

At 16th annual meeting

# Atlantic Breeders see bright but complicated ledger book

**BY CURT HARLER**  
**CENTERVILLE** — The past year was a generally good one for members of the Atlantic Breeders Cooperative. But ABC members may have a difficult time determining just where they stand in relationship to last year.

The complication was brought about by a change in record keeping system, members were told at the group's 16th annual meeting held at Centerville on Wednesday.

Co-op General Manager David Yoder outlined the financial situation.

Among the major accomplishments was the construction of a \$300,000 addition to the Co-op building without the need to borrow any funds. That feat takes on extra meaning in light of present interest costs.

A change from cash accounting to accrual basis for foreign sales made any comparison with last year's records complex.

The change will allow members to distribute income only to patrons who

are members, with no need to share funds with non-members. Under the new system, non-member business will not be distributed but becomes taxable income.

Because of the changes, Atlantic is required to prepare quarterly income tax returns, according to Richard Beittel of the Lancaster accounting firm of Hatter, Harris, and Beittel.

Since the members are paying 1979 taxes, plus contributing quarterly payments to IRS for 1980 taxes, they are in effect paying double taxes for the current accounting period.

Beittel said next year the Co-op will be back to more normal procedures and the members will be able to tell at a glance whether or not progress is being made because the figures will be the comparable from year to year.

Yoder said revenue for last year was 28 percent over budget. Breeding fees were 17 percent over budget.

On the other side of the ledger, the Co-op found itself



Atlantic General Manager David Yoder outlined a good financial statement for Co-op members. Listening at right is Co-op President Herman Stebbins.

16 percent over budget in expenses. The increased revenue covered the difference.

Yoder said all divisions had a successful year, but he looked at some problems he said he felt had to be dealt with in the future.

He said he felt all bulls

should be owned outright by the members, without any other clauses.

Yoder said strongly that he was opposed to royalty contracts because they can lead to cash flow problems.

He also said he was going to ask the board of directors of the Co-op to raise the \$5000



Penn State Dairy Specialist Larry Specht, right, was honored by the Co-op for his work with dairy breeding. Presenting him with a pocket calculator is Co-op President Herman Stebbins.

ceiling on unapproved bull purchases. As Co-op bylaws now are written, the board's approval is needed to purchase any bull with a price above \$5000.

He said he expected a distribution of the Series Z notes to be made sometime around September of this year.

Due to the volatile economic situation, Yoder said, several of this year's budget projections already have gone awry.

He said in the first two months of the current fiscal year the Co-op has seen a 35.7 percent increase in travel costs for technicians.

That comes to about \$10,000 per month.

On top of that, salaries have gone up to the tune of 16.7 percent, or \$36,000 in those first two months.

Total expenses are \$160,000 more in that period, some because of extra people, some because of inflation.

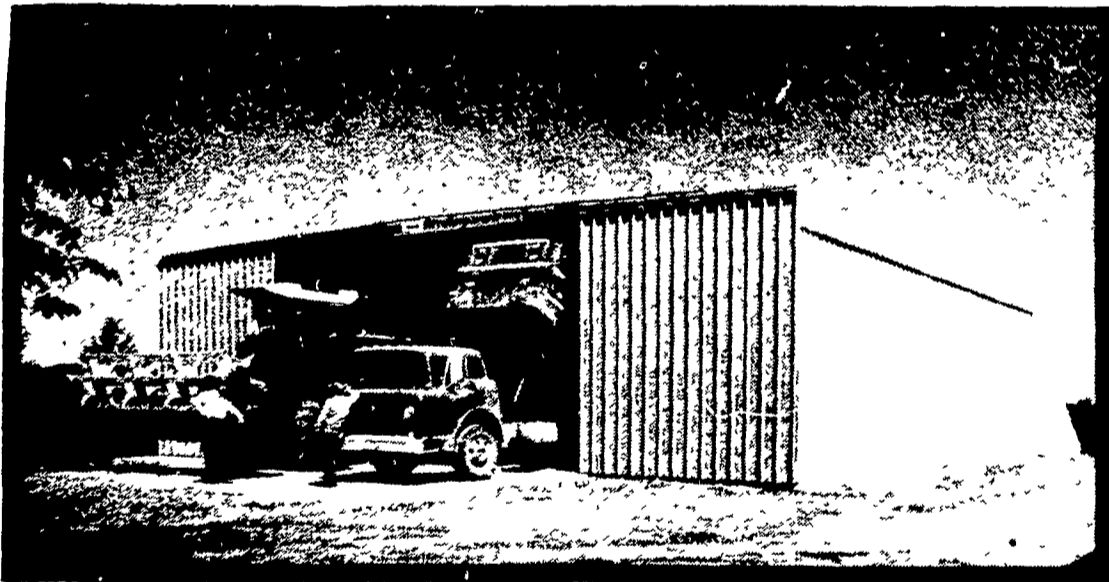
Yoder cited the need for more help and expertise and said he felt the Co-op would be going outside the organization for help.

Yoder concluded by saying if Atlantic continues to grow at its current rate he

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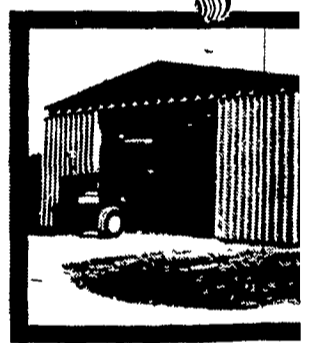
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