Propane Education and Research Council, Inc.

Budget for 2026

PROPANE education & research COUNCIL
200 S. 10th Street
Suite 1075
Richmond, VA 23219
202-452-8975

Propane Education and Research Council, Inc.

Budget Plan for Calendar Year 2026

The Propane Education and Research Act of 1996 (Public Law 104-284) ("PERA" or the "Act") requires the Propane Education and Research Council, Inc. (PERC) to publish a budget plan for public comment for the coming calendar year before August 1 of each year. That budget plan, according to the Act, shall include the probable costs of all programs, projects, and contracts as well as a recommended rate of assessment sufficient to cover such costs. After public review and comment and approval by a majority of Council members, PERC must submit the approved budget to the Secretary of Energy and to Congress.

This document constitutes PERC's budget for the calendar year 2026 and reflects the final and approved version by the Council. No comments were received during the public comment period for the 2026 budget.

In accordance with PERA, this budget includes functions to develop programs and projects that will result in entering into contracts or agreements for implementing the Act, including programs to enhance consumer and employee safety and training, to provide for research and development of clean and efficient propane utilization equipment, to inform and educate the public about safety and other issues associated with the use of propane, and to provide for the payment of the costs thereof with funds collected pursuant to this Act. Furthermore, this budget complies with that part of the Act requiring that issues related to research and development, safety, education, and training be given priority by the Council in the development of its programs and projects.
All resources and expenditures outlined in this budget plan will be audited by a certified public accountant shortly after said resources and expenditures are realized for the 2026 year.

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EXECUTIVE SUMMARY

The 2026 Budget for the Propane Education and Research Council, Inc. ("PERC" or the "Organization") is grounded in the Organization's mission as outlined by the Propane Education and Research Act of 1996 ("PERA") to "enhance consumer and employee safety and training, to provide for research and development of clean and efficient propane utilization equipment, to inform and educate the public about safety and other issues associated with the use of propane." The 2026 Budget continues to build on successful programs and provides support for the 2026-2028 strategic plan initiatives.

The Summary 2026 Budget is presented below:

		2026 Budget
REVENUES		
Assessment revenue	$	46,300,000
State rebate		(9,260,000)
Net Assessment Revenue	**$**	**37,040,000**
Investment income, net	$	1,785,300
Fulfillment, net		(161,392)
Other revenue		74,900
TOTAL REVENUES	**$**	**38,738,808**
EXPENSES		
General & administrative Expenses	$	2,068,313
Program expenses		36,405,495
TOTAL EXPENSES	**$**	**38,473,808**
CHANGE IN NET ASSETS	**$**	**265,000**

The 2026 Budget continues the strategic shift of the Organization to prepare for an increased cycle of product development and focused research initiatives while continuing to prioritize safety and training, commercialization of power generation opportunities, and continuing a robust commitment to the Propane Industry's workforce development. The shift in budget resources for 2026 supports a multi-year commitment to On Road product development for a Class 7 truck application and a separate Type D school bus application. These projects are significant both from their positive impact on the propane industry and environmental impacts. Resources have also been targeted to continue development of updated, current and relevant safety content delivered in a flexible module based online format. Technical research efforts are responding to the changing engine landscape with resources aimed at supporting engine development, understanding emissions relative to other fuel sources, developing renewable sources of propane, and supporting fuel quality research.

The budget is primarily funded with a $0.005 assessment on each gallon of odorized propane, consistent with the last increase that was effective on October 1, 2017. We have estimated that in 2026, the Organization will receive $46.3 million in assessment revenue, of which 20% will be allocated to the State Rebate Program. The budget receives supplemental funding from its investment income generated on cash balances from government securities and certificates of deposit, in addition to other income.

The planned expenses in 2026 are expected to total $38.5 million resulting in an increase in net assets of approximately $0.2 million. The 2026 budget plan does not require any funding from reserves in 2026.

The 2026 Budget continues to enhance consumer and employee safety and training, to provide for research and development of clean and efficient propane utilization equipment, to inform and educate the public about safety and other issues associated with the use of propane while continuing to evolve and respond to the opportunities of a changing marketplace in the Propane Industry.

STRATEGIC BUDGET ALIGNMENT

The 2026 Budget derives its prioritization of activities from the 2026-2028 Strategic Plan and the underlying strategic pillars that support the plan. The strategic plan has been streamlined and focused to drive measurable activities that will have the greatest impact for the Propane Industry. The 2026-2028 Strategic Plan is designed to inspire action to increase the users and uses of propane and its pillars and metrics are summarized below:

Pillar 1: Develop professional industry and allied partner employees through the adoption of world class safety, training, and education.

Metrics:

1. Expand the use of PEP by propane industry company employees by 20% by 2028.
2. Increase the use of PEP for refresher training to see 15% of users returning.
3. See the increase in adoption of technician training curriculum by 50% by 2028 for both Autogas Inspection & HVAC Technical training by schools and education institutions.
4. Leverage partnerships to expand training of first responders to have an annual increase of 25%, from the previous period, of personnel directly or indirectly trained by 2028.

Pillar 2: Expand propane market share by leveraging innovative technologies, commercialization and education to deepen penetration in core markets and displacing diesel equipment.

Metrics:

1. Maintain market share in core propane markets* with expanded influence with specifiers and end users to incorporate propane, measured by the likelihood to specify survey.
2. Displace diesel, and other energies, through the placement of propane power generation, material handling, on-road and other equipment, seeing a 12% increase in propane market share by January 1, 2029.

**core markets include agriculture, commercial and residential*

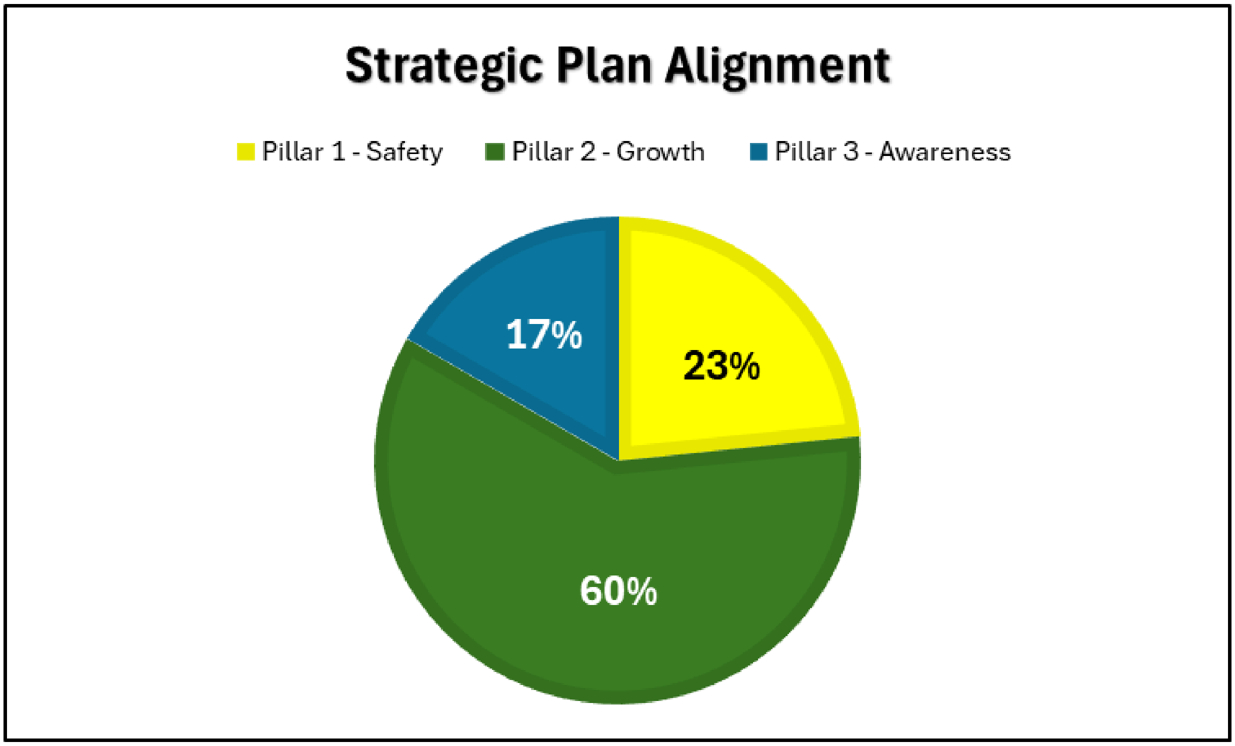
Pillar 3: Continue to increase awareness of propane as an energy choice meeting reliability, accessibility, and affordability goals of key decision makers in targeted geographic areas.

Metric:

1. Increase reported perception of propane by key audiences year over year by 6% by 2028.

The 2026 Budget Plan takes this strategic direction and its supporting initiatives to prioritize the direct program-related spending elements of the budget. This includes all direct expenditures in support of program initiatives, excluding program salaries, wages and benefits, and total approximately $29.7 million under the 2026 budget. These direct program expenditures are primarily targeted with 83% of the expenditure to support the safety, training and research and development initiatives within the strategic plan and specifically the following pillars:

- Develop professional industry and allied partner employees through the adoption of world class safety, training, and education.
- Expand propane market share by leveraging innovative technologies, commercialization and education to deepen penetration in core markets and displacing diesel equipment.



PROPANE MARKET AND ACTIVITY BUDGET IMPACT

The Budget Plan for 2026 includes $29.7 million for program expenditures. This represents a $1.9 million or 6.1% decrease in the program expenditures compared to the 2025 budget, as detailed in the Program Activity Budget Report in Appendix II on page 17. A summary of these changes by market is presented below:

	2025 Budget	2026 Budget	Change	
Cross Market	$ 9,899,870	$ 8,478,350	$ (1,421,520)	(14.4%)
Residential	9,125,948	7,959,128	(1,166,820)	(12.8%)
On Road	3,497,051	3,645,455	148,404	4.2%
Propane Industry	3,244,423	3,075,280	(169,143)	(5.2%)
Agriculture	1,858,277	2,370,703	512,426	27.6%
Commercial	1,762,921	2,195,933	433,011	24.6%
Material Handling	1,047,986	1,080,172	32,186	3.1%
Off Road	1,172,743	889,201	(283,542)	(24.2%)
TOTAL BUDGET	**$ 31,609,219**	**$ 29,694,222**	**$ (1,914,997)**	**(6.1%)**

The decrease in planned program expenditures in 2026 represents a streamlining of activities in support of strategic market driven opportunities and a reallocation and prioritization of resources to support future product development with an emphasis on engine development and vehicle certification in the On Road market. The 2026 budget includes activities to support the specific initiatives and goals of the 2026-2028 strategic plan with a focus on power generation, diesel displacement and promoting growth in the core markets. This restructuring of plans balances PERC's commitment to safety and training programs, research and market-based communications efforts with timely product development and focusing efforts to support the critical metrics of the strategic plan.

The budget in the On Road market is reflective of the scheduled milestones in the Nexio Class 7 Bobtail Truck and Strip Chassis for Multiple Applications, and Bluebird Propane Powered Type D School Bus projects. The investment in the On Road product development will be greater in 2027 and 2028 based on the milestone schedules which include as a substantial component sale of units. Additionally, the 2026 plan restores specific application communication for the market and includes funding for initiation of a research demonstration program late in 2026. These projects are expected to drive continued growth in the On Road market which is aligned with the strategic priorities of the industry.

The majority of the Cross Market activities are focused on safety, training and education in 2026. The First Responder Safety Training Program will enter its second year in 2026 and remains fully funded and focused on reducing propane-related safety incidents while expanding training opportunities for first responders. PERC will match state contributions dollar-for-dollar by offering $1 in PERC funding for every $1 invested by state entities to hold first responder training events in their state. The technical safety and training programs for the industry continue to be fully funded with focused workplans on the modularization of CETP programs and transition to the Propane Education Program (PEP), Propane

Emergencies training, and specific safety application related training such as the Forklift Course development. PERC will also continue its commitment to industry training, development and education through its Technical School Grant Program, Propane Autogas Vehicle Inspection Grant Program, Train the Trainer Programs, and distribution of continuing education content for architects and engineers. The decrease in budget for the Cross Market is driven by the reallocation of resources in the communications related activities and deployment of funding for the First Responder Training Program over 24 months instead of 12.

Engine development and product development continue to be strong themes in the Agriculture market as we remain focused on expanding adoption of the Reliable Horsepower Industrial Engine that will augment the portfolio of propane powered engine options for the Agriculture market including power generation applications for the farm. The shift of the Reliable Horsepower from certification to commercialization is responsible for the increase in business development. The Agriculture market budget also includes funding for a strategically aligned development project and includes funding for continued support of the Propane Farm Research Program to identify more efficient, cost effective and lower emission propane-powered equipment options for the industry.

The Commercial market includes continued commitments to the Alternative Technology Research and Demonstration program in support of power generation commercialization efforts within the Commercial market. This program is gathering research and data on 4.4kW to 25kW CHP applications and propane cooling between 15 and 100-ton applications to provide evidence of their economic, environmental, and energy efficiency advantages. The Commercial market budget increase includes a shifting of resources in the 2025 plan that were not expended to the 2026 plan as we expect the Alternative Technology Research and Demonstration program to deploy most of its resources in the second half of the program. Additionally, the reallocation of communication resources in the Commercial market in support of power generation applications has contributed to the increase in this market's 2026 budget.

The change in budgeted activities across all markets are summarized in the following table:

	2025 Budget	2026 Budget	Change	% Var.
Communications	10,272,200	9,780,600	(491,600)	(4.8%)
Safety & Training	5,549,449	4,716,502	(832,947)	(15.0%)
Incentivized Research	2,734,500	3,410,000	675,500	24.7%
Industry Supporting Activities	2,483,100	2,542,000	58,900	2.4%
Business Development	2,583,405	2,445,237	(138,168)	(5.3%)
Product Development	2,789,808	2,240,000	(549,808)	(19.7%)
General/Admin & IT Allocations	2,162,583	2,087,380	(75,203)	(3.5%)
Technical Research	1,156,773	1,349,502	192,729	16.7%
Market Research	725,000	623,000	(102,000)	(14.1%)
Digital Strategy & Analytics	452,400	300,000	(152,400)	(33.7%)
Thought Leadership	700,000	200,000	(500,000)	(71.4%)
TOTAL BUDGET	**$ 31,609,219**	**$ 29,694,222**	**$ (1,914,997)**	**(6.1%)**

The strategic shift in the budget priorities and streamlined focus is clear in the breakdown of the activities with most categories showing a decrease in budgeted activities. As noted in the breakdown of the market activities, the decrease in product development is representative of the project plans and milestone schedules related to the Nexio Class 7 Bobtail Truck and Strip Chassis for Multiple Applications, and Bluebird Propane Powered Type D School Bus projects. This decrease follows a significant increase in 2025 for product development focusing on engine development in the On Road, Agriculture, and Off Road markets to support diesel displacement opportunities across midsize applications. This continued emphasis on product development and technical research aligns with the strategic priorities and goals of the industry.

The Communications activities, including market communications, thought leadership and digital strategy and analytics were streamlined and focused to support market-based communications emphasizing specific applications targeted at specifiers and align with the strategic opportunities across the markets. Some activities will be insourced to staff, while general awareness communication efforts will be reduced in an effort to align the resources with the highest priority strategic opportunities.

The shift in Communications to focus on specific applications is reinforced with continued commitment to demonstration-based research programs including two new programs in the Agriculture and On Road markets. The Propane-Powered Irrigation Engine and Landscape Equipment Demonstration program will kick off in January 2026 and will foster development and data collection for propane powered agricultural and landscaping equipment engines. This program will deliver high quality operational data for product development and adoption of clean energy technology in the targeted applications. During the second half of 2026, we plan to launch an Autogas Vehicle Research Program with research focused on both propane dedicated and propane bi-fuel systems. The program will provide data and metrics regarding propane engine performance in actual applications to support product development and adoption in the transportation industry. These new programs drive the majority of the increase in incentivized research.

Technical Research plans for 2026 continues to support fuel and engine development programs. These projects are focused on measuring contaminants in propane fuels, supporting renewable propane research and continued research efforts for middle market engines across various applications. We will track the total addressable market and segmentation of the prime power generation for propane and update the economic impact for propane.

The budgeted activities for 2026 include a reduction of budgeted resources to Safety and Technical Training, but this relates more towards a shift in timing of the First Responder Safety Training Program than a material decrease in efforts. This program was originally planned as a one-year program in the 2025 budget, but its implementation now stretches into 2026, spreading that funding stream over the two fiscal years. In 2025, PERC will actually spend approximately $4.8 million on safety, training and education related activities and the 2026 budget is an increase due to learning center enhancements and the development schedule of programming. Overall, the safety and training activities and program development will be on a very comparable trajectory.

The program activities of the 2026 budget plan have been aligned with the 2026-2028 strategic plan. The resource allocation prepares the organization for a robust product development cycle in the On Road market, building on years of research and product development in that area. The 2026 plan also continues an emphasis on safety, education and training, continuing technical research efforts that support commercialization trends, while continuing to communicate the important messages about propane's competitive advantage in specific applications for both consumer and business application decision makers.

DETAILED LINE-ITEM BUDGET

The Detailed Line-Item Budget Report is provided in Appendix II. Budget Reports on page 16. This perspective of the budget breaks down the material individual line items of the Proposed 2026 Budget and provides comparison to the 2025 year-end forecast as of September 30, 2025 and the December 31, 2024 audited results.

Proposed 2026 Revenue Budget

The 2026 Budget estimates total revenues of $38,738,808 sourced from net assessment revenue $37,040,000 (gross assessments, less 20% allocation to fund State Rebate Programs in accordance with PERA), and $1,698,808 in other revenues which are primarily sourced from investment income and program support services provided to state PERC foundations. The budgeted revenues are detailed in the following schedule:

	2024 Audited	2025 Forecast	2026 Budget	2025F V. 2026B $Variance	%Variance
REVENUES					
Assessment revenue	$ 44,050,326	$ 47,882,447	$ 46,300,000	$ (1,582,447)	(3.3%)
State rebate	(8,810,065)	(9,576,489)	(9,260,000)	316,489	(3.3%)
Net Assessment Revenue	**$ 35,240,261**	**$ 38,305,958**	**$ 37,040,000**	**$ (1,265,958)**	**(3.3%)**
Investment income, net	$ 2,123,949	$ 2,014,733	$ 1,785,300	$ (229,433)	(11.4%)
Fulfillment, net	(263,128)	(238,726)	(161,392)	77,334	(32.4%)
Other revenue	1,125,422	93,815	74,900	(18,915)	(20.2%)
TOTAL REVENUES	**$ 38,226,504**	**$ 40,175,781**	**$ 38,738,808**	**$ (1,436,972)**	**(3.6%)**

Gross Assessments in the 2026 Budget are $46.3 million and assume 9.3 billion gallons of odorized propane in the upcoming year. This estimate is a conservative estimate looking over the trailing 6 years of assessments and the current trend in 2025. The following patterns are evident from the trailing 6 years of history:

- The 2026 Approved Budget is less than the actual collections in three of the last six completed years with 2020, 2023 and 2024 falling short of 9.3 billion gallons of odorized propane production.
- The minimum assessment over the past completed six years was $44.1 million in 2024 with 8.8 billion gallons of odorized propane. The maximum assessment over the same time period was $49.6 million in 2019 with 9.9 billion gallons of odorized propane production. The forecast for 2025 has PERC on track for $48.0 million in assessment revenue with 9.6 billion gallons of odorized propane production. The proposed assessment budget for 2026 is approximately 1% below the trailing 6-year average and approximately 7% below the maximum assessment over the past 6 complete years.
- In 2025, PERC implemented an updated model to estimate remittance collections based upon HDD's and gas supply. Based on the NOAA forecast for 2026 HDD's and historical propane gas

supply averages the odorized propane forecast model estimated 9.4 billion gallons of odorized propane consumption.

The State Rebates are 20% of the gross assessment and are set aside for funding requests from the state and regional PERC foundations.

Investment income is budgeted at $1.79 million for the 2026 Budget. This income stream represents the interest income the Organization receives from investments of its reserves in cash, U.S. Government Securities and FDIC insured certificates of deposit. The decrease in investment income for the 2026 budget reflects expected forecast cash balances and considers a declining interest rate environment.

The Fulfillment, net, income line represents the net earnings from the fulfillment operation which sells training references, marketing materials and other products primarily to propane industry members. This has been presented in the 2026 Budget at ($161,392) showing a decrease in the loss due to the planned digitization of certain products and updated allocation of personnel costs supporting the activity.

Other revenue represents miscellaneous services and income primarily derived from services we provide to the state and regional PERC foundations. The 2026 Budget estimates this at $74,900 for the services currently contracted.

Proposed 2026 General & Administrative Expense Budget

The 2026 Budget includes $2,068,313 for general and administrative expenses. These expenses are subject to a 10% cap in accordance with PERA, and the current budgeted expenses are in compliance, comprising approximately 4.5% of gross assessment revenue. The general and administrative expense budget proposed for 2026 is as follows:

	2024 Audited	2025 Forecast	2026 Budget	2025F V. 2026B $Variance	2025F V. 2026B %Variance
G&A Expenses					
Salaries & payroll taxes	$ 1,038,108	$ 1,069,656	$ 1,111,215	$ 41,560	3.9%
Benefits	59,492	166,889	145,764	(21,126)	(12.7%)
Accounting & bank fees	517,673	368,560	316,398	(52,162)	(14.2%)
Legal fees	41,133	251,216	245,500	(5,716)	(2.3%)
Professional services	29,805	44,021	55,418	11,398	25.9%
Computer maintenance & services	13,906	21,656	53,881	32,224	148.8%
Insurance	24,160	24,640	20,104	(4,535)	(18.4%)
Rent expense	108,904	79,608	21,091	(58,517)	(73.5%)
Other expenses	104,913	107,167	98,943	(8,225)	(7.7%)
Total G&A Expense	**$ 1,938,094**	**$ 2,133,413**	**$ 2,068,313**	**$ (65,100)**	**(3.1%)**

The decrease in general and administrative expenses for the 2026 Budget is driven by several factors including the termination of the office lease in Washington, DC in August 2025, updated cost allocation plan metrics and streamlining of certain administrative support and accounting costs.

Proposed 2026 Program Expense Budget

The 2026 Proposed Program Expense Budget includes $6,711,273 for personnel salaries, payroll taxes, and benefits related to supporting PERC's program activities. These costs have increased due to several vacant program positions being filled and a shift in allocations toward the program activities, reflecting the increased active headcount supporting program activities.

The full program expense line item 2026 Budget is presented below and compared to the 2025 forecast and 2024 audited results:

	2024 Audited	2025 Forecast	2026 Budget	2025F V. 2026B $Variance	%Variance
Program Expenses					
Personnel Program Expenses					
Salaries & payroll taxes	$ 4,732,459	$ 5,233,761	$ 5,834,424	$ 600,663	11.5%
Benefits	730,583	753,086	876,849	123,763	16.4%
Total Program Salaries & Benefits	**$ 5,463,042**	**$ 5,986,847**	**$ 6,711,273**	**$ 724,426**	**12.1%**
Direct Program Expenses					
Cross Market	$ 14,683,622	$ 7,965,008	$ 8,478,350	$ 513,342	6.4%
Off road	646,954	1,288,441	889,201	(399,241)	(31.0%)
Agriculture	1,806,796	1,621,323	2,370,703	749,381	46.2%
Propane Industry	3,307,829	3,583,543	3,075,280	(508,263)	(14.2%)
On Road	2,021,862	2,795,885	3,645,455	849,571	30.4%
Residential	9,762,165	9,252,023	7,959,128	(1,292,895)	(14.0%)
Commercial	1,156,319	1,514,654	2,195,933	681,278	45.0%
Material handling	769,514	958,079	1,080,172	122,093	12.7%
Total Direct Program Expenses	**$ 34,155,062**	**$ 28,978,956**	**$ 29,694,222**	**$ 715,266**	**2.5%**
Total Program Expenses	**$ 39,618,104**	**$ 34,965,802**	**$ 36,405,495**	**$ 1,439,692**	**4.1%**

The direct program expenses are discussed and analyzed in detail in the Propane Market and Activity Budget Impact section on page 5 of this document.

2026 Budget Change in Net Assets

The planned revenues of $38.7 million int the 2026 budget are expected to exceed budgeted expenses of $38.5 million, resulting in a marginal increase in net assets of $0.2 million. The budget plan for 2026 does not require any reserve funding and the organization will maintain its current reduction in general and undesignated cash reserves will not reduce the Council-designated reserve fund or adversely impact the organization's solvency.

APPENDIX I. PROGRAM AND ACTIVITY DESCRIPTIONS

Propane Education and Research Council (PERC) Programs

PERA requires PERC to "*develop programs and projects and enter into contracts or agreements for implementing this Act, including programs to enhance consumer and employee safety and training, to provide for research and development of clean and efficient propane utilization equipment, to inform and educate the public about safety and other issues associated with the use of propane...*".

The projects and initiatives described in the following sections are based on a recommendation from PERC's Budget and Finance Committee in collaboration with PERC's Executive Committee, the staff, and other sources.

Other requirements under PERA included in the program budget initiatives are as follows:

- Not less than 5 percent of the funds collected through assessments pursuant to the Act will be used for programs and projects intended to benefit the agriculture industry in the United States. The Council will coordinate its activities in this regard with agriculture industry trade associations and other organizations representing the agriculture industry.
- The percentage of funds collected through assessments pursuant to this Act to be used for projects relating to the use of propane as an over-the-road motor fuel shall not exceed the percentage of the total market for odorized propane that is used as a motor vehicle fuel, based on the historical average of such use over the previous 3-year period.
- The Council shall coordinate its activities with industry trade associations and others as appropriate to provide efficient delivery of services and to avoid unnecessary duplication of activities.

Agriculture Market Activities

The Council supports the agriculture market by advancing research and development efforts, consumer awareness, and the adoption of propane-fueled agricultural applications to increase the efficiency of farming operations and promote environmentally clean practices.

On Road Market Activities

The Council supports the on road or Autogas market through research and development projects, consumer awareness, business development initiatives to grow the application of propane-fueled vehicles, and a robust service network and refueling infrastructure necessary to provide a viable and environmentally clean alternative to other on road energy sources.

Residential Market Activities

The Council supports the safe operation of propane appliances and the development of new uses of propane in the residential market offering programs for homeowners, home-builders and residential professionals that provide consumer awareness, research and development and product development within the market.

Commercial Market Activities

The Council supports new users and uses of propane in the commercial sector by offering consumer awareness, and research and development programs for business owners and commercial construction professionals targeting the safe installation, operation and maintenance of propane appliances, including the deployment of new technologies in the market.

Material Handling/Industrial Market Activities

The Council supports research and development, consumer awareness and product development programs in the material handling market to develop and commercialize propane-fueled solutions for handling industrial materials, emissions treatments, and propane hybrid technologies. These technologies include power generation, terminal tractors, heavy-duty forklifts, container handlers, light-duty vehicles and refueling infrastructure.

Off-Road Market Activities

The Council supports research and development, consumer awareness and business development programs to foster the use of propane as a preferred energy for fixed engine applications other than agricultural engines.

Cross Market Activities

Cross Market activities support safety, training, consumer awareness and research and development programs that provide benefits to multiple market segments which benefit consumer and industry professionals.

Industry Market Activities

The Council engages with propane marketers and supporting professionals to collectively provide critical industry research, training, and workforce development to help the propane industry adjust to fast-changing competitive dynamics and capitalize on new opportunities to better serve propane consumers.

APPENDIX II. BUDGET REPORTS

Propane Education and Research Council, Inc.
2026 Budget Summary Report

	2024 Audited	2025 Budget	2025 Forecast	2026 Budget	2025F V. 2026B $Variance	2025F V. 2026B %Variance
REVENUES						
Assessment revenue	$ 44,050,326	$ 46,000,000	$ 47,882,447	$ 46,300,000	$ (1,582,447)	(3.3%)
State rebate	(8,810,065)	(9,200,000)	(9,576,489)	(9,260,000)	316,489	(3.3%)
Net Assessment Revenue	**$ 35,240,261**	**$ 36,800,000**	**$ 38,305,958**	**$ 37,040,000**	**$ (1,265,958)**	**(3.3%)**
Other Revenue	**$ 2,986,243**	**$ 2,592,242**	**$ 1,869,823**	**$ 1,698,808**	**$ (171,014)**	**(9.1%)**
TOTAL REVENUES	**$ 38,226,504**	**$ 39,392,242**	**$ 40,175,781**	**$ 38,738,808**	**$ (1,436,972)**	**(3.6%)**
EXPENSES						
General & Administrative Expenses						
Salaries & payroll taxes	$ 1,038,108	$ 1,090,677	$ 1,069,656	$ 1,111,215	$ 41,560	3.9%
Benefits	59,492	135,815	166,889	145,764	(21,126)	(12.7%)
Other General & Administrative Expenses	840,494	862,885	896,868	811,334	(85,534)	(9.5%)
Total General & Administrative Expenses	**$ 1,938,094**	**$ 2,089,376**	**$ 2,133,413**	**$ 2,068,313**	**$ (65,100)**	**(3.1%)**
Program Expenses						
Salaries & payroll taxes	$ 4,732,459	$ 5,506,312	$ 5,233,761	$ 5,834,424	$ 600,663	11.5%
Benefits	730,583	848,334	753,086	876,849	123,763	16.4%
Direct Program Expenses	34,155,062	31,609,219	28,978,998	29,694,222	715,224	2.5%
Total Program Expenses	**$ 39,618,104**	**$ 37,963,866**	**$ 34,965,844**	**$ 36,405,495**	**$ 1,439,650**	**4.1%**
TOTAL EXPENSES	**$ 41,556,199**	**$ 40,053,242**	**$ 37,099,257**	**$ 38,473,808**	**$ 1,374,551**	**3.7%**
CHANGE IN NET ASSETS	**$ (3,329,695)**	**$ (661,000)**	**$ 3,076,523**	**$ 265,000**	**$ (2,811,523)**	**(91.4%)**

Propane Education and Research Council, Inc.
2026 Budget Detail Report

	2024 Audited	2025 Forecast	2026 Budget	2025F V. 2026B $Variance	%Variance
REVENUES					
Assessment revenue	$ 44,050,326	$ 47,882,447	$ 46,300,000	$ (1,582,447)	(3.3%)
State rebate	(8,810,065)	(9,576,489)	(9,260,000)	316,489	(3.3%)
Net Assessment Revenue	**$ 35,240,261**	**$ 38,305,958**	**$ 37,040,000**	**$ (1,265,958)**	**(3.3%)**
Investment income, net	$ 2,123,949	$ 2,014,733	$ 1,785,300	$ (229,433)	(11.4%)
Fulfillment, net	(263,128)	(238,726)	(161,392)	77,334	(32.4%)
Other revenue	1,125,422	93,815	74,900	(18,915)	(20.2%)
TOTAL REVENUES	**$ 38,226,504**	**$ 40,175,781**	**$ 38,738,808**	**$ (1,436,972)**	**(3.6%)**
EXPENSES					
G&A Expenses					
Salaries & payroll taxes	$ 1,038,108	$ 1,069,656	$ 1,111,215	$ 41,560	3.9%
Benefits	59,492	166,889	145,764	(21,126)	(12.7%)
Accounting & bank fees	517,673	368,560	316,398	(52,162)	(14.2%)
Legal fees	41,133	251,216	245,500	(5,716)	(2.3%)
Professional services	29,805	44,021	55,418	11,398	25.9%
Computer maintenance & services	13,906	21,656	53,881	32,224	148.8%
Insurance	24,160	24,640	20,104	(4,535)	(18.4%)
Rent expense	108,904	79,608	21,091	(58,517)	(73.5%)
Other expenses	104,913	107,167	98,943	(8,225)	(7.7%)
Total G&A Expense	**$ 1,938,094**	**$ 2,133,413**	**$ 2,068,313**	**$ (65,100)**	**(3.1%)**
Program Expenses					
Personnel Program Expenses					
Salaries & payroll taxes	$ 4,732,459	$ 5,233,761	$ 5,834,424	$ 600,663	11.5%
Benefits	730,583	753,086	876,849	123,763	16.4%
Total Program Salaries & Benefits	**$ 5,463,042**	**$ 5,986,847**	**$ 6,711,273**	**$ 724,426**	**12.1%**
Direct Program Expenses					
Cross Market	$ 14,683,622	$ 7,965,008	$ 8,478,350	$ 513,342	6.4%
Off road	646,954	1,288,441	889,201	(399,241)	(31.0%)
Agriculture	1,806,796	1,621,323	2,370,703	749,381	46.2%
Propane Industry	3,307,829	3,583,585	3,075,280	(508,305)	(14.2%)
On Road	2,021,862	2,795,885	3,645,455	849,571	30.4%
Residential	9,762,165	9,252,023	7,959,128	(1,292,895)	(14.0%)
Commercial	1,156,319	1,514,654	2,195,933	681,278	45.0%
Material handling	769,514	958,079	1,080,172	122,093	12.7%
Total Direct Program Expenses	**$ 34,155,062**	**$ 28,978,998**	**$ 29,694,222**	**$ 715,224**	**2.5%**
Total Program Expenses	**$ 39,618,104**	**$ 34,965,844**	**$ 36,405,495**	**$ 1,439,650**	**4.1%**
TOTAL EXPENSES	**$ 41,556,199**	**$ 37,099,257**	**$ 38,473,808**	**$ 1,374,551**	**3.7%**
CHANGE IN NET ASSETS	**$ (3,329,695)**	**$ 3,076,523**	**$ 265,000**	**$ (2,811,522)**	**(91.4%)**

Propane Education and Research Council, Inc.
2026 Budget - Program Activity Budget

FY26 Draft Budget Matrix	Incentivized Research	Product Development	Business Development	Technical Research	Communications - Business	Communications - Consumer	Digital Strategy & Analytics	Thought Leadership	Industry Supporting Activities	Market Research	Safety & Technical Training	General & Admin / IT Allocations	Market Total
Agriculture	270,000	350,000	699,020	65,000	800,000	-	-	-	-	-	-	186,683	2,370,703
On Road	235,000	1,850,000	505,310	-	700,000	-	-	-	-	-	120,000	235,145	3,645,455
Residential	2,250,000	-	402,938	180,000	400,000	4,265,600	-	-	-	-	97,500	363,091	7,959,128
Commercial	550,000	-	353,350	-	1,050,000	-	-	-	-	-	75,000	167,583	2,195,933
Material Handling/Industrial	-	-	329,550	-	600,000	-	-	-	-	-	-	150,622	1,080,172
Off Road	105,000	25,000	155,070	-	500,000	-	-	-	-	-	-	104,131	889,201
Cross Market	-	15,000	-	1,104,502	920,800	544,200	300,000	200,000	-	394,709	4,384,002	615,137	8,478,350
Industry	-	-	-	-	-	-	-	-	2,542,000	228,291	40,000	264,989	3,075,280
Activity Total	**3,410,000**	**2,240,000**	**2,445,237**	**1,349,502**	**4,970,800**	**4,809,800**	**300,000**	**200,000**	**2,542,000**	**623,000**	**4,716,502**	**2,087,380**	**29,694,222**

FY25 Draft Budget Matrix	Incentivized Research	Product Development	Business Development	Technical Research	Communications - Business	Communications - Consumer	Digital Strategy & Analytics	Thought Leadership	Industry Supporting Activities	Market Research	Safety & Technical Training	General & Admin / IT Allocations	Market Total
Agriculture	175,000	316,000	402,420	65,000	750,000	-	-	-	-	-	-	149,857	1,858,277
On Road	-	2,003,808	604,835	-	500,000	-	-	-	-	-	222,600	165,808	3,497,051
Residential	2,287,500	180,000	437,250	-	600,000	5,200,000	-	-	-	-	280,000	141,198	9,125,948
Commercial	272,000	30,000	497,350	24,000	690,000	-	-	-	-	-	115,000	134,571	1,762,921
Material Handling/Industrial	-	-	433,850	-	508,000	-	-	-	-	-	-	106,136	1,047,986
Off Road	-	200,000	207,700	-	675,000	-	-	-	-	-	-	90,043	1,172,743
Cross Market	-	60,000	-	1,067,773	-	1,349,200	452,400	700,000	-	345,000	4,931,849	993,647	9,899,870
Industry	-	-	-	-	-	-	-	-	2,483,100	380,000	-	381,323	3,244,423
Activity Total	**2,734,500**	**2,789,808**	**2,583,405**	**1,156,773**	**3,723,000**	**6,549,200**	**452,400**	**700,000**	**2,483,100**	**725,000**	**5,549,449**	**2,162,583**	**31,609,219**

FY26 Budget v FY25 Budget Variances	Incentivized Research	Product Development	Business Development	Technical Research	Communications - Business	Communications - Consumer	Digital Strategy & Analytics	Thought Leadership	Industry Supporting Activities	Market Research	Safety & Technical Training	General & Admin / IT Allocations	Market Total
Agriculture	95,000	34,000	296,600	-	50,000	-	-	-	-	-	-	36,826	512,426
On Road	235,000	(153,808)	(99,525)	-	200,000	-	-	-	-	-	(102,600)	69,337	148,404
Residential	(37,500)	(180,000)	(34,313)	180,000	(200,000)	(934,400)	-	-	-	-	(182,500)	221,893	(1,166,820)
Commercial	278,000	(30,000)	(144,000)	(24,000)	360,000	-	-	-	-	-	(40,000)	33,012	433,011
Material Handling/Industrial	-	-	(104,300)	-	92,000	-	-	-	-	-	-	44,486	32,186
Off Road	105,000	(175,000)	(52,630)	-	(175,000)	-	-	-	-	-	-	14,088	(283,542)
Cross Market	-	(45,000)	-	36,729	920,800	(805,000)	(152,400)	(500,000)	-	49,709	(547,847)	(378,510)	(1,421,520)
Industry	-	-	-	-	-	-	-	-	58,900	(151,709)	40,000	(116,334)	(169,143)
Activity Total	**675,500**	**(549,808)**	**(138,168)**	**192,729**	**1,247,800**	**(1,739,400)**	**(152,400)**	**(500,000)**	**58,900**	**(102,000)**	**(832,947)**	**(75,203)**	**(1,914,997)**