

REBUTTAL TESTIMONY OF

ALEXANDRA DEIMLER, CPA

Appearing on Behalf of the Area 2 Milk Dealers

Rebuttal Testimony before Pennsylvania Milk Board

Cost Replacement Hearing Based on 2024 Annual Reports

December 3, 2025

Rebuttal Testimony of Alexandra Deimler, CPA

Area 2 – Cost Replacement Hearing

I am Alexandra Deimler, Consultant at Cherry Bekaert, which acquired Herbein + Company, Inc. on October 20, 2025 and my address is 2763 Century Blvd., Reading, PA 19610. I am offering testimony on behalf of the Area 2 Milk Dealers. I attach my Curriculum Vitae, as Rebuttal Exhibit D1, which outlines my education, and experience in the dairy industry.

Study Conducted

On behalf of the Area 2 Milk Dealers, I have reviewed the audit files and proposed adjustments prepared by the Pennsylvania Milk Board audit staff, have reviewed the financial information of each of the dealers in the cross-section and I am presenting my opinion and recommendation based on that review, the Board Staff's initial pre-submission, and my own cost build-up, except I must reserve my testimony with respect to Staff Exhibits 3, 5, 7, and 11. With respect to Staff Exhibit 3, I anticipate Staff will be updating the updated container cost per unit for October 2025 to the amounts that agree with my calculations. For Exhibit 5 and 7, I anticipate Staff will update the area sales weighting factor and this would agree with my build up. I will only need to offer surrebuttal if these changes are not made. I reserve the right to provide testimony on surrebuttal to the extent any differences remain between my analysis and Staff's analysis.

I have reviewed the cross section compiled by Board Staff and I conclude that the cross section is representative of milk dealers serving Area 2 because the cross-section companies process, package and deliver to supermarkets, convenience stores, schools, institutions, and small retail outlets.

With the exceptions noted herein, I agree with the Staff's calculations presented in their initial pre-submission in Staff Exhibits 2 through 11.

Rate of Return

I recommend that the Board maintain the rate of return for the Area 2 dealers at 3.5%. The rate of return serves as an important factor in the ability of Pennsylvania's fluid milk processors to maintain and invest in their operations. Maintaining the current rate of return is also important for consistency and stability when the fresh fluid milk industry continues to face a difficult business environment.

Summary and Recommendation

The Area 2 Milk Dealers recommend that the Milk Board make the cost replacement adjustments that I have just outlined, subject to the areas I have reserved the right to follow up on. Thank you for your consideration of my analysis and opinions.

Alexandra Deimler, CPA
Curriculum Vitae

EDUCATION

Mercyhurst University – B.A. Degree in Accounting and Finance

EMPLOYMENT

Cherry Bekaert, Reading, PA

October 2025 to present

Manager – Dairy Consulting

- Cost benchmarking
- Milk shrinkage reduction projects
- Dairy accounting seminars, including Dairy 101, for private clients and industry
- Regulatory assistance with PMMB, USDA and other state agencies
- Financial reporting for dairy businesses subject to dairy price regulation
- Dairy cost accounting for basic and complex products
- Preparation of cost replacement exhibits

Herbein + Company, Inc., Reading, PA

2020 to October 2025

Manager – Dairy Consulting

- Cost benchmarking
- Milk shrinkage reduction projects
- Dairy accounting seminars, including Dairy 101, for private clients and industry
- Regulatory assistance with PMMB, USDA and other state agencies
- Financial reporting for dairy businesses subject to dairy price regulation
- Dairy cost accounting for basic and complex products
- Preparation of cost replacement exhibits

MicroStrategy, Inc., Tysons Corner, VA

2019 – 2020

Internal Auditor

- Performed risk evaluations for audit areas
- Performed operational, financial, and IT compliance audits
- Drafted audit reports
- Help to implement Workiva (an audit tool)

SEK, Inc., Chambersburg, PA

2017 – 2019

Staff accountant – Audit

- Performed audits, compilations, reviews, and tax engagements
- Prepared 990s, 1065s, 1040s, 1120s, and Schedule Ks

- Summarized census data and investment activity for pension department

AJARALA Holsteins, Landisburg, PA

2001– 2011

Grew up on dairy farm, milking and caring for cows and the facility

PROFESSIONAL AND CIVIC ASSOCIATIONS AND DESIGNATIONS

CPA – Commonwealth of Pennsylvania

Firm Member – Allinial Global

Member – American Institute of Certified Public Accountants (AICPA)

Member – Pennsylvania Institute of Certified Public Accountants (PICPA)