

AMERICAN ASSOCIATION OF PROFESSIONAL LANDMEN

Local Association Award

Best AAPL Director's Communication
(During Calendar Year 2024)

Awards Committee Evaluation Form

To be completed by Local Association

Local Association Name: _____

Name of Director: _____

Month Communication Presented: _____

Number of Members in Local Association: _____

ATTACH THIS ENTRY FORM TO COPY OF AAPL DIRECTOR'S COMMUNICATION
(No comments or further explanations will be considered)

To Be Completed By Awards Committee

The following criteria are listed to assist in the evaluation of the AAPL Director's Communication.

<u>Criteria</u>	<u>Points</u>	<u>Score</u>
OBJECTIVITY: Was communication presented in an unbiased manner?	0-6	_____
CLARITY: Were board actions, professional and AAPL issues clearly communicated?	0-5	_____
ANALYSIS: Were key issues identified and concisely presented?	0-5	_____
OVERALL PRESENTATION	0-5	_____
	Total Points	<input type="text"/>

AMERICAN ASSOCIATION OF PROFESSIONAL LANDMEN
QUARTERLY BOARD of DIRECTORS MEETING, Boston, MA
June 19, 2024

The AAPL Quarterly Board Meeting was held on June 19th, 2024 at The Hilton Boston Park Plaza. Brooks Yates, AAPL President, called the meeting to order. The invocation was given by Jerris Johnson, followed by the Pledge of Allegiance. Next, the introduction of guests along with roll call of the Executive Committee, Directors and Committee Chairs. New Directors/Temporary and Sub-Directors were seated. Upon adoption of the agenda, the minutes from the last board meeting on March 10th, 2024 were adopted by acclamation.

Financials

Treasurer's Report: Jerris Johnson, CPL, Treasurer, provided a report on AAPL and its affiliates for the period ending March 31, 2024 as follows:

Statement of Financial Position

- Compared to March 31, 2023, total assets have increased from \$37,355,925 to \$42,244,597, a change of \$4,888,672 or 13.1%. The increase is primarily due to market activity related to the investment account and not drawing down on the investment account for cash flow during the last 12 months. There have been no transfers from the investment account since fiscal year '22-'23, when \$2.0M (operating purposes) was transferred from the investment account. During fiscal year 21-22, \$4.0M (operating purposes) and \$100k (AAPL board-designated EF disaster relief funds) were transferred from the investment account. Additionally, Due from Affiliates increased due to the NAPE management fee due from NAPE Management, LLC. Investments increased due to the capital contributions of \$250,000 to the LKCM Headwater investment. Accounts Receivable, Net increased due to the employee retention credit granted as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), of which \$171,000 is still outstanding.
- Compared to March 31, 2023, total liabilities have increased from \$988,827 to \$1,278,365, a change of \$289,538 or 29.3%. This increase is primarily due to an increase in Unearned Revenue of \$276,023 or 26.7%. Unearned Revenue includes annual meeting, membership dues, form subscriptions, educational seminar, and advertising revenue. Unearned Revenue related to educational seminars increased \$100,641 mainly due to changes in the Appalachian Land Institute and the Mining & Land Resources Institute dates. There is a timing difference since these institutes occurred in March 2023 last fiscal year and were moved to April 2024 this fiscal year. Annual meeting registrations increased \$77,430 from the previous fiscal year. Prepaid advertising for Landman magazine increased \$65,818 primarily due to the Alliance Program. Also, a Lease Liability line was added to the liability section in fiscal year '22-'23. This is a new accounting standard referred to as ASC 842 required by the Financial Accounting Standards Board (FASB). This lease standard does not materially affect the Statement of Activities.

Statement of Activities

- **Revenues** (exclusive of investment revenue) compared to March 31, 2023, have increased 48.1% from \$1,940,734 to \$2,874,841, a change of \$934,107.
 - Notable items:
 - Education Income has increased \$52,955 year over year primarily due to increased Educational Sponsorships due to the Alliance Program and the astounding results from the Women in Energy Institute.
 - Membership Income increased \$277,948, or 24.4%, year over year due to an increase in membership dues.
 - Certification Income increased \$47,900, or 86.6%, year over year due to an increase in fees.
 - NAPE Income increased \$31,482 year over year primarily due to a final NAPE distribution after the fiscal year end of the previous year. A timing difference exists since the NAPE management fee of \$525,040 was recognized in March 2024 but not recognized until June in the last fiscal year. Additionally, the fee is also \$25k higher than last year.
- **Expenses** compared to March 31, 2023, have decreased 10.3% from \$4,575,920 to \$4,106,321, a reduction of \$469,599.

- Notable items:
 - Publications has decreased \$70,165 primarily due to a variance in the printing of the Directory. Publications printed fewer directories than last year.
 - Education expenses are down \$53,483 year over year. This is primarily due to printing costs being down \$43,714 compared to the previous year. 264 Oil & Gas Law books were printed last fiscal year.
 - General and Administrative expenses decreased year over year in the amount of \$254,954 primarily due to the reduction in staffing and elimination of profit sharing, resulting in a decrease of salaries and benefits of \$172,140 year over year. Other areas of savings have been in Advertising/Marketing. Advertising/Marketing was recorded in this area in the previous year, but has its own department in FY 23-24. This has resulted in a decrease in expenses of \$70,150 year over year. Travel expenses were also down \$12,728 year over year.
 - BoD Meeting expenses decreased year over year by \$59,430, this variance is spread amongst many line items, but primarily in a reduction in BoD Travel Reimbursement of \$42,838 which is mainly a result of the reduction of reimbursement rates.
 - Advocacy expense decreased year over year by \$100,726 and is due to the cancellation of the Hillco Partners contracted expense from the prior year.
 - Marketing expenses increased year over year by \$64,330 since this is a new department being budgeted for FY23-24 and has no previous year entries.

Supplementary Information

- Investments as of March 31, 2024, are \$35,603,830, an increase of \$4,274,245 or 13.6% as compared to the same period last year. The change resulted from unrealized gains/(losses) due to market activity in the AAPL investment account.

AAPL General Report:

AAPL Mission: Our mission is to promote the highest standards and ethics of performance for all land professionals and to encourage sound stewardship of all energy and mineral resources

AAPL Strategic Goals

- Goal #1: Excellence. Advance the culture and structure of AAPL to ensure excellence.
- Goal #2: Education. Position AAPL as the go-to resource for information, certification, and training.
- Goal #3: Value. Deliver and promote world-class member value to attract and retain membership.
- Goal #4: Diversity and Inclusion. Build and foster an inclusive and diverse organization that is representative of both cultural and professional diversity in membership and leadership.
- Goal #5: Advocacy. Promote the profession through elevating the voices of land professionals.
- Goal #6: Sustainability. Ensure the financial security and longevity of the association.

Annual Meeting

- In parallel to the Quarterly Board Meeting the Hilton Boston Park Plaza played host to 2024 Annual Meeting as well. Unmatched networking, education, and entertainment were had by all while in Boston. Next year's Annual Meeting will be held in Kansas City, Missouri, at the Loews Kansas City Hotel. Annual Meeting Committee will be working to finalize speakers and events throughout the rest of this year.

NAPE Summit

- The NAPE Summit will be held February 5-7, 2025, at the George R. Brown Convention Center in Houston, TX.

Upcoming AAPL Board Meetings

- September 27-29, 2024, | Grand Traverse Resort and Spa in Acme, Michigan
- December 6-8, 2024 | Rancho Bernardo Inn in San Diego, California
- March 14-16, 2025 | Newport Harbor Island Resort in Newport, Rhode Island

- June 17-18, 2025 | Loews Kansas City Hotel in Kansas City, MO 64108

Other Noteworthy News/Reports:

- Le'Ann Callahan was named Executive Vice President, removing the previously assigned "interim" designation. Congratulations Le'Ann!

If you are interested in serving on an AAPL or OCAPL committee or otherwise becoming more involved, please feel free to contact me. Additionally, if you have any questions, comments, concerns, or ideas regarding the AAPL and/or its services, please do not hesitate to reach out.

Respectfully submitted,

Matt Beavers
AAPL Director