

Financial Report

1 APRIL 2012 – 31 MARCH 2013

Our Dear Baba Family,

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

We start off in our report this year acknowledging the loving support of Baba's dear ones for His Trust. Although all of us here, who serve on the Trust estate, work hard to fulfill the objects given by Beloved Baba in the Trust Deed, in no less measure it is through your hard work of making a living in your home towns and with your love-gifts that make it possible to achieve these objectives. It takes all of us, together, a robust mix of hearts and hands, to fulfill His wishes for the Trust.

But above all, through this work opportunities flourish to wear out the self and to remember Him more!

The priority in the current fiscal year continues to be in building the corpus and thus ensuring the perpetuity of Trust operations and having adequate funds for future development to meet the challenges of Meherabad and Meherazad becoming places of world pilgrimage. Accordingly, the Board of Trustees has decided to continue with the approach similar to last year:

1. Maintaining Trust operations and services at current levels.
2. Large projects of considerable capital expenditure and any expansion of services have been put on hold.
3. Limit our capital expenditures during the upcoming budgetary year to these major areas: (1) the purchase of

critical lands around Meherabad and Meherazad; (2) fencing of properties to prevent encroachment; (3) completion of the Memorial Tower; (4) acquiring 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 in 1956; and (5) other necessary capital expenditures around the Trust estate.

With a united Avatar Meher Baba ki Jai!!!

In the Love and Service of Avatar Meher Baba,

Chairman and Trustees

Avatar Meher Baba Perpetual Public Charitable Trust
Ahmednagar, India.

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

IN THE PAST, the Board had adopted a 3-year budget for the Trust's Development Plan. This year we decided to adopt a budget for the Development Plan only for the current year, because there is no on-going large construction project under way. The major expenditure contemplated is the purchase of land to consolidate, preserve, and protect the Meherabad estate for its long-term development.

The most urgent need is to purchase many more acres of land especially in what is called "the Green Zone." It is a large area west of the Samadhi that the Government has declared as an agricultural area. That is, no residential development can take place there. The purchase of this area would allow the Trust to keep a vast area of land as an open space and beautify it. Owning this land will help ensure a peaceful atmosphere around Beloved Baba's Samadhi. Other pieces of land that the Trust must purchase are the land near the Pilgrim Education Site to consolidate our land holding; a strip of land between the MPR and the Samadhi; and land near Meher English School.

When we look at what we have accomplished since we began the Development Plan in 1998, several of the capital projects described in the Development Plan have been completed, much progress has been made and many changes have taken place in the Meherabad community and estate, as well as with the State Government, which is now supportive of the Trust's plans for Meherabad.

However it does not mean that the Development Plan is fulfilled, far from it. The Development Plan is a long-range Plan for Meherabad, and many projects still remain to be undertaken—New Dharamshala, Meher English School extension to construct another school building adjacent to the present one, administration building, storerooms, and more staff quarters at Meherabad. Meherabad's development is only in its infancy. And even with the eventual completion of all existing projects under the Development Plan, as the decades pass, there

will be new projects that must be taken on in order to fulfill the various objects of the Trust Deed.

In the past financial year 2012-13, due to financial restraint exercised by the Trust, only \$15,519 has been spent on Development Plan projects. Nothing has been spent on land purchases. The Trust did acquire land during the year but not with Development Plan funds, as the inclusion of land as a Development Plan object was under review and now completed. In this current year 2013-14, the Development Plan budget of \$311,000 includes \$200,000 for acquiring land now that the position regarding land purchases has been clarified.

There is \$74,000 budgeted for infrastructure requirements, the main item being replacement of the

existing water pipeline between Ahmednagar and Meherabad, which is expected to cost \$43,000.

There is an amount of \$11,000 budgeted to add permanent roofs to some of the sheds at the Pilgrim Education Site. In addition, small amounts have been budgeted to acquire furniture and equipment for Meher Pilgrim Retreat and the Archives buildings at Meherabad and Meherazad.

As mentioned last year, in the current climate of restraint, several projects have been deferred and remain unscheduled, including the New Dharamshala and Expansion of Meher English School. However, these projects are listed at the bottom of the chart to make readers aware that they continue to be part of the Trust's long-term plans.

PROJECT	SPENT IN 2012-2013	TOTAL SPENT UPTO 31/3/2013	BUDGET 2013 - 2014
Meher Pilgrim Retreat (furnishings and equipment)	\$4,572	\$154,033	\$8,000
Pilgrim Education Site		\$260,001	\$11,000
Archive Furnishings - Meherabad	\$3,280	\$152,210	\$7,500
Archive Building & Furnishings - Meherazad		\$81,121	\$7,500
Administration Buildings - Staff Quarters		\$242,591	
Infrastructure Development: Samadhi Protection, Roads, Electricity, Water Supply	\$2,396	\$486,933	\$74,000
Land, including Fencing - Meherabad		\$353,514	\$200,000
Meher English School (furnishings & equipment only)	\$5,271	\$5,271	
Completed Projects			
Cultural Academy		\$14,320	
Dharamshala Renovation		\$17,216	
Meherazad Equipment		\$37,703	
Health Center Expansion		\$47,800	
Meher English School Expansion, including furnishings & equipment		\$153,482	
M.P. R. Building		\$1,271,939	
Unscheduled Projects			
Storerooms		\$13,050	
Archives - Auxiliary Building & Staff Quarters		-	
College at Meherabad - Phase One		-	
Administration Building - Meherabad		-	
New Dharamshala		-	
Addition to Meher English School		-	
Contingency			\$3,000
	\$15,519	\$3,291,184	\$311,000

NOTE— US Dollars conversion rate @ Rs. 54/- for the year 2012 - 13.

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

From 1st April 2012 to 31st March 2013

THE SUMMARY CASH FLOW CHART explains the Trust's Financial Activity and is based, as always, on the audited financial statements of the Trust. It summarizes 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 for an overall picture of the Trust and its activities.

As explained in the Trustees' letter, the Trust continues with its strategy to build up Corpus before taking on any new major project. We have decided this in order to ensure that the Trust always has adequate funds to support the costs of daily operations. Once the Corpus has been built up, then we can begin to fund large capital projects, such as the New Dharamshala and expansion of Meher English School.

The captions in the Receipts column are self-explanatory, with two exceptions. "General Maintenance Receipts—Meherabad" represents donations received from pilgrims for their stay in the various hostels at Meherabad, including Meher Pilgrim Retreat and Dharamshala. The "Capital Receipt" Rs. 9,68,084 (\$17,926), represents the proceeds of land the Trust received under a compulsory acquisition by the State Government of Maharashtra to construct the Ahmednagar By-Pass that runs along the West and South borders of Meherabad.

This year's Operating Expense Grant, included in General Donations, increased significantly (\$100,000) in response to the Trust's need for additional funding to enable it to continue program operations while addressing the Meherazad Fencing Project.

The increase in Interest on Deposits and Investments is a combination of sustained high interest rates throughout the year and an increase in the level of investments during the year. The Trust has been fortunate that interest rates in India remain high despite constant indications from government agencies that the rates will be lowered. The Trust has taken advantage of these rates and locked in a

substantial portion of its Investment portfolio for terms ranging between 5 and 10 years.

Total Corpus Donations Rs. 3.5 crores (\$651,757) includes Rs. 58.3 lakhs (\$107,971) that was received from the special appeal made regarding the Meherazad Fencing Project.

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. These expenses include over Rs. 8 lakhs (\$15,000) for water tankers at Meherabad to cope with the drought this year.

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 Meherazad. Total expenses for this object were Rs. 1.6 crores (\$295,990).

Medical Facilities:

This expense includes the maintenance of Meher Health Center, hospital and Medical Staff Quarters, and also the Trust-sponsored health camps for school children, cataract camps, and dental camps, and 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 the Meher English School,

the Farmers' Education Center, the Physical Education Center, and the Music and Arts Center, including books and scholarships provided to poor students. Total expenses for these activities were Rs. 51.9 lakhs (\$96,068).

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, the Veterinary-Aid Centre, Help to the Poor and Needy, and general development on the Trust Estate.

Total operating expenses in 2012-13 of Rs. 4.0 crores (\$736,108) have increased by 7.4% over the previous year, keeping pace with the inflation rate in India, which is around 7.5%. Given the pressure of increasing costs on the Trust—notable among them are upgrading staff wages (the wage increase in 2012-13 was 15%) and escalating electricity and water costs—an increase in costs of 7.4% reflects the general climate of restraint under which we have been functioning in the past year.

The other 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 include the purchase and fencing of land and the ongoing construction of the Memorial Tower. "Land (including Fencing)" includes Rs. 51.7 lakhs (\$95,757) for the Meherazad Fencing Project, which is expected to be completed in the 2013-14 financial year. Under "Other" capital expenditure, major items include water harvesting and conservation projects at Meherazad and improvements and renovations to the Guruprasad Memorial in Pune.

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

RECEIPTS	2013 Rupees	2012 Rupees	2013 US \$	2012 US \$	PAYMENTS	2013 Rupees	2012 Rupees	2013 US \$	2012 US \$
Operating Receipts					Operating Expenses				
Interest on Deposits and Investments	4,78,38,504	4,16,52,974	885,898	867,770	Office and Administration	52,71,055	58,68,112	97,612	122,252
General Donations: includes operating donations under grants: 2013- Rs. 64,76,678 (\$120,100) 2012- Rs. 13,28,795 (\$26,000)	1,20,73,973	48,71,529	223,592	101,490	Liability of first charge	67,837	86,076	1,256	1,793
General Maintenance Receipts - Meherabad	39,93,740	40,97,740	73,958	85,370	Water Facilities	20,64,402	18,47,307	38,230	38,486
Educational Gathering : Amartithi Donations	10,34,786	9,02,971	19,163	18,812	Facilities for Pilgrims - Meherabad	93,98,947	98,77,532	174,055	205,782
Other	14,06,867	78,095	26,053	1,627	- Meherazad	22,45,751	18,67,850	41,588	38,914
	6,63,47,870	5,16,03,309	1,228,664	1,075,069	- Meher Pilgrim Retreat	43,38,719	40,04,163	80,347	83,420
Corpus Donations					Medical Facilities	61,17,141	62,79,917	113,280	130,832
For any use in the Trust under Corpus	1,84,45,427	1,30,23,655	341,582	271,326	Education Facilities - Schooling	3,32,397	2,83,836	6,156	5,913
For use in any Development Plan project	27,33,888	30,18,571	50,628	62,887	- Farmers' Education Centre	52,901	46,082	980	960
For Specific Purposes:					- Music and Arts Centre	96,873	90,588	1,794	1,887
Dharamshala	13,25,339	63,82,113	24,543	132,961	- Physical Education Centre	1,06,368	72,068	1,970	1,501
Memorial Tower : includes donations under grants: 2013 - Rs. 49,76,166 (\$92,000) 2012 - Rs. 45,49,026 (\$92,000)	55,85,167	45,64,027	103,429	95,084	- Meher English School	45,99,075	29,23,261	85,168	60,901
Donations In Kind	7,390	24,72,615	137	51,513	Secular Education	24,25,205	22,84,532	44,911	47,594
Medical Facilities	7,95,404	4,12,402	14,730	8,592	Other Charitable Objects	26,33,094	14,80,602	48,761	30,846
Water Facilities	0	25,000	0	521		3,97,49,765	3,70,11,926	736,108	771,081
Educational Facilities	4,52,207	1,59,060	8,374	3,314	Capital Expenditure				
Preservation & Development of Meherazad (Meherazad Fencing)	58,30,415	0	107,971	0	Development Plan (details in Development Plan chart)	8,38,030	47,74,758	15,519	99,474
Other	19,611	65,000	363	1,354	Land (including Fencing)	73,84,418	36,43,560	136,748	75,908
	3,51,94,848	3,01,22,443	651,757	627,552	Memorial Tower	10,21,729	27,59,882	18,921	57,498
Capital Receipt	9,68,084	0	17,926	0	Other	22,99,158	44,20,560	42,577	92,095
	10,25,10,802	8,17,25,752	1,898,347	1,702,621		1,15,43,335	1,55,98,760	213,765	324,975
					Unspent cash receipts remaining in year after all expenditures, resulting in increase in cash and bank deposits	5,12,17,702	2,91,15,066	948,474	606,565
						10,25,10,802	8,17,25,752	1,898,347	1,702,621

NOTE—Exchange rate used—

at Rs. 54/-

at Rs. 48/-

at Rs. 54/-

at Rs. 48/-