased by Rs.4.5 crores (\$592,089), interest income earned—Rs.6.5 crores (\$855,899)—shows a small reduction of 2.0% compared with the previous year. As in previous years, this change reflects the low interest rate environment in which investments made at higher rates are maturing and being renewed at much lower rates. Most of the high interest yielding investments have matured this year. However, as interest rates have started to increase in the last few months we expect a positive impact in the coming year.

General Donations, includes operating donations under grants:

Under this caption there are two amounts noted, for 2022 Rs.1.1 crores (\$151,605) and 2021 Rs.99.1 lakhs (\$135,080). These amounts represent donations received under Maintenance Grants from institutions devoted to Meher Baba in the USA. It was fortuitous that these donations were received early in the year before foreign donations were restricted.

Donations from Pilgrims for Staying in Hostels

This amount is a fraction of the amount received in a normal year as, due to the pandemic, the hostels were closed for most of the year, and started accepting pilgrims, initially on a limited basis, only from 22 October 2021.

Meher English School Fees

Fees collected are very low as the school remained closed for the major part of the year, due to the pandemic, opening on 31 January 2022.

Capital Receipt

This amount represents the gain made by the Trust on the compulsory acquisition, by the government, of land required for the expansion of the Ahmednagar Bypass road located south of the estate in Meherabad.

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

Office & Administration:

Expenses for office and administration staff and premises, including the Trust's main office at Meher Nazar and part of the Meherabad Trustees office.

Liability of First Charge and Historic Sites:

The primary responsibility of the Trust is to take care of Beloved Baba's Samadhi. In addition, this figure includes staff and maintenance expenses related to all other historic sites in Upper and Lower Meherabad, Meherazad, and Guruprasad Memorial Hall.

Water Facilities and Afforestation:

Maintenance of wells, pipelines, water storage facilities and pumps, electric bills for pumps, water charges, agricultural vehicles, and afforestation expenses at Meherabad and Meherazad.

Facilities for Pilgrims:

The maintenance of Meher Pilgrim Retreat, Hostels C and D, Dharamshala, as well as expenses for pilgrim transportation, marketing vehicles, electricity, security, insurance, etc. Total expenses for this object was Rs.2.3 crores (\$297,432).

Medical Facilities:

This amount includes the expenses of Meher Health Center in Arangaon, Meher Hospital, Medical Staff Quarters, and the Trust-sponsored health camps for school children, cataract camps, and dental camps, and free medical aid and medicine to indigent patients and hospitalization for the poor and needy in Ahmednagar.

Education Facilities:

Includes the operation of Meher English School, Farmers Education Center, Physical Education Center, and Music and Arts Center and includes books and scholarships provided to poor students. Total expenses for these activities were Rs.1.3 crores (\$172,496).

Secular Education:

Includes expenditure for Beloved Avatar Meher Baba's Amartithi (zero this year). Also includes expenses of the library, study hall, museum, Welcome Office, staff quarters, Archives and Research buildings at Meherabad and Meherazad, Memorial Tower, Meher Pilgrim Centre, Spiritual Academy at Lower Meherabad, and Young Adults Sahavas.

Other Charitable Objects:

Financial assistance to Arangaon and Pimpalgaon Grampanchayats for social purpose projects under-taken by them, government relief funds, Help to the Poor and Needy, and to local institutions and communities.

As mentioned in the Chairman's message, total operating expenses of Rs.8.5 crores (\$1,117,493) have remained quite stable and have increased by 3.1% over the previous year. Staff salaries were paid during the pandemic despite curtailed activities. Staff costs represent almost 75% of operating expenses.

The next main heading in the "Payments" column is "Capital Expenditure." It shows the Capital Expenditure for the year, including amounts spent under the Development Plan. Again this year, the largest expenditure was on purchase of land to consolidate the Trust's land holdings for future development and to preserve and protect sanctified areas. Capital expenditure under "Other" includes furniture and fixtures, infrastructure, small building, film project, medical equipment, computer equipment, and machinery.

The last section in the chart shows the unspent funds received during the year, which have mainly been invested in bank deposits. The amount is a substantial increase over the previous year due to the Rs.2.4 crores (\$322,269) shown under "Capital Receipt."

RECEIPTS		2022	2021	2022	2021	PAYMENTS		2022	2021	2022	2021
		Rupees	Rupees	US \$	US \$			Rupees	Rupees	US \$	US \$
OPERATING RECEIPTS						OPERATING EXPENSES					
Interest on Deposits and Investments		6,48,77,101	6,62,34,481	855,899	901,149	Office and Administration		78,93,003	70,02,183	104,129	95,268
General Donations, includes operating donations under grants:		2,37,50,346	1,75,46,972	313,329	238,734	Liability of First Charge & Historic Sites		85,04,068	64,48,043	112,191	87,728
2022- Rs.111,13,955 (\$151,605)						Water Facilities & Afforestation		1,44,96,512	1,30,60,475	191,247	177,694
2021- Rs. 99,13,974 (\$135,080)						Facilities for Pilgrims - Meherabad		92,79,015	86,50,883	122,414	117,699
Donations from pilgrims for staying in Hostels		13,67,460	0	18,040	0	- Meher Pilgrim Retreat		1,32,66,371	1,23,16,168	175,018	167,567
Educational Gathering : Amartithi Donations		0	0	0	0	Medical Facilities		83,59,932	74,14,082	110,289	100,872
Meher English School fees		66,650	23,650	879	322	Education Facilities - Schooling help		11,14,296	7,19,987	14,700	9,796
Other		5,62,583	5,99,508	7,422	8,157	- Farmers Education Centre		5,43,013	4,95,988	7,164	6,748
		9,06,24,140	8,44,04,611	1,195,569	1,148,362	- Music and Arts Centre		7,00,677	7,76,466	9,244	10,564
						- Physical Education Centre		12,84,952	11,82,285	16,952	16,086
CORPUS DONATIONS						- Meher English School		94,32,242	98,01,035	124,436	133,347
For any use in the Trust under Corpus		2,51,87,729	3,58,34,621	332,292	487,546	Secular Education		81,89,797	76,47,086	108,045	104,042
For use in any Development Plan project		27,80,087	1,26,00,911	36,676	171,441	Other Charitable Objects		16,42,126	66,72,103	21,664	90,777
For Specific Purposes:								8,47,06,004	8,21,86,784	1,117,493	1,118,188
Dharamshala		11,09,464	6,21,025	14,637	8,449						
Memorial Tower : includes donations under grants:		0	0	0	0	CAPITAL EXPENDITURE					
2022 - Rs. Nil						Land and Fencing		1,08,22,246	1,75,96,803	142,774	239,412
2021 - Rs. Nil						Memorial Tower		0	5,29,058	0	7,198
Donations In Kind		11,02,500	7,11,620	14,545	9,682	Infrastructure		8,93,638	25,64,325	11,789	34,889
Medical Facilities		9,12,922	6,30,858	12,044	8,583	Buildings		12,94,883	8,62,644	17,083	11,737
Water Facilities		1,29,375	1,97,867	1,707	2,692	Other		15,26,821	3,10,840	20,143	4,229
Educational Facilities		4,10,011	4,20,647	5,409	5,723	Includes capital expenditure under Development Plan:					
Meherazad Preservation & Development		55,00,000	0	72,559	0	2022 - Rs. 14,24,358 (\$18,791)					
Other		0	21,000	0	286	2021 - Rs. 53,17,275 (\$72,344)					
		3,71,32,088	5,10,38,549	489,869	694,402			1,45,37,588	2,18,63,670	191,789	297,465
CAPITAL RECEIPT		2,44,27,957	0	322,269	0	Unspent receipts remaining in year after all expenditures, resulting mainly in increased investments		5,29,40,593	3,13,92,706	698,425	427,111
		15,21,84,185	13,54,43,160	2,007,707	1,842,764			15,21,84,185	13,54,43,160	2,007,707	1,842,764