

Financial Report

1ST APRIL 2022 – 31ST MARCH 2023

Our Dear Baba Family,

This is the 23rd annual report that the Avatar Meher Baba Perpetual Public Charitable Trust has prepared for the worldwide family of Baba lovers to keep them informed on the Trust's finances.

This year we have finally emerged after being under pandemic restrictions for two years. All activities have resumed, including darshan at the Samadhi, pilgrims residing in Meherabad, and a normal Amartithi.

From a financial perspective, the government's decision not to renew the Trust's registration under the Foreign Contribution (Regulations) Act 2010 (FCRA) continues to have a major impact. 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. There is an update on the FCRA situation in the Chairman's Message in this newsletter.

From the Financial Activity chart you will see that donations received in the year were Rs.3.1 crores (\$371,369) in

Corpus and Rs.1.6 crores (\$196,158) in General Donations, totalling Rs.4.6 crores (\$567,527) for the year. In the previous year, total donations received were Rs.6.1 crores (\$803,198) — a reduction of 23.4%. This decrease is the result of not receiving any foreign donations this year. In fact, donations are at the lowest level they have been in the last seven years.

Operating Expenses, Rs.9.5 crores (\$1,150,255), show a big increase of Rs.98.7 lakhs, or 11.6% over the previous year, which reflects the Trust's return to full activity this year, whereas last year activities were curtailed due to pandemic restrictions.

After a hiatus of some years, development activity has also picked up. A new solar panel system was installed in Lower Meherabad for Rs 62.4 lakhs (\$75,900), and toward the end of the financial year a major renovation of Hostel D has commenced, which should cost under Rs.1 crore (\$121,600). Currently, a 5- to 7-year plan is being prepared, based on the requirements outlined in the Trust's Master Plan, which will drive future development on the estate.

Our long-term financial focus remains unchanged, namely, to build Corpus to become self-sustaining and to ensure that existing services provided by the Trust are not affected. For now, the FCRA restrictions make this an almost impossible task to achieve, but we live in the hope that, with Baba's grace, this setback will be resolved and foreign donations will once again begin to flow into the Trust.

Financially, these continue to be very difficult times for the Trust; the only good news being that interest rates have increased this year, which means that in future it will have a positive impact on income earned from investments. Expenses remain high but the Trust is exploring solutions. However, the key remains foreign donations: if they are not restored soon, there will be serious financial consequences. Nevertheless, through all this we persevere, knowing that it is His hand behind all this, for better or for worse.

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 2023

The Summary Balance Sheet of the Trust, presented below, is as always based on the audited financial statements. The balance sheet provides readers with a snapshot of the Trust's financial position at the end of the financial year, i.e., on 31 March 2023. 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. 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 2023.

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-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	ASSETS	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
	Rupees	Rupees	US \$	US \$		Rupees	Rupees	US \$	US \$
TRUST FUND AND CORPUS	1,10,04,82,137	1,08,51,93,345	13,384,604	14,316,535	FIXED ASSETS				
INCOME & EXPENDITURE ACCOUNT	0	0	0	0	Cost	59,50,61,257	57,27,63,866	7,237,427	7,556,251
SPECIFIC CORPUS DONATIONS					Less: Depreciation	22,23,15,112	20,74,12,399	2,703,905	2,736,311
Archives/Museum	0	0	0	0		37,27,46,145	36,53,51,467	4,533,522	4,819,940
Development Plan	1,14,39,508	1,28,63,866	139,133	169,708	INVESTMENTS				
Dharamshala	7,99,42,472	7,96,30,972	972,299	1,050,541	Fixed Deposits	32,60,674	32,60,674	39,658	43,017
Educational Facilities	17,71,000	23,68,610	21,540	31,248	Term Deposits	65,34,32,291	57,76,95,268	7,947,364	7,621,310
Medical Facilities	1,62,87,628	1,49,81,735	198,098	197,648	Short-term Fixed Deposits	2,72,84,207	5,17,09,216	331,844	682,180
Meherazad Preservation & Development	8,99,00,000	8,99,00,000	1,093,408	1,186,016	Government of India Bonds	0	4,23,00,000	0	558,047
Memorial Tower	0	3,64,907	0	4,814	Accrued Interest	24,08,86,769	24,82,64,357	2,929,783	3,275,255
Superstructure	70,02,118	70,02,118	85,163	92,376		92,48,63,941	92,32,29,515	11,248,649	12,179,809
Water Facilities	5,98,141	7,49,365	7,275	9,886	CURRENT ASSETS				
Other	15,12,746	13,12,746	18,399	17,319		61,91,884	33,50,391	75,309	44,201
	20,84,53,613	20,91,74,319	2,535,315	2,759,556	CASH AND BANK BALANCES				
LIABILITIES	4,73,299	2,92,842	5,757	3,863		56,07,079	27,29,133	68,196	36,004
	1,30,94,09,049	1,29,46,60,506	15,925,676	17,079,954		1,30,94,09,049	1,29,46,60,506	15,925,676	17,079,954

Exchange rates used

Rs. 82.22 Rs. 75.80

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

From 1st April 2022 to 31st March 2023

The financial activity 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 the increases this year in Donations from pilgrims for staying in Hostels, Amartithi donations, and Meher English School fees reflect a full year's activity, whereas in the previous year activity was curtailed due to COVID-19 restrictions. The other captions requiring comment are explained below:

Interest on Deposits and Investments:

There is no appreciable change in interest income this year, which reflects the fact that Investments (in the balance sheet) have not changed much in the year. Although, as mentioned in the Chairman's message, interest rates have increased during the year, the result of that will not be reflected until future years.

General Donations, includes operating donations under grants:

Under this caption there are two amounts noted, for 2023 Rs.0 and 2022 Rs.1.1 crores (\$151,605) These amounts represent donations received under Maintenance Grants from institutions devoted to Meher Baba in the USA. In 2023, the amount is nil as no foreign donations could be accepted by the Trust. In 2022, it reflects donations received up to early November 2021 when foreign donations were stopped by FCRA.

Capital Receipt

Once again, 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.2.4 crores (\$296,592).

Medical Facilities:

Includes the expenses of Meher Health Centre 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 Centre, Physical Education Centre, and Music and Arts Centre

and includes books and scholarships provided to poor students. Total expenses for these activities were Rs.1.6 crores (\$188,713).

Secular Education:

Includes expenditure for Beloved Avatar Meher Baba's Amartithi. 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 undertaken 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.9.5 crores (\$1,150,255) have increased by 11.6% over the previous year as Trust activities return to normal.

The next main heading in the "Payments" column is "Capital Expenditure." It shows the Capital Expenditure for the year. No expenses were incurred under the Development Plan as the FCRA restriction on foreign donations does not allow the Trust to use any unutilized foreign donations received in the past. The largest expenditure was on infrastructure development, which includes the new solar power system mentioned in the Chairman's message. Two school buses were acquired to replace buses no longer usable. Capital expenditure under "Other" includes furniture and fixtures, medical, agricultural, and computer equipment, and fitness equipment for the Physical Education Centre.

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 significantly lower than the previous year due mainly to lower donations received and the Rs.2.4 crores (\$322,269) received as a Capital Receipt last year.

RECEIPTS	2023 Rupees	2022 Rupees	2023 US \$	2022 US \$	PAYMENTS	2023 Rupees	2022 Rupees	2023 US \$	2022 US \$
OPERATING RECEIPTS					OPERATING EXPENSES				
Interest on Deposits and Investments	6,47,71,437	6,48,77,101	787,782	855,899	Office and Administration	90,10,784	78,93,003	109,594	104,129
General Donations, includes operating donations under grants:	1,61,28,152	2,37,50,346	196,158	313,329	Liability of First Charge & Historic Sites	82,53,849	85,04,068	100,387	112,191
2023 - Rs. 0					Water Facilities & Afforestation	1,36,77,272	1,44,96,512	166,350	191,247
2022 - Rs.1,11,13,955 (\$151,605)					Facilities for Pilgrims - Meherabad	99,73,243	92,79,015	121,299	122,414
Donations from pilgrims for staying in Hostels	70,54,470	13,67,460	85,800	18,040	- Meher Pilgrim Retreat	1,44,12,518	1,32,66,371	175,292	175,018
Educational Gathering : Amartithi Donations	8,58,787	0	10,445	0	Medical Facilities	94,85,686	83,59,932	115,370	110,289
Meher English School fees	8,64,100	66,650	10,510	879	Education Facilities - Schooling help	13,16,813	11,14,296	16,016	14,700
Other	31,05,752	5,62,583	37,774	7,422	- Farmers Education Centre	5,78,552	5,43,013	7,037	7,164
	9,27,82,698	9,06,24,140	1,128,469	1,195,569	- Music and Arts Centre	7,52,393	7,00,677	9,151	9,244
CORPUS DONATIONS					- Physical Education Centre	12,69,658	12,84,952	15,442	16,952
For any use in the Trust under Corpus	2,62,37,712	2,51,87,729	319,116	332,292	- Meher English School	1,15,98,550	94,32,242	141,067	124,436
For use in any Development Plan project	0	27,80,087	0	36,676	Secular Education	1,20,27,468	81,89,797	146,284	108,045
For Specific Purposes:					Other Charitable Objects	22,17,155	16,42,126	26,966	21,664
Dharamshala	3,11,500	11,09,464	3,788	14,637		9,45,73,941	8,47,06,004	1,150,255	1,117,493
Donations In Kind	3,75,896	11,02,500	4,572	14,545	CAPITAL EXPENDITURE				
Medical Facilities	13,97,163	9,12,922	16,993	12,044	Land and Fencing	76,96,178	1,08,22,246	93,605	142,774
Water Facilities	1,89,993	1,29,375	2,311	1,707	Memorial Tower	0	0	0	0
Educational Facilities	18,21,733	4,10,011	22,157	5,409	Infrastructure	80,86,094	8,93,638	98,347	11,789
Meherazad Preservation & Development	0	55,00,000	0	72,559	Buildings	3,48,295	12,94,883	4,236	17,083
Other	2,00,000	0	2,432	0	School Buses	49,01,999	0	59,621	0
	3,05,33,997	3,71,32,088	371,369	489,869	Other	12,64,825	15,26,821	15,383	20,143
CAPITAL RECEIPT	7,28,045	2,44,27,957	8,855	322,269	Includes capital expenditure under Development Plan:				
					2023 - Rs. 0				
					2022 - Rs. 14,24,358 (\$18,791)	2,22,97,391	1,45,37,588	271,192	191,789
					Unspent receipts remaining in year after all expenditures, resulting mainly in increased investments	71,73,408	5,29,40,593	87,246	698,425
	12,40,44,740	15,21,84,185	1,508,693	2,007,707		12,40,44,740	15,21,84,185	1,508,693	2,007,707

Exchange rates used

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