



Iowa Propane Gas Association  
P.O. Box 57188  
Des Moines, IA 50317

515.564.1260 Phone  
[www.iapropane.org](http://www.iapropane.org)

July 8, 2024

Meghan Nelson, Chief Clerk  
State Capitol Building  
Des Moines, Iowa 50319

Dear Meghan Nelson,

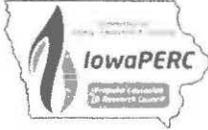
Per the Propane Education and Research Council [599] 1.4(101C) I am sending you a copy of the IowaPERC audit and the report detailing the programs and projects conducted by the Council in 2023. Please note 101C.12 – IowaPERC is not a state agency.

If you have any questions, please contact me at 515-564-1260 or [mwicker@iapropane.org](mailto:mwicker@iapropane.org).

Sincerely,

*Michelle Wicker*

Michelle Wicker  
CEO  
Iowa Propane Gas Association



IowaPERC  
P.O. Box 57188  
Des Moines, IA 50317

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### **2023 Iowa Propane Education & Research Council (State) Programs & Projects**

1. Safety Director Project – Chapter 101C – Act establishing IowaPERC (State). One of the provisions provides for programs/projects to enhance consumer and employee safety, and training. Iowa Propane Gas Association submitted this request to hire a Director of Safety Education and Compliance to facilitate these programs/projects. This project is statewide. \$162,660.00. It is an ongoing project.
2. Fire Schools Project – The Iowa Fire Service Training Bureau conducts fire training schools around the state of Iowa. This project supplies the propane for the training schools. This project is statewide. \$5,264.00. It is an ongoing project.
3. LIHEAP Regulator Rebate Project – This project provides assistance to LIHEAP clients that are unable to receive propane deliveries due to unsafe regulators on their residential propane systems. It provides for a rebate to be applied towards the installation of new regulators on a LIHEAP client installation. 16 rebates were paid out. This project is statewide. \$2,491.00. It is an ongoing project.
4. Safe High Efficiency Water Heater Project – This project establishes an incentive program for new high efficiency propane water heaters that are safely installed. This project is state wide. 140 rebates were paid out. \$42,236.00. It is an ongoing project.
5. Duty to Warn Project – This project provides Duty to Warn Safety Brochures to the propane marketers to hand out to their propane customers. This project is statewide. \$7,407.00. It is an ongoing project.
6. Farm Bureau Cookout Project – This project allows IPGA to co-sponsor the Farm Bureau Cookout Contest. Safe grilling tips are handed out to the participants and IPGA gives a propane grill to the youth winner. This project is statewide. \$1,775.00. It is an ongoing project.
7. Hazmat Training Project – This project allows training for Iowa marketers in Hazmat requirements. The DOT helps provide this training. This project is statewide. \$7,309.00. It is an ongoing project.
8. LIHEAP Out of Gas & Duty to Warn Brochures Project – This project provides Out of Gas and Duty to Warn Brochures to LIHEAP agencies across the state of Iowa for propane consumers. This project is statewide. \$571.00 It is an ongoing project.

### **2024 Iowa Propane Education & Research Council (State) Programs & Projects**

1. Safety Director Project - \$160,000.00
2. Fire Schools Project - \$15,000.00
3. LIHEAP Regulator Rebate Project - \$10,000.00
4. Safe High Efficiency Water Heater Project - \$55,000.00
5. Duty to Warn Project - \$15,000.00
6. Farm Bureau Cookout Project - \$2,500.00
7. Hazmat Training Project - \$16,000.00
8. LIHEAP Out of Gas & Duty to Warn Brochures Project - \$1,500.00

**IOWA PROPANE EDUCATION AND  
RESEARCH COUNCIL**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2023 AND 2022**

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**IOWA PROPANE EDUCATION AND RESEARCH COUNCIL**  
**OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Eric Carlson	Chairperson	Sapp Bros.
Lucas Ploen	Vice Chairperson	Central Valley AG Cooperative
Sandra Daily	Treasurer	Heartland Cooperative
Lori Easter	Voting member	Iowa Department of Health and Human Services
David Henry	Voting member	Farmers Union Coop
Sarah Knight	Voting member	Ferrellgas
Kelsie Watkinson	Voting member	A-1 Propane & Services, Inc.
Justin Venteicher	Voting member	W&H Cooperative
Al Esch	Non-voting member	Iowa Firefighters Association
Lee Gard	Non-voting member	Plumbers & Steamfitters Local 33
Dan Neena	Non-voting member	NICC
Daniel Wood	Non-voting member	State Fire Marshal
Kirby Summers	Non-voting member	Nationwide Agribusiness
Wayne Sawtelle	Non-voting member	Iowa Professional Firefighters



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Iowa Propane Education and Research Council

### **Opinion**

We have audited the accompanying financial statements of Iowa Propane Education and Research Council (a nonprofit organization), which comprise the statements of cash receipts and disbursements as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of Iowa Propane Education and Research Council as of and for the years ended December 31, 2023 and 2022, in accordance with the basis of accounting described in Note A.

### **Basis for Opinion**

We conduct our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Iowa Propane Education and Research Council and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis of Accounting**

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note A; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

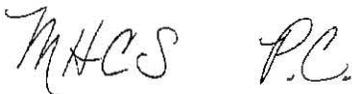
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Iowa Propane Education and Research Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Iowa Propane Education and Research Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant findings, and certain internal control related matters that we identified during the audit.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024, on our consideration of Iowa Propane Education and Research Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Iowa Propane Education and Research Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Iowa Propane Education and Research Council's internal control over financial reporting and compliance.



West Des Moines, Iowa  
June 27, 2024

**IOWA PROPANE EDUCATION AND RESEARCH COUNCIL**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

	State	National	Total
<b>CASH RECEIPTS</b>			
Funds received from National Propane Education and Research Council for the following projects:			
CETP classes	\$ -	\$ 145,426	\$ 145,426
Newsletter	-	20,000	20,000
District meetings	-	35,000	35,000
Consumer education campaign	-	191,000	191,000
Furnace rebates	-	300,000	300,000
Operating expense reimbursement	-	9,683	9,683
Monthly assessments	397,360	-	397,360
Reimbursement from Iowa Propane Education and Research Council - National	76,282	-	76,282
Interest	4,842	981	5,823
<b>TOTAL CASH RECEIPTS</b>	<b>478,484</b>	<b>702,090</b>	<b>1,180,574</b>
<b>CASH DISBURSEMENTS</b>			
Projects:			
CETP classes	-	137,276	137,276
Newsletter	-	20,000	20,000
District meetings	-	35,276	35,276
Consumer education campaign	-	119,850	119,850
Furnace rebates	-	235,507	235,507
Iowa Duty to Warn	7,407	-	7,407
Fire schools	5,264	-	5,264
Directors' and officers' insurance	796	-	796
Safety director	162,660	-	162,660
Administrative fee agreement	60,000	-	60,000
HAZMAT training	7,309	-	7,309
LIHEAP regulator	2,491	-	2,491
LIHEAP gas	571	-	571
Water heater rebates	42,236	-	42,236
Farm Bureau cookout	1,775	-	1,775
Training equipment and training center expenses	9,336	-	9,336
Miscellaneous	4,538	-	4,538
Audit and tax return preparation fees	7,708	7,440	15,148
Return of unexpended PERC - National funds	-	152,268	152,268
Operating expenses	-	1,696	1,696
<b>TOTAL CASH DISBURSEMENTS</b>	<b>312,091</b>	<b>709,313</b>	<b>1,021,404</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>166,393</b>	<b>(7,223)</b>	<b>159,170</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b>189,346</b>	<b>152,813</b>	<b>342,159</b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b>\$ 355,739</b>	<b>\$ 145,590</b>	<b>\$ 501,329</b>

The accompanying notes are an integral part of these financial statements.

**IOWA PROPANE EDUCATION AND RESEARCH COUNCIL**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

	State	National	Total
<b>CASH RECEIPTS</b>			
Funds received from National Propane Education and Research Council for the following projects:			
CETP classes	\$ -	\$ 145,002	\$ 145,002
Newsletter	-	20,000	20,000
District meetings	-	30,000	30,000
Consumer education campaign	-	124,500	124,500
Operating expense reimbursement	-	8,542	8,542
Monthly assessments	386,094	-	386,094
Interest	1,384	-	1,384
<b>TOTAL CASH RECEIPTS</b>	<b>387,478</b>	<b>328,044</b>	<b>715,522</b>
<b>CASH DISBURSEMENTS</b>			
Projects:			
CETP classes	-	135,287	135,287
Newsletter	-	20,000	20,000
District meetings	-	30,000	30,000
Owner's and managers' meeting	4,370	-	4,370
Consumer education campaign	-	115,080	115,080
Furnace rebates	-	224,138	224,138
Iowa Duty to Warn	8,421	-	8,421
Fire schools	5,252	-	5,252
Directors' and officers' insurance	758	-	758
Safety director	158,042	-	158,042
Administrative fee agreement	60,000	-	60,000
Hazmat training	5,813	-	5,813
LIHEAP regulator	2,475	-	2,475
LIHEAP gas	612	-	612
Water heater rebates	39,770	-	39,770
Farm Bureau cookout	1,800	-	1,800
Training equipment and training center expenses	5,652	-	5,652
Miscellaneous	3,954	-	3,954
Audit and tax return preparation fees	4,443	7,013	11,456
Return of unexpended PERC - National funds	-	14,608	14,608
Computers	2,000	-	2,000
Legal fees	749	-	749
National PERC disbursement paid by State PERC	76,282	-	76,282
Operating expenses	-	2,574	2,574
<b>TOTAL CASH DISBURSEMENTS</b>	<b>380,393</b>	<b>548,700</b>	<b>929,093</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>7,085</b>	<b>(220,656)</b>	<b>(213,571)</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b>182,261</b>	<b>373,469</b>	<b>555,730</b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b>\$ 189,346</b>	<b>\$ 152,813</b>	<b>\$ 342,159</b>

The accompanying notes are an integral part of these financial statements.

**IOWA PROPANE EDUCATION AND RESEARCH COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

**Council** - The Iowa Propane Education and Research Council (the Council) is a nonprofit organization established by the Iowa Propane Education and Research Act which promotes safety research and education through public service announcements, programs and training classes. Under the Iowa Propane Education and Research Act, the Council receives an assessment on the sale of odorized propane. The Council is required to perform the functions of a state organization under the Federal Propane Education and Research Act of 1996.

**Basis of Accounting** - The Council's records are maintained on the cash basis. Under this method, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Property and equipment purchases are expensed as paid in accordance with the cash basis method of accounting. The cash basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, the financial statements do not present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

**Funds Received from Assessments and the National Propane Education and Research Council** - Revenue for the Council's projects is received monthly from an annual assessment from propane marketers in the state of Iowa at a rate of one-tenth of one cent on each gallon of odorized propane sold in Iowa, as required by Iowa legislative code. Additionally, the Council receives revenue through a rebate of assessments collected from propane marketers in the state of Iowa assessed by the National Propane Education and Research Council (PERC).

**Cash and Cash Equivalents** - Cash and cash equivalents consist of savings and interest-bearing demand accounts in federally insured financial institutions.

**Income Tax Matters** - The Council is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. However, the Council is subject to federal and Iowa corporate income taxes on any unrelated business income generated from activities not specifically related to its tax-exempt purpose. The Council is unaware of any uncertain income tax positions at December 31, 2023 and 2022. Interest and penalties associated with income tax matters would be presented as components of income tax expense. There were no interest or penalty charges during 2023 and 2022.

**Subsequent Events** - Management has evaluated subsequent events through June 27, 2024, the date the financial statements were available to be issued.

**NOTE B - LIQUIDITY AND AVAILABILITY**

The following table shows the financial assets (cash) held by the Organization at December 31, 2023 and 2022 available within one year of the Statements of Cash Receipts and Disbursements dates to meet cash needs for general expenditure. The financial assets noted in the table are not subject to donor restrictions, however, there are funds committed to future projects, as described in Note C. The Council has a goal to maintain financial assets on hand to be available as its general expenditures, liabilities and other obligations come due.

**IOWA PROPANE EDUCATION AND RESEARCH COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE B - LIQUIDITY AND AVAILABILITY - Continued

	2023	2022
Cash without restrictions	\$ 501,329	\$ 342,159
Funds committed for future projects	(151,658)	(87,012)
Cash available to meet general expenditures within one year	\$ 349,671	\$ 255,147

NOTE C - FUTURE PROJECT COMMITMENTS

The Council has committed \$23,597 of State funds for the safety director project in 2024 and \$128,061 of National funds for the consumer education campaign in 2024. The State funds of \$26,257 and the National funds of \$60,755 committed at December 31, 2022 were disbursed during 2023.

NOTE D - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program and administrative activities have been summarized on a functional basis for the years ended December 31, 2023 and 2022 in the tables below for both National PERC and State PERC. Accordingly, certain costs have been allocated based on specific program and administrative activities. The Council uses the requirements of National PERC to determine program and administrative allocations. Program costs consist of direct expenses attributable to specific projects, and administrative costs consist of indirect expenses allocated to the projects. The Council had no fundraising expenses.

	National PERC		2023 Total
	Program	Administrative	
CETP classes	\$ 122,276	\$ 15,000	\$ 137,276
Newsletter	17,300	2,700	20,000
District meetings	34,301	975	35,276
Consumer education campaign	119,850	-	119,850
Furnace rebates	232,000	3,507	235,507
Audit and tax preparation fees	-	7,440	7,440
Return of unexpended funds	152,268	-	152,268
Operating expenses	-	1,696	1,696
	<u>\$ 677,995</u>	<u>\$ 31,318</u>	<u>\$ 709,313</u>

	National PERC		2022 Total
	Program	Administrative	
CETP classes	\$ 120,287	\$ 15,000	\$ 135,287
Newsletter	20,000	-	20,000
District meetings	29,239	761	30,000
Consumer education campaign	114,580	500	115,080
Furnace rebates	224,138	-	224,138
Audit and tax preparation fees	-	7,013	7,013
Return of unexpended funds	14,608	-	14,608
Operating expenses	363	2,211	2,574
	<u>\$ 523,215</u>	<u>\$ 25,485</u>	<u>\$ 584,700</u>

**IOWA PROPANE EDUCATION AND RESEARCH COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - FUNCTIONAL ALLOCATION OF EXPENSES - Continued**

	State PERC		
	Program	Administrative	2023 Total
Iowa Duty to Warn	\$ 7,347	\$ 60	\$ 7,407
Fire schools	5,238	26	5,264
Directors' and officers' insurance	-	796	796
Safety director	162,660	-	162,660
Administrative fee agreement	-	60,000	60,000
Hazmat training	7,229	80	7,309
LIHEAP regulator	2,450	41	2,491
LIHEAP gas	519	52	571
Water heater rebates	42,150	86	42,236
Farm Bureau cookout	1,735	40	1,775
Training equipment and training center expenses	9,336	-	9,336
Miscellaneous	944	3,594	4,538
Audit and tax preparation fees	-	7,708	7,708
	<u>\$ 239,608</u>	<u>\$ 72,483</u>	<u>\$ 312,091</u>

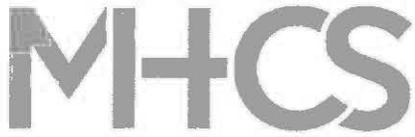
	State PERC		
	Program	Administrative	2022 Total
Owners' and managers' meeting	\$ 4,120	\$ 250	\$ 4,370
Iowa Duty to Warn	8,355	66	8,421
Fire schools	5,175	77	5,252
Directors' and officers' insurance	758	-	758
Safety director	158,042	-	158,042
Administrative fee agreement	-	60,000	60,000
Hazmat training	5,738	75	5,813
LIHEAP regulator	2,450	25	2,475
LIHEAP gas	575	37	612
Water heater rebates	39,700	70	39,770
Farm Bureau cookout	1,761	39	1,800
Training equipment and training center expenses	5,652	-	5,652
Miscellaneous	271	3,683	3,954
Audit and tax preparation fees	-	4,443	4,443
Computers	2,000	-	2,000
Legal fees	-	749	749
National PERC disbursements paid by State PERC	-	76,282	76,282
	<u>\$ 234,597</u>	<u>\$ 145,796</u>	<u>\$ 380,393</u>

**IOWA PROPANE EDUCATION AND RESEARCH COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE E - RELATED PARTY TRANSACTIONS WITH IOWA PROPANE GAS ASSOCIATION**

Certain administrative functions are performed by the Iowa Propane Gas Association (the Association). The Council paid the Association \$60,000 in administrative fees for 2023 and 2022. The Council paid the Association \$237,410 and \$188,250, including \$74,750 and \$30,208 in project management fees, for projects performed by the Association on behalf of the Council during the years ended December 31, 2023 and 2022, respectively. The remaining payments of \$162,660 and \$158,042 were for safety director expenses during the years ended December 31, 2023 and 2022, respectively.

**OTHER REQUIRED  
INFORMATION**



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Iowa Propane Education and Research Council

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Iowa Propane Education and Research Council (the Council), which comprise of the statement of cash receipts and disbursements as of and for the year ended December 31, 2023, and the related notes to the financial statements and have issued our report thereon dated June 27, 2024. Our report on the financial statements includes another matter paragraph discussing the Council's use of the cash basis of accounting to prepare its financial statements.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Iowa Propane Education and Research Council's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iowa Propane Education and Research Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Iowa Propane Education and Research Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we considered to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2023-001, that we consider to be a significant deficiency.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Iowa Propane Education and Research Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Iowa Propane Education and Research Council's Response to Findings**

Iowa Propane Education and Research Council's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in cursive script that reads "MHCS P.C."

West Des Moines, Iowa  
June 27, 2024

**IOWA PROPANE EDUCATION AND RESEARCH COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2023**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS:**

**INTERNAL CONTROL DEFICIENCIES:**

***Finding 2023-001***

***Criteria and Condition:*** Accounting functions are provided by Iowa Propane Gas Association (the Association). The Association's staff consists of three full-time employees. The limited number of staff makes it difficult to assign responsibilities so that individuals with access to assets are not also responsible for recording transactions related to those assets.

***Context:*** The Association has three full-time employees, which makes it difficult to properly segregate accounting functions.

***Cause:*** The limited number of staff makes it difficult to assign responsibilities so that individuals with access to assets are not also responsible for recording transactions relating to those assets.

***Effect:*** Certain Association employees may have access to assets and also are responsible for recording transactions related to those assets, allowing for the opportunity for misappropriation of assets or errors in coding revenue or expenses.

***Recommendation:*** We recommend that the board treasurer continue to closely monitor and investigate unexpected operating results and review financial statements, bank statements and copies of cancelled checks for any evidence of unapproved disbursements. We also recommend that billings for services from the Association continue to be reviewed carefully by the Council's board treasurer or another independent party.

***Management Response:*** We agree with the finding and recommendations. The Council's treasurer will continue to review bank statements and copies of cancelled checks and will closely review billings from the Association.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

IOWA PROPANE EDUCATION AND RESEARCH COUNCIL  
STATUS OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2023

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS:

*Finding 2022-001*

**Criteria and Condition:** Accounting functions are provided by Iowa Propane Gas Association (the Association). The Association's staff consists of three full-time employees. The limited number of staff makes it difficult to assign responsibilities so that individuals with access to assets are not also responsible for recording transactions related to those assets.

**Status:** The board treasurer continues to closely monitor and investigate unexpected operating results and reviews bank statements and copies of cancelled checks for any evidence of unapproved disbursements, as well as billings for services from the Association; however, the significant deficiency continues to exist.