

# Financial Report

1 APRIL 1999 – 31 MARCH 2000

Dear brothers and sisters,

This financial report is the first report that the Avatar Meher Baba Perpetual Public Charitable Trust has prepared for general dissemination to the worldwide family of Baba lovers. I am sending this report to you on behalf of the Board of Trustees. All of us at the Trust feel that Beloved Avatar Meher Baba has given you His dear ones the opportunity to share in the responsibility of developing the Trust Estate. Because of the loving cooperation, interest, and support which so many of you have shown regarding this development work, we feel, for our part, that it is now our bounden duty to share information about the financial aspect of the Trust so that you may have an idea of how the Trust

continues to carry out its operations with the help of you dear ones.

Last year we had submitted Five-Year Development Plan financial accounting information to six American tax-exempt Meher Baba organizations which had donated to the Trust under the Plan. Under American law, these organizations needed this financial information so that individual donors to the organizations may receive the benefit of income tax deduction. Of course, we know, through the list of donors that each organization sent, each individual's contribution. Again, we say that we really feel touched by the loving response from donors everywhere around the world, whether their donations were sent through organizations or

individually to help Baba's Trust. This year we have decided, therefore, that the Five-Year Development Plan financial report should be made available not only to those specific tax-exempt organizations but to everyone, that is the tax-exempt organizations, individual donors and the Baba world at large. We have also included a General Report on the finances of the Trust for the year 1999-2000 which you may find of interest. This information is being shared with you so that you may know that we have trust in you and you have trust in us.

V.S.Kalchuri (Bhau)  
Chairman  
Board of Trustees

## Avatar Meher Baba P.P.C. Trust Five-Year Development Plan Financial Status Report April, 2000

THIS CHART IS

DESIGNED to help you see at a glance the Five-Year Plan's budgetary allocations, both for this coming financial year and for the full five-year period. The far left-hand column entitled "Budget Item" names the individual projects (each as a separate item) under the Plan. The next three columns to the right give the total estimated budget for the project, the amount spent to date, and the specific budget for the upcoming year. The far right-hand column called "Comments" offers a brief word about each project. At the bottom of the chart, below the "totals," the following information is provided: the amount of contributions to date, the amount of donations that are being carried over from previous years to help fund this year's projects, and the donation amount needed for this coming fiscal year (2000-2001) for the completion of projects scheduled for this term.

As the bottom of the chart indicates, the total donations to the Development Plan to date come to \$478,000. Out of this sum, the Trust has spent \$293,916 for the objects of the Plan. The budget for 2000-2001 is \$643,000; deducting

BUDGET ITEM	TOTAL BUDGET	SPENT TO DATE	BUDGET 2000	COMMENTS
<b>PILGRIM FACILITIES</b>				
Pilgrim Centre	\$675,000	\$0	\$95,200	For 200 pilgrims; start construction in the year 2000
Pilgrim Education Site	\$300,000	\$78,910	\$107,100	For 4,000 additional pilgrims; construction begun
Dharamshala	\$750,000	\$0	\$0	Construction to be scheduled
<b>ARCHIVE PROJECT</b>				
Meherabad	\$375,000	\$11,430	\$259,500	Furnishing and Equipment
Meherazad	\$47,750	\$0	\$12,000	Ancillary Building
<b>COMMUNITY SERVICES AND ADMINISTRATION</b>				
Meher English School	\$68,000	\$60,496	\$7,100	Auditorium, science labs and school bus
Health Centre Expansion	\$13,000	\$12,800	\$0	Annex for Meher Health Centre complete
Administration Facilities	\$213,000	\$11,035	\$35,700	Building and staff quarters
Storage Buildings	\$75,000	\$13,050	\$0	For 3 workshops and storage areas
<b>EDUCATION FACILITIES</b>				
College Phase I	\$75,000	\$0	\$0	College for performing arts to be scheduled
Cultural Academy	\$17,000	\$14,320	\$0	Library and meeting room for study and spiritual training
<b>INFRASTRUCTURE</b>				
Samadhi Protection	\$76,000	\$23,850	\$28,600	Electrification and trees around Samadhi
Roads	\$138,000	\$22,550	\$12,000	Around Baba's Samadhi and for pilgrim facilities
Electricity	\$92,000	\$19,125	\$26,300	Electrification and generator for pilgrim facilities
Water	\$90,000	\$26,350	\$59,500	For pilgrim facilities
<b>CONTINGENCY</b>				
	\$222,250	\$0	\$0	To finance not yet identified projects and to cover budget overruns
<b>TOTAL</b>	<b>\$3,227,000</b>	<b>\$293,916</b>	<b>\$643,000</b>	
<b>CONTRIBUTIONS TO DATE</b>	\$478,000			
<b>CARRYOVER FROM 1999-2000</b>			\$184,084	
<b>CONTRIBUTIONS GOAL 2000-2001</b>			\$458,916	

from this total the \$184,084 carried over from previous years, we find that the Trust will need \$458,916 in additional donations to complete all budgeted projects for this year.

We want you all dear ones of Beloved Baba to know that Facilities for the Pilgrims is the foremost object of the Trust according to Beloved Baba's wish. Major pilgrim facility projects for 2000-2001 – which include "Pilgrim Education Site" and "Site Development around Baba's Samadhi" – necessitate vast infrastructure. The building of this infrastructure, along with the initiation of construc-

tion of the new Pilgrim Centre and continuing construction of facilities for future Amartithi gatherings at the Pilgrim Education Site, will be the major focuses for the upcoming year. These projects are budgeted in 2000-2001 for \$328,700.

As the construction of the Archives, Museum and Research Building is nearing completion, we plan over the coming year to purchase storage cupboards made according to our specifications in such fashion as to ensure that Beloved Avatar Meher Baba's personal articles will be preserved safely. These cupboards are indeed no ordinary cupboards! After

much research, they have been custom designed, and now in accordance with our specifications they will be manufactured in India where the price will be much lower than it would be if they were made outside of India. We have placed an order for the sample, and if the sample is perfectly constructed and seems suitable for its purpose of preserving Beloved Baba's articles safely, we will place the order immediately for the entire allotment of 200 cupboards; but if the sample is in any way defective, then the ordering of the cupboards will be delayed. In addition to the purchase of the cup-

boards, the remaining amount of the budget for the Archives Building will be spent on other furnishing and equipment for the building. Also included under the Archive Project budget line is an Ancillary Building at Meherazad where certain special articles which are connected solely with Baba's Home will undergo treatment for preservation. This project is under the planning stage, and as soon as the plan is completed, construction will begin.

We have also started construction of Staff Quarters under the Project title of "Administration Facilities." The construction work has

started, and we are dividing the Staff Quarters in different categories: Medical, Pilgrim, Archival, and Administrative.

Briefly summarizing the progress in the Five-Year Development Plan, which is shown in the column titled "Spent to Date" we have completed the Addition to the Meher Health Center and the Spiritualized Educational and Cultural Academy. Nearing completion are: the expansion of Meher High School with its auditorium-gymnasium and science labs; two small storage buildings near Meher Pilgrim Center and Hostel "D"; and Facilities at the Pilgrim Education Site for future Amartithi, which include an Enquiry Office, Medical Facility, Watchmen's Quarters, Waiting Shelters, Security Cabins, Storeroom, Toilets, and 20 Pilgrim Kitchen's. In addition, work on creating the massive infrastructure related to all the projects under the Development Plan was set in motion through the construction of two ground and two overhead water tanks, purchasing two electrical generators, laying miles of water pipelines, installing electrical lines, building roads and afforestating acres of land.

# Avatar Meher Baba P.P.C. Trust

## Financial Status From 1st April 1999 to 31st March 2000

NOW WE COME TO THE SECOND CHART "The General Financial Report" of the Trust that explains the Trust's basic finances for this past financial year. Although the Five-Year Development Plan is now the major focus of Trust development activity, as a wholly public charitable trust it has many ongoing programmes – medical, veterinary, educational – that fall outside the scope of the Plan. Since every activity of the Trust has a solely public charitable aim according to Beloved Baba's wish, no Trust activity is commercial and therefore can not be calculated on a profit or loss basis. All expenses are paid for out of donations and interest income. This chart gives a summary of expenses for these other Trust facilities and programmes so that you can get an all-around picture of the Trust and its activities.

Under the column "Payments," the list for Operating Expenses is given for each major function. The total staff expenses for 1999-2000 came to \$66,670. The cost for Trust maintenance – which includes maintenance of buildings, roads, pipelines, wells, etc. totaled \$36,390. Thus the basic cost for maintaining the Trust Estate amounted to \$103,060 out of the total Operating Expenses of \$241,330. The following list explains the activities under each category:

### Office & Administration:

Administrative expenses plus reconstruction of historic Trust buildings at Ahmednagar.

### Water Facilities:

Maintenance of wells, pipelines, electric bills of pumps, afforestation expenses.

### Facilities for Pilgrims:

The maintenance of Pilgrim Center, Hostel

"D", Dharamshala, as well as expenses for pilgrim transportation, marketing vehicles, electric bills, insurance, afforestation around the buildings, etc. The donations received at Meher Pilgrim Centre, Dharmashala and Hostel "D" on per day basis are only nominal covering only 15% of the total operating expenditure of Facilities of Pilgrims.

### Secular Facilities:

The expense for Beloved Baba's Amartithi (which came to \$16,866 this past year) and for the maintenance of the library and museum at Upper Meherabad.

### Other Charitable Objects of Public Utility:

The maintenance of Guruprasad Memorial Hall in Pune, the Avatar Meher Baba Ahmednagar

The third major heading in this column concerns the construction expenses under the Five-Year Development Plan itself. Each major project is listed. The Trust spent \$188,139 for these constructions. The number shown on The Five-Year Development Plan Status Report under column entitled "Spent to Date" includes this \$188,139 plus funds spent for year

can be found in the "Receipts" column to the far left. The total of donations and interest received last year came to \$686,891. Out of this amount, \$341,742 was donated specifically for the Five-Year Development Plan. The remaining \$345,149 was available to be utilized for other projects of the Trust as well as for maintaining the Trust Estate. Out of

In the event of a surplus – which the Trust had in 1999-2000 – we allocate that surplus amount to certain specified objects of a capital nature and, under Indian Income Tax Law, are required to spend that surplus amount within 10 years. Furthermore, as mandated by Indian law for public charitable trusts, we deposit donations in nationalized banks that

represent a most secure form for the Trust funds. In the past the Trust received an interest of 13% per year, but now that interest has dropped to 9 1/2%.

The second major fact of Trust financial management is that interest income is the primary source for meeting Trust operating expenses because donations for the maintenance of the Trust can not meet the maintenance expenditure. In 1986, because of a change in Indian tax law, a special plan was devised by the Trust in order to accumulate money for the Reserve Fund. Trust funds were deposited in banks for various terms of five to twenty years. With the passing of time, the accumulated interest has doubled and tripled the original Trust deposits. These funds allow the Trust to manage its day-to-day operations

RECEIPTS	EQU. TO \$	PAYMENTS	EQU. TO \$
<b>CORPUS DONATIONS</b>	\$145,355.00	<b>OPERATION EXPENSES</b>	
<b>GENERAL DONATIONS</b>	\$8,752.00	Office & Administration	\$59,101.00
		Water Facilities	\$21,168.00
		Facilities for Pilgrims	\$59,245.00
<b>INTEREST RECEIVED ON BANK DEPOSITS</b>	\$191,042.00	Medical Facilities	\$39,609.00
		Schooling Facilities	\$22,104.00
<b>SUB TOTAL</b>	\$345,149.00	Secular Education	\$19,753.00
		Other Charitable Objects of Public Utility	\$20,350.00
		<b>Sub Total</b>	<b>\$241,330.00</b>
<b>CORPUS DONATION FOR FIVE-YEAR DEVELOPMENT PLAN</b>	\$341,742.00	LESS Operating Expenses Five-Year Development Plan	\$13,309.00
		<b>Total Operating Expenses not of Five-Year Development Plan</b>	<b>\$228,021.00</b>
		<b>Construction Expenses Other Than Five-Year Development Plan</b>	
		1) Archives Building	\$70,914.00
		2) Other	\$31,156.00
		<b>Expenses Under Five-Year Development Plan</b>	
		a) Roads	\$781.00
		b) Site dev. around Baba's Samadhi	\$18,943.00
		c) Const. of Build. at Pilgrims Edu. Site	\$47,703.00
		d) Meher English School	\$58,674.00
		e) Meher Health Ctr. Expansion	\$3,124.00
		f) Spiritual Edu. & Cultural Academy	\$2,315.00
		g) Administration Facilities	\$11,035.00
		h) Storage Facilities	\$13,050.00
		i) Electrification at Pilgrims Edu. Site	\$6,385.00
		j) Water Facilities at Pilgrim Edu. Site	\$23,368.00
		k) Archives	\$2,761.00
			\$188,139.00
		<b>Balance Carried Forward for the Objects of the Trust</b>	<b>\$168,661.00</b>
<b>GRAND TOTAL</b>			<b>\$686,891.00</b>

### Medical Facilities:

The maintenance of Meher Health Center, Hospital and Medical Staff Quarters. Out of the operating expenses of \$39,609, the Trust sponsored health camps for school children, five cataract camps, and dental camps, and gave free medical aid and free medicine to indigent patients at cost of \$24,932.

### Schooling Facilities:

The maintenance of Meher High School, Veterinary-Aid Center, Physical Education Center, and Music and Arts Center. Books and scholarships are given to the poor students.

Centre, and the funding of Centre programmes and help for the poor and needy.

The second major heading in the column entitled "Payments" is "Construction and Capital Expenses other than the Five-Year Development Plan." The construction cost for the Archives Building during 1999-2000 came to \$70,914. The second item under this heading is "Other," which refers to capital expenses of \$31,156 for items such as computers, furniture, vehicles, electrification etc. Thus construction and capital expenses outside the Five-Year Development Plan last year came to \$102,070.

ending 31 March 1999.

The last major heading in this "Payments" column concerns the "balance carried over for the objects of the Trust." This balance of \$168,661 includes \$153,603 for the Five-Year Development Plan. The carry-over balance will be utilized this year as we have a very large budget for 2000-2001 for the projects under the Five-Year Plan. The remaining balance of \$15,058 comes from donations other than the Five-Year Development Plan and interest income of the Trust.

Now how does the Trust manage to fund all these projects, programs, and facilities? The answer

that amount, last year the Trust spent \$330,091 for other construction projects, and for capital and operating expenses outside the Five-Year Plan.

### TRUST FINANCIAL MANAGEMENT

Regarding the Trust's overall financial management, we want to let Beloved Baba's dear Lovers know two fundamental facts. First, the Trust does not have an Endowment Fund; however, it does have a "Corpus" (or "Reserve") Fund. All construction costs and capital purchases are made from this fund. When there is an operating deficit for the year, we meet that deficit from the Corpus Fund.

for the present. But in the near future because of the scope of development, operating expenses will increase, and for that purpose the Trust will require donations to help manage its day-to-day operations. At the same time the Trust has the responsibility to build up the Reserve Fund for future Trust Development. Therefore when the time comes when the Trust finds further funds are necessary in order to manage these new operating expenses and to build up the Reserve Fund, His lovers will be informed that they may help the Trust in this way.