

**SOCIETY RECORDS AND ACTIVITIES**  
**SEPM 2003 ANNUAL MEETING**  
**ANNUAL REPORT OF THE SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)**  
**FOR THE YEAR ENDING AT THE SEVENTY-SEVENTH ANNUAL MEETING**

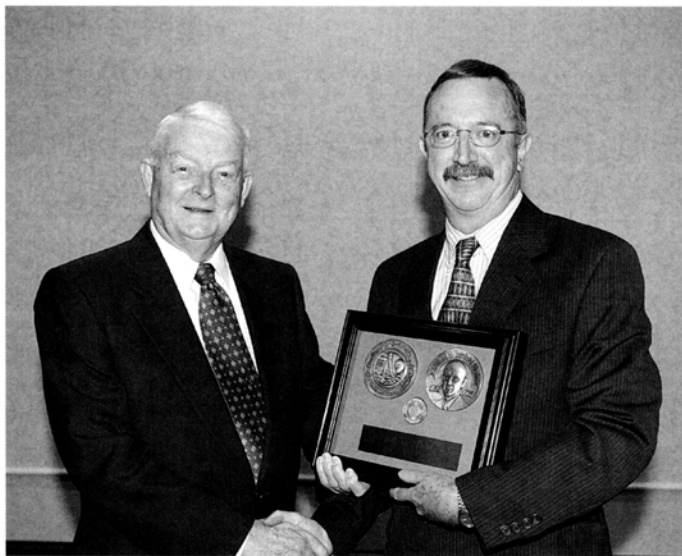
The Annual Business Meeting was held from 11:30 am to 1:30 pm in the Grand Ballroom of the Salt Lake City Marriott Hotel Downtown in Salt Lake City, Utah, on May 13, 2003. Peter McCabe, President, presided and gave the President's report. The outgoing council, incoming council, and staff members were introduced. The minutes of the 2002 meeting and the Treasurer's report were reviewed by William Morgan and approved by the membership. Henry W. Posamentier presented an informative and entertaining talk on bringing stratigraphy in to the 21st Century. Dr. McCabe then handed the gavel of office to the incoming President Dr. John B. Anderson, who adjourned the meeting.

The remainder of this Annual Report consists of the biographies and responses of our award recipients, the audited financial statement, and the membership report. Any further information concerning the Society can be found at the SEPM Home Page ([www.sepm.org](http://www.sepm.org)).

**Gerard V. Middleton**  
**Twenhofel Medal for Excellence in Sedimentary Geology**

*Citation:* To Gerard V. Middleton, for his unswerving dedication to process-oriented sedimentology, and to life-long education and training.

*Biography:* After obtaining an academic appointment to teach sedimentology at McMaster University in 1955, Gerard V. Middleton, "Gerry," moved away from earlier interests in paleontology and carbonate geology and decided to undertake a study of foreland-basin turbidite sandstones in the nearby Appalachians. What stands out is Gerry's determination to master the basic scientific principles central to the new research project, so that he was prepared to answer "how" and "why" these turbidites formed. A 1964 symposium on the "flow regime" concept resulted in the publication of an SEPM Special Publication in 1965. Afterwards, Gerry acquired during his first sabbatical at Caltech, the background in the area of sediment transport that allowed him to undertake ground-breaking flume studies of turbidity currents. These triggered his emergence, in the mid-1960's, as a leader in the broad field of sediment transport and process-oriented sedimentology. In *Origin of Sedimentary Rocks* (1972 and 1980 editions; with Harvey Blatt and Ray Murray) and other publications, Gerry employed quantitative methods and mathematically-rooted physical principles to explain how sediment is transported, deposited, and lithified. This approach set a new and enduring standard for the sedimentological community.



Gerard V. Middleton, left, accepts the Twenhofel Medal from President Peter J. McCabe.

Gerry subsequently shared his excitement with professional geologists and students alike (including many SEPM members) by co-organizing and co-teaching several popular short courses based on his broad interests.

The common theme of Gerry's illustrious career has been his dedication to self-study and retraining, and a willingness to "avulse" into new and exciting research areas following thorough preparation and hard work, just as he did initially when setting out to understand the origin of turbidites. None of us are surprised, therefore, that his recent books follow new threads, but with equal rigor: *Mechanics in the Earth and Environmental Sciences* (1994; with Wilcock), and *Data Analysis in the Earth Sciences, using MATLAB* (2000). Gerry has more recently accepted the task of editing the forthcoming *Encyclopedia of Sediments and Sedimentary Rocks* (in press). He truly has a broad and encyclopedic knowledge of our discipline, largely because of his aptitude for attacking new problems that demand new approaches. Gerard Middleton provides a role model for academics of today and tomorrow—always seeking new challenges and never swerving from a commitment to the highest standards of quantitatively based research.

*Rick Hiscott*

**Response from Gerard V. Middleton**

I thank Rick Hiscott for his citation and SEPM for awarding me this honor. Frankly, I had thought when I received the Pettijohn medal that I had already surpassed the limit of any recognition that I might have deserved. I believe that there are three major components to the professorial life for a scientist: teaching, scholarship, and research. Of the three, my judgment is that I have made my main contribution in scholarship (my opinion is confirmed by the fact that I never received glowing evaluations from the students I taught, or big bucks from granting agencies). There have been 30 previous Twenhofel medal winners: only two never spent much time teaching, and only five did not write substantial text-books. So I am not so badly out of place in their company as I had feared. I still believe, as we probably all do, that research is the primary criterion for excellence in a scientist—without new knowledge; the old knowledge would soon become stale, and unattractive to students. But science moves at such a rapid pace, that even the most talented researchers need the larger perspective that only scholarship supplies.

These days my interests are in the history of geology, particularly the history of sedimentology. History is just an extension of scholarship into the time dimension: we need to know not just the present state of knowledge, but how it was achieved by our predecessors—bearing in mind that soon we will all be relegated to the past. If I were to make a mild criticism of my SEPM (certainly my favorite scientific society), it would be that it gives little attention to the history of the disciplines that it promotes. I hope that in the future, SEPM will include some history in its web site, and encourage publication of historical studies, instead of banning them from most of its publications.

Finally, I wish to record my debt to the man who first introduced me to geology. Only recently have I rediscovered his name: he was a Mr. Dusenbury, a petroleum geologist from Dallas, Texas. We met when I was six years old, on a ship carrying us to Angola. His encouragement is one reason that I am here accepting this medal. Another is the love and support that I have received from my wife, Muriel: to her I owe a debt that I simply cannot express in words.

**Edward B. Picou, Jr.**  
**SEPM Honorary Membership**

*Citation:* To Edward B. Picou, Jr., a true Economic Paleontologist, mentor to a generation of Gulf Coast biostratigraphers, in recognition of his contributions to SEPM, the profession of petroleum geology, and the science of biostratigraphy.

*Biography:* Edward B. Picou, Jr., has a long and distinguished career in Gulf Coast exploration and production activities. He has been, and continues to be, an active and supportive member of SEPM.

Born in Baton Rouge, Louisiana, Ed received a B.S. degree from LSU in 1955. He joined Shell Oil in 1957 and was active in developing biostratigraphic zonations for the Cenozoic of the Gulf of Mexico Basin. Within Shell, and in the geologic community at large, Ed championed the application of biostratigraphy to E&P efforts. In 1989 Ed was promoted to Shell Exploration's highest technical rank. Re-

tiring in 1991 after 34 years Ed remained active in consulting until 1998. He continued to serve in retirement even taking on the demanding role of AAPG Treasurer (2000–2002).

An SEPM member since 1965, Ed was elected Vice President (1979). He served as Technical Program chairman (1976) and Vice Chair (1985) for annual meetings in New Orleans. Ed's experience with meetings led to years on the Convention Policy committee that he chaired 1985–86. Since 1997 Ed has been a regional chairman for SEPM Foundation's endowment campaign.

Ed has been President of both the Gulf Coast (1972–73) and North American Micropaleontology Sections (1982–84). He received Honorary Life Membership (1984) and a Distinguished Service Award (1997) from GCS-SEPM. Ed coordinated and edited the 1999 GCS-SEPM publication, "*Gulf of Mexico Basin Biostratigraphic Index Fossils*," a "Rosetta stone" for formerly proprietary industry zonations.

Ed played a key role Gulf Coast paleontology as mentor to a whole generation of Shell micropaleontologists. In January 2001, he received a Meritorious Service Award from the Delta Chapter of the American Petroleum Institute. On that occasion he spoke on this often-undervalued discipline: "*Biostratigraphy—An Old Tool Still Needed in the Oil Patch*."

Ed Picou is a true gentleman, always willing to lend a hand to a good cause. At a time when many would be content to sit back and let others do the work, Ed has remained incredibly active. It is entirely fitting that he be awarded Honorary Membership by SEPM.

Brian J. O'Neill

### Response from Edward B. Picou, Jr.

President McCabe, Officers and Councilors of SEPM, colleagues and friends. I am humbled to receive this prestigious SEPM award knowing that I am joining a very select group of earth scientists. I thank SEPM, and especially the members of the Honorary Member selection committee, and Brian O'Neill for the kind words expressed in my biographical sketch.

My involvement in SEPM originated with work for our Gulf Coast Section in the mid-1960s. Without mentoring from such fine folks as Jules Braunstein, Doris Curtis and SEPM Executive Director Ruth Tener, I probably would never have been selected for this award. Truly, I feel it has been my interplay with some outstanding SEPM members that kept me engaged with the organization. Folks like Bob Perkins and John Armentrout come immediately to mind. In 1980 I had the good fortune to have worked with Bob Perkins and the steering committee on the First Annual Gulf Coast Research Conference. This conference, now named in his memory, is perhaps the most important conference of its type held in the world. In 1992 when major petroleum companies decided to eliminate their biostratigraphical staffs, John Armentrout approached me with the need for a synthesis of the microfossil taxonomy within each company. Somehow, I was designated the leader of this effort, but here again, I had the good fortune to be able to rely on SEPM members such as Rashel Rosen and a large committee of concerned paleontologists to push this project to

completion in 1999. Bob Perkins, Executive Director of the Foundation, was finalizing this important publication when he died. Fortunately for the Section and the Foundation, Norm Rosen volunteered to take over as Executive Director and completed this important volume.

I believe it has been my association with so many dedicated individuals—dedicated to geoscience and to SEPM—that has made my membership through the years so rewarding.

### Lawrence Hardie

#### Francis J. Pettijohn Medal for Excellence in Sedimentology

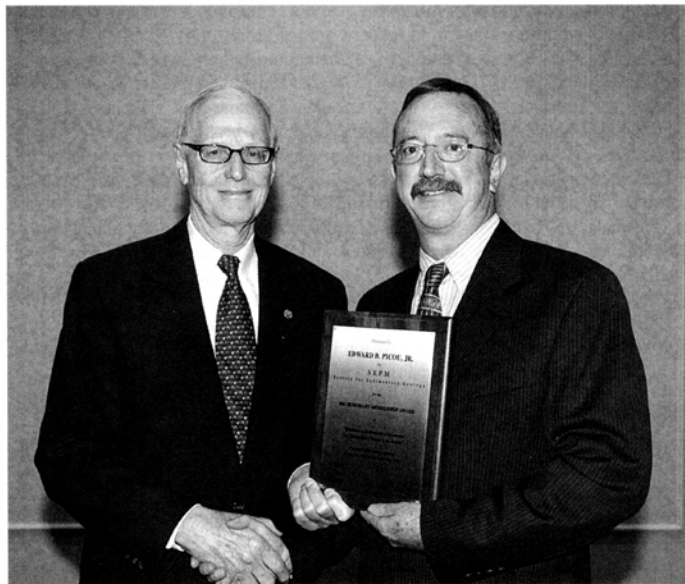
*Citation:* Lawrence Hardie has made seminal contributions to our understanding of brine evolution and evaporite deposition, regional dolomitization, cyclical deposition of carbonate sediments, and plate tectonic forcing of changes in seawater chemistry that have produced oscillations in the mineralogy of marine carbonates and evaporites throughout earth history.

*Biography:* Lawrence Hardie, "Lawrie," has made numerous seminal contributions to sedimentology and sedimentary geochemistry. Having worked his way through the Master's level the University of Durban in South Africa, he began doctoral studies at Johns Hopkins in 1960. He intended to study under Francis Pettijohn but, at Francis's suggestion, shifted to Hans Eugster because he wanted to study processes of sedimentation actualistically. Ironically, he became Francis' sedimentological successor shortly after joining the Hopkins faculty as a geochemist; Francis believed there was no one better for the job.

Lawrie's early research brought to light the chemical divide in brine evolution: the basis for predicting what sequence of evaporites will form from natural water of a particular composition. He also demonstrated that many massive Messinian gypsum beds were actually clastic deposits. Lawrie's investigations of modern evaporite environments underpinned his classic work with Eugster on the Green River Formation, and his book with Ginsburg and others on Bahamian carbonate environments also became a standard reference. Lawrie advanced a controversial argument—now supported by fluid inclusion data—that many massive dolomite bodies have formed from hot brines far from the ocean. With several students, he brought to light eustatic cycles in Cambro-Ordovician carbonates of the Appalachians and Triassic carbonates of the Italian Dolomites (the latter yield Milankovitch patterns more pronounced than any in the Pleistocene). Lawrie has brilliantly demonstrated that changes in spreading rates along mid-ocean ridges have altered the composition of seawater so as to cause simultaneous fluctuations in the mineralogy of carbonate and evaporite precipitates throughout earth history. I have been privileged to join him in showing that major reef-building and sediment-producing organisms have followed the same pattern.

Finally, Lawrie has been a magnificent mentor to twenty-nine doctoral students—and, all the while, he has been an exceptionally devoted family man.

Steven M. Stanley



Edward B. Picou, Jr., left, accepts Honorary Membership from President Peter J. McCabe.



Lawrence Hardie, left, accepts the Pettijohn Medal from President Peter J. McCabe.

### Response from Lawrence Hardie

It is a very special honor for me to receive the Francis J. Pettijohn Medal from SEPM (Society for Sedimentary Geology). I came to Johns Hopkins University in 1960 from South Africa to study under Francis for a year. I have remained there ever since and enjoyed a long and close relationship with Francis until the time of his death. When Francis retired in 1973, he paid me the highest compliment of my career; he asked me to be his successor and take over the department's sedimentology program. So I am sure you will understand why receiving this particular medal is of such special significance to me. Francis was an exceptional man, gentle, ethical to the limit, logical, and insightful. He is sorely missed.

I have been extraordinarily fortunate to also have had as mentors and colleagues at Hopkins Hans Eugster and Robert Ginsburg. I spent many exciting and fruitful years working with Hans in an effort to understand marine and non-marine evaporites. Hans too is sorely missed. To my good friend and mentor Robert Ginsburg, who taught me all I know about carbonate sedimentation, thanks for the ride, it was exhilarating.

To the wonderful crop of bright and energetic graduate students who, over the past 35 years or so, have kept me on my toes trying to keep up with them, all I can say is thanks for enriching my life.

Finally, I thank my loving wife Glenys for her unwavering support, singlehandedly taking care of our growing children, Russell and Debbie, and our home during my many long absences on field trips.

### S. George Pemberton

#### Raymond C. Moore Medal for Excellence in Paleontology

*Citation:* The 2003 Raymond C. Moore Medal is awarded to Dr. S. George Pemberton F.R.S.C. in recognition of his exceptional contributions to the widespread application of ichnology to the fields of sedimentology, stratigraphy, and petroleum geology. His research embodies the spirit of the R.C. Moore medal, which honors applied paleontological research.

*Biography:* Dr. S. George Pemberton F.R.S.C. is a world-class leader in the paleontological discipline of ichnology. His research has been exceptionally influential in bringing about widespread use of trace fossil analysis by the sedimentary community, in contrast to its previous position of relative obscurity.

George received his B.S. Honours (1972) from Queen's University, and his M.S. (1976) and Ph.D. (1979) from McMaster University. He enjoyed three years as an assistant professor at the University of Georgia, and worked closely with the late Dr. R.W. Frey.

A dedicated educator, George is Professor and Tier 1 Research Chair in Petroleum Geology at the University of Alberta. He has graduated 33 M.S. students, virtually all of who are permanently employed in the petroleum industry or have gone on to doctorates, and six Ph.D. students, all employed as professors, research scientists, or petroleum geologists. He currently supervises fourteen M.S. and six Ph.D. candidates in his Ichnology Research Group. His research has attracted nearly \$3.75

million in funding; \$2.4 million from peer-reviewed grants and the remainder from private industry, reflecting the endorsement of 24 different petroleum companies from around the world.

George has authored/co-authored 151 refereed articles and 160 abstracts in journals and special publication/symposium volumes, and edited/co-authored 5 books, including the popular SEPM Short Course 15 and Core Workshop 17. He is co-founder/editor of *Ichnos*. This prolific dissemination of ichnological data is a testament to his well-deserved recognition as a leader in this discipline.

In 2001, the Canadian scientific community honored George by electing him a Fellow of the Academy of Science of the Royal Society of Canada (F.R.S.C.), a prestigious award reserved for exceptional contributions to scholarship. George's research clearly embodies the spirit of the Raymond C. Moore medal: that paleontology, beyond its own merits, also has broad and valuable applications to sedimentary geology.

James MacEachern

### Response from S. George Pemberton

I would first like to thank my nominators and the SEPM for this most unexpected honor. When you receive recognition you cannot help but reflect back on your career. I generally remember defining moments when my thinking was altered and every one of them was initiated by remarkable individuals that I have had the pleasure of working with over the years. Some of my defining moments include: My first meeting with Dr. Paul Tasch. The Facies Models class at McMaster University taught by Gerry Middleton and Roger Walker. A two-week field session in Labrador with Noel James. My friendship with Bob Frey. My first trip to Sapelo Island with Bob Frey and Jim Howard. A field session with Roger Walker on the Cardium Fm. A day in the field with John Van Wagoner in the San Juan Basin. I suffer no delusions—the reason that I am standing here is because of the talented group of graduate students that I have had the privilege to supervise over the years. I have been lucky to have supervised 44 Masters Students and I am especially proud of the 12 graduated and Current Ph.D. students that I have worked with, in most cases they also served as role models and supervisors for the Master's students. My past and current Ph.D. students include: Bill Arnott, Blair Mattison, Mike Ranger, James MacEachern, John-Paul Zonneveld, Murray Gingras, Tom Saunders, Floyd Henk, Arjun Keswani, Michelle Spila, Richard McCrea, and Demian Robbins.

I want to thank these 52 talented individuals for all their hard work and dedication. Finally, I must also thank the 6 most important people in my life, my Mother and Father, my 3 children Sarah, Erin, and Joshua and most importantly my beautiful wife Teresa. I would like to dedicate this medal to her.

### Harry H. Roberts

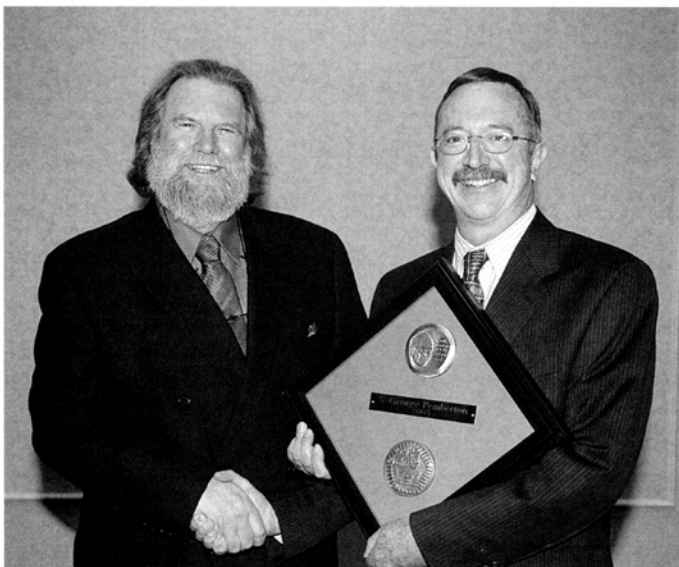
#### Francis P. Shepard Medal for Excellence in Marine Geology

*Citation:* In recognition for his lasting scientific contribution to the understanding of processes and sedimentation in modern marine sedimentary environments, dedication to the field of marine geology, and being an inspirational educator.

*Biography:* Harry Roberts was born in West Virginia and grew up in the town of Milton, near areas characterized by an abundance of coal beds associated with ancient deltaic-coastal sediments. It is fitting that his 34-year geological career would concentrate on the sedimentology of modern coastal and deltaic marine sediments. His research on modern marine sediments, both siliciclastic and carbonate, has taken him from the coral reefs in the Caribbean and Red Sea to the marshes and swamps of Louisiana and Indonesia. These explorations have resulted in the publication of over 175 referred articles in professional journals. The results of these research efforts have provided his geological colleagues with thought-provoking articles on physical processes and sedimentation in marine sedimentary environments.

Harry received his Ph.D. from Louisiana State University in 1969 and joined the Coastal Studies Institute as an instructor before graduation. He rose through the ranks of Assistant and Associate Professor to become a Full Professor in 1985. In 1989, Harry became the Director of Coastal Studies Institute. In 1997, he was awarded the J.P. Morgan Professorship by the University in recognition for his contribution to the field of deltaic sedimentology. In 2001, he was named a Boyd Professor, the highest academic rank awarded by LSU. He presently is again serving as Director of the Coastal Studies Institute. His research contributions have been recognized through numerous awards such as the outstanding Educator Award (GCAGS), Best Paper, and Poster awards (AAPG, SEPM, GCAGS).

Harry is passionate for his field of study and his enthusiasm is contagious, as recognized by his students and colleagues. He is an excellent teacher, having served as major professor for ten Ph.D. and seven Masters students. Harry has that rare teaching ability to explain complicated subjects in a simple and exciting manner.



S. George Pemberton, left, accepts the Moore Medal from President Peter J. McCabe.

His students and friends realize what a rare and caring person he is and share in the excitement of receiving this recognition from his peers.

James M. Coleman



Harry H. Roberts, left, accepts the Shepard Medal from President Peter J. McCabe.

#### Response from Harry H. Roberts

Receiving the Shepard Medal is truly a wonderful honor. I'm very appreciative of this award and the kind words written by James Coleman in my citation. I would like to thank those who nominated me and provided supporting material and to SEPM Shepard Medal Committee. This award is really a reflection of my interaction with many excellent scientific colleagues, field support personnel, and students over the years. They certainly share in my career accomplishments. Finally, I would like to thank my wife Suzie and son Andrew for always being supportive of my work, even when long field trips disrupted family life.

This career journey started in West Virginia at Marshall University where I took an elective geology course from Ray Wall, a recent graduate from LSU. That course launched my career in geology. A visit to Baton Rouge convinced me that LSU was in my future. A great tradition of process-oriented sedimentology had developed there and I soon wanted to be a part of that tradition. I am indebted to so many excellent teachers, role models, and friends at LSU and others throughout my career for their positive impacts on my life. I won't try to name them all. I appreciate each of them and their friendship and support over the years. Before receiving my Ph.D. degree, I joined Coastal Studies Institute which put a career in recent sediments and marine geology on course. The international scope of CSI research allowed CSI researchers to study the global variability of depositional systems. It also gave us a perspective on our own lives. I frequently remind myself that I am truly fortunate to have been born in a country where a small town boy can dream of the ocean and follow that dream throughout a career. Our understanding of the geology of our ocean basins is still in its infancy. We currently have better maps of the surface of Mars than the earth's ocean bottoms. So, I hope in some small way I have added to the collective knowledge of this great scientific frontier. It's been a wonderful challenge and great fun.

#### Samuel Jackson Bentley

#### James Lee Wilson Award for Excellence in Sedimentary Geology Research by a Young Scientist

*Citation:* To Sam Bentley for his outstanding work in quantitative sedimentology involving sediment–animal interactions and erosion–deposition using radiochemistry and for his contagious enthusiasm for sedimentary geology that inspires his professional colleagues and students alike.

*Biography:* Sam Bentley is at home in Coastal Studies Institute (CSI) at LSU where he carries on a 50-year tradition of working on one of the world's great river deltas and associated depositional environments. Sam's formal preparation for his present position with CSI and the Department of Oceanography and Coastal Sciences started with earning a B.A. degree *Magna Cum Laude* at the University of Georgia

in 1985. He stayed at Georgia for a M.S. in Geology, where he studied animal–sediment interactions with Bob Frey, before enrolling in a Ph.D. program in Coastal Geological Oceanography at the State University of New York at Stony Brook under the supervision of Chuck Nittrouer. At Stony Brook, Sam focused on quantitative approaches to the sedimentary record as product of both physical and biological processes. His efforts were rewarded in 1999 when a paper coauthored with his major professor Chuck Nittrouer won the best published paper award for *Palaios*. This article entitled “*Physical and Biological Influences on the Formation of Sedimentary Fabric in an Oxygen-Restricted Depositional Environment: Eckernforde Bay, Southwestern Baltic Sea*” is an excellent example of the Sam's quantitative sedimentological approach. Also as a product of Postdoctoral work with Mike Richardson at the Naval Research Lab, in 2000 he was co-author on a paper receiving the Alan Berman Award from the U.S. Navy. Sam is publishing regularly in high quality journals, and his ability to acquire funding for his research and students is exemplary. In 2001 he was awarded a prestigious National Science Foundation CAREER Grant for \$565,000. The proposal for this award was entitled “*Building the Sedimentary Record: Physical and Biological Processes of Stratal Formation*.” The grant supports research, but also has a strong educational component.

Finally, Sam is truly an outstanding young sedimentary geologist and an undisputed rising star in our profession. He is a great colleague and a tremendous asset to both CSI as a researcher and our Department of Oceanography and Coastal Sciences as a teacher and supervisor of graduate students. He is an excellent choice for the James Lee Wilson Award for Excellence in Sedimentary Geology and will be an outstanding ambassador for sedimentary geology for many years into the future.

Harry Roberts

#### Response from Samuel Jackson Bentley

Thank you very much for this honor. I have had lots excellent guidance along the way! When my father was a young man, he used to visit with the Georgia State Geologists Garland Peyton and later A.S. Furcron, who taught him much about the Georgia landscape. Later, after I came along, we took long drives down to the coast, and my father would always point out the end of the red clay of the Piedmont, the fall line and its geologic and economic significance, and finally, the ancient barrier island deposits of the lower coastal plain. When I was eight, he brought home an 1804 version of Ben Franklin's chart of the Gulf Stream, and told me that it ran deep and blue beyond the brown waters of the Georgia coast.

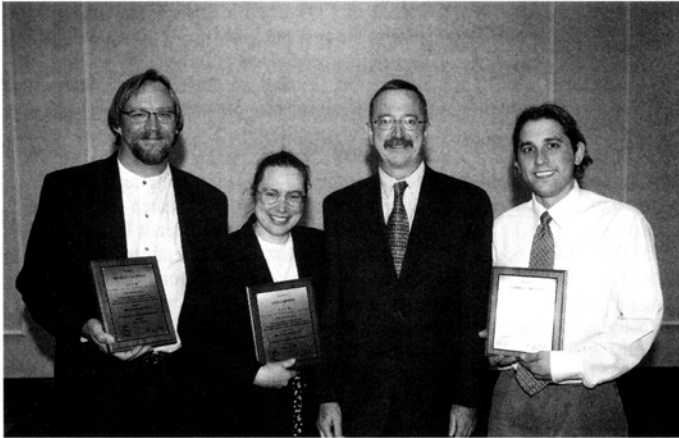
He was the first in a long and wonderful line of teachers and mentors in my geological education, including Bob Frey at the University of Georgia, Chuck Nittrouer and Bob Aller at SUNY Stony Brook, Rob Wheatcroft at Woods Hole, and most recently, Harry Roberts at LSU. Harry and my father, who is not a scientist, both share a love for earth science, and the desire and ability to communicate their passions. This trait will be critical to our success as individual scientists, and to the continued growth of earth science in the future.

As I think about those who have taught me over the years, I wonder where the great discoveries and geological insights will be found. I would like to leave my



Samuel Jackson Bentley, left, accepts the Wilson Award from President Peter J. McCabe

name associated with a new concept or discovery, but if I can continue to communicate my own ideas and passion for geology with a fraction of the fervor shown by my teachers, I will have done a good job. Thanks again for this award, and I wish you all well.



Bradley Sageman, Linda Hinnov, and Stephen Meyers accept the award for Journal of Sedimentary Research Outstanding Paper (2001) from President Peter J. McCabe.

#### OTHER AWARDEES

##### 2001 Outstanding Paper in the *Journal of Sedimentary Research*

“Integrated quantitative stratigraphy of the Cenomanian–Turonian Bridge Creek Limestone Member using evolutive harmonic analysis and stratigraphic modeling”  
Stephen Meyers, Bradley Sageman, and Linda Hinnov

##### Honorable Mention 2001 Outstanding Paper in the *Journal of Sedimentary Research*

“Avulsion frequency, avulsion duration, and interavulsion period of Holocene channel belts in the Rhine–Meuse delta, The Netherlands”  
Esther Stouthamer and Henk Berendsen

##### 2001 Outstanding Paper in *PALAIOS*

“Measuring recurrence of marine biotic gradients: a case study from the Pennsylvanian–Permian Midcontinent”  
Thomas D. Olszewsk, and Mark E. Patzkowsky

##### Honorable Mention 2001 Outstanding Paper in *PALAIOS*

“Impact of Paleocene/Eocene Greenhouse warming on North American paratropical forests”  
Guy J. Harrington



EMMONS, HARTOG & SWARTHOUT, P.C.

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INDEPENDENT AUDITOR'S REPORT

SEPM Council  
 SEPM (Society for Sedimentary Geology)  
 Tulsa, Oklahoma

We have audited the accompanying statements of financial position of SEPM (Society for Sedimentary Geology) as of December 31, 2002 and 2001, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SEPM (Society for Sedimentary Geology) as of December 31, 2002 and 2001, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Emmons, Hartog & Swarthout, P.C.*

Tulsa, Oklahoma  
 February 18, 2003

SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)

STATEMENTS OF FINANCIAL POSITION  
 December 31, 2002 and 2001

ASSETS	2002	2001
<b>Current Assets</b>		
Cash and cash equivalents	\$ 405,597	\$ 409,817
Accounts receivable, less allowance of \$ 0 and \$4,169 for possible losses	631	3,800
Inventories	302,388	301,041
Prepaid expenses	44,126	32,263
<b>Total current assets</b>	<b>752,742</b>	<b>746,921</b>
<b>Non-Current Assets</b>		
Furniture and equipment, less accumulated depreciation	30,186	39,204
Long-term investments, including board-designated funds of \$503,015 and \$552,291	1,057,429	1,216,834
	<b>\$ 1,840,357</b>	<b>\$ 2,002,959</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 41,747	\$ 29,836
Deferred compensation payable	-	9,919
Deferred income	455,715	429,263
<b>Total current liabilities</b>	<b>497,462</b>	<b>469,018</b>
Deferred Compensation Payable - Long Term	-	9,918
<b>Total liabilities</b>	<b>497,462</b>	<b>478,936</b>
Net Assets - Unrestricted	1,342,895	1,524,023
	<b>\$ 1,840,357</b>	<b>\$ 2,002,959</b>

SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)

STATEMENTS OF ACTIVITIES  
 Years Ended December 31, 2002 and 2001

CHANGES IN UNRESTRICTED NET ASSETS	3	2002	2001
<b>Revenues, Gains and Other Support</b>			
Dues		\$ 72,133	\$ 81,799
Publications		186,271	253,341
Journal of Sedimentary Petrology - subscriptions, royalties and other		394,292	385,396
Palaaios - subscriptions, royalties and other		126,757	114,952
Continuing education		45,322	70,662
Meetings, conferences and field trips		129,699	39,444
Membership activities		37,255	12,833
Royalties - New Frontiers Fund		657	2,083
Net realized and unrealized (loss) on investments		(183,063)	(165,507)
Investment income		27,364	50,004
<b>Total revenues, gains and other support</b>		<b>836,687</b>	<b>845,007</b>
<b>Expenses</b>			
Publishing costs - Journal of Sedimentary Petrology		197,279	197,262
Publishing costs - Palaaios		114,453	103,801
Publications		126,248	160,801
Continuing education		22,927	22,804
Meetings, conferences and field trips		106,653	35,395
Membership activities		47,735	47,613
General and administrative		402,520	387,035
<b>Total expenses</b>		<b>1,017,815</b>	<b>954,711</b>
<b>Change In Unrestricted Net Assets</b>		<b>(181,128)</b>	<b>(109,704)</b>
Net Assets - Beginning of Year		1,524,023	1,633,727
Net Assets - End of Year		<b>\$ 1,342,895</b>	<b>\$ 1,524,023</b>

## SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)

STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2002 and 2001

	2002	2001
<b>Cash Flows from Operating Activities</b>		
Change in unrestricted net assets	\$ (181,128)	\$ (109,704)
Adjustments to reconcile decrease in unrestricted net assets to net cash provided by operating activities:		
Depreciation	26,739	18,059
Net realized and unrealized loss on investments	183,063	165,507
(Increase) decrease in:		
Accounts receivable	3,169	663
Inventory	(1,347)	68,616
Prepaid expenses	(11,863)	142
Increase (decrease) in:		
Accounts payable and accrued expenses	9,024	(14,678)
Deferred income	26,452	(50,325)
Deferred compensation payable	(19,837)	(9,918)
Due to affiliate	2,887	2,938
<b>Net cash provided by operating activities</b>	<b>37,159</b>	<b>71,300</b>
<b>Cash Flows from Investing Activities</b>		
Payments for purchase of equipment	(17,721)	(11,913)
Purchase of investments	(212,928)	(83,067)
Proceeds from maturations and sales of investments	189,270	45,876
<b>Net cash (used in) investing activities</b>	<b>(41,379)</b>	<b>(49,104)</b>
Net (Decrease) Increase in Cash	(4,220)	22,196
Cash and Cash Equivalents - Beginning of Year	409,817	387,621
Cash and Cash Equivalents - End of Year	\$ 405,597	\$ 409,817
<b>Supplemental Cash Flows Information</b>		
Interest paid	-	-
Income taxes paid	-	-

See Accompanying Summary of Accounting Policies and Notes to Financial Statements.

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## SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)

## SUMMARY OF ACCOUNTING POLICIES

	2002	2001
Publications	\$ 24,365	\$ 27,311
Continuing education	100	-
	<b>\$ 24,465</b>	<b>\$ 27,311</b>

**Inventory consists of the following:**

	2002	2001
Publications	\$ 271,959	\$ 265,048
Continuing education materials	13,988	19,267
Work in process	16,441	16,726
	<b>\$ 302,388</b>	<b>\$ 301,041</b>

**Furniture and Equipment**

Furniture and equipment are valued at cost. Depreciation is provided using the straight-line method over the useful life, three to 7 years.

**Cash and Cash Equivalents**

The Society considers all cash and short-term securities with maturities of three months or less when purchased as cash and cash equivalents.

**Tax Status**

The Society is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. It is not a private foundation.

**Revenue Recognition**

The Society recognizes income and expense on the accrual accounting basis for financial statement presentation.

Membership dues and subscriptions are recognized as revenue ratably over the period of membership or subscription term.

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## SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)

## SUMMARY OF ACCOUNTING POLICIES

**Organization and Business**

On September 27, 1987, the Society of Economic Paleontologists and Mineralogists (Society) became a separate entity from the American Association of Petroleum Geologists. Prior to this date, the Society was an unincorporated technical division of the American Association of Petroleum Geologists. In the event of the dissolution of the Society, the net assets will be donated to charitable, scientific or educational institutions; no assets shall inure to the benefit of any member.

The objective of the Society is to advance the science of stratigraphy through the dissemination of scientific knowledge of, promotion of, research in, and other contributions to paleontology, sedimentology, and allied disciplines.

The Society primarily deals with members of the organization for services, to universities and oil-related companies for attendance at educational schools, workshops, and short courses, and for sales of special publications. Substantially all customers are located in oil-producing regions both within the United States of America and internationally.

**Estimates**

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Inventory**

Inventory consists of special publications (including short course notes), which excludes the journals published by the Society. The limited excess quantities of the journals are provided as reference material to the profession and, as such, are not inventoried.

Special publications are valued at cost (specific identification) in the year of publication and the next two succeeding years. After this period, publications are valued at 50% of cost, with the further limitation that the valuation of publications over five years old is limited to 100 copies. Resulting inventory write-downs were as follows:

## SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)

## SUMMARY OF ACCOUNTING POLICIES

**Contributions**

Donor-restricted contributions are classified as unrestricted support if the restrictions are satisfied in the same reporting period in which the contribution was received.

**Advertising Expense**

Advertising costs are expensed when incurred. No advertising expenses were incurred during the years ended December 31, 2002 and 2001.

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SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)

NOTES TO FINANCIAL STATEMENTS

Note 1. Furniture and Equipment

Included under this caption are the following:

	2002	2001
Furniture and equipment	\$ 128,767	\$ 191,090
Less accumulated depreciation	98,581	151,886
<b>Net furniture and equipment</b>	<b>\$ 30,186</b>	<b>\$ 39,204</b>

Note 2. Pension Plans

The Society maintains a defined contribution pension plan. Qualified employees who have attained the age of 21 and completed one year of service are eligible to participate. The Society contributes a minimum of 7.5% of an employee's qualified salary. Pension expense for 2002 and 2001 amounted to \$8,820 each year. The Society also maintains a Simplified Employee Pension Plan. Qualified employees who have attained the age of 21 and completed one year of service are eligible to participate. Contributions by the Society are discretionary. The Society did not contribute to this plan in 2002 or 2001. Participants can make elective contributions not to exceed \$11,000 in a plan year (adjusted for increases in cost of living).

Note 3. Investments

Investments at December 31, 2002 and 2001, consist of the following:

December 31, 2002	Historical Cost	Market (Carrying Amount)
General Investments		
Cash and cash equivalents	\$ 77,021	\$ 77,021
Growth and capital appreciation funds	374,338	243,261
Bond and balanced funds	113,398	88,234
International funds	169,785	145,898
<b>Total general investments</b>	<b>734,542</b>	<b>554,414</b>

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SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments (Continued)

Realized and unrealized gains and losses were as follows:

	2002	2001
Unrealized (Losses)	\$ (77,055)	\$ (165,582)
Realized (Losses) Gains	(106,008)	75
<b>Total realized and unrealized gains and losses</b>	<b>\$ (183,063)</b>	<b>\$ (165,507)</b>

Note 4. Deferred Income

Deferred income consisted of the following:

	2002	2001
Dues	\$ 43,153	\$ 43,300
Subscriptions	328,713	316,758
Publications in process and other	83,849	69,205
<b>Total</b>	<b>\$ 455,715</b>	<b>\$ 429,263</b>

Note 5. Commitment

The Society leases its offices and warehouse under operating leases. Total minimum rent commitments for space and equipment leases are as follows:

Year Ending December 31,	
2003	\$ 38,911
2004	39,547
2005	15,727
2006	2,464
2007	821

Rent expense was \$30,379 and \$26,852 in 2002 and 2001, respectively.

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SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments (Continued)

December 31, 2002 (Continued)	Historical Cost	Market (Carrying Amount)
New Frontiers Fund		
U.S. Government and agency obligations	\$ 53,518	\$ 61,889
Cash and cash equivalents	1,232	1,232
Growth and capital appreciation funds	412,054	362,786
Bond and balanced funds	76,159	77,108
<b>Total New Frontiers Fund</b>	<b>542,963</b>	<b>503,015</b>
<b>Total Investments</b>	<b>\$ 1,277,504</b>	<b>\$ 1,057,429</b>

December 31, 2001	Historical Cost	Market (Carrying Amount)
General Investments		
Cash and cash equivalents	\$ 75,975	\$ 75,975
Growth and capital appreciation funds	459,311	312,516
Bond and balanced funds	122,648	86,876
International funds	167,811	189,176
<b>Total general investments</b>	<b>825,745</b>	<b>664,543</b>
New Frontiers Fund		
U.S. Government and agency obligations	50,336	54,491
Cash and cash equivalents	2,700	2,700
Growth and capital appreciation funds	417,556	433,819
Bond and balanced funds	62,517	61,281
<b>Total New Frontiers Fund</b>	<b>533,109</b>	<b>552,291</b>
<b>Total Investments</b>	<b>\$ 1,358,854</b>	<b>\$ 1,216,834</b>

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SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)

NOTES TO FINANCIAL STATEMENTS

Note 6. Unrestricted Net Assets

Unrestricted net assets consist of the following:

	2002	2001
General Fund	\$ 889,098	\$ 1,016,950
New Frontiers Fund	453,797	507,073
<b>Total</b>	<b>\$ 1,342,895</b>	<b>\$ 1,524,023</b>

The New Frontiers Fund represents board-designated funds for the purpose of funding the development of science and education. The board has designated one-third of the royalties from the Copyright Clearance Center, Inc., to be used specifically for the building of this fund.

At December 31, 2002 and 2001, the New Frontiers Fund consisted of the following:

	2002	2001
Investments	\$ 503,015	\$ 552,291
Amount due - operating fund	(49,218)	(45,218)
<b>Total Investments</b>	<b>\$ 453,797</b>	<b>\$ 507,073</b>

Note 7. Related Party Transactions

The Society received \$8,002 and \$8,000 for the years ended December 31, 2002 and 2001, respectively, from the SEPM Foundation, Inc. (an affiliated non-profit entity) for management fees.

At December 31, 2002 and 2001, the Society had payables to the SEPM Foundation, Inc. of \$19,626 and \$16,739, respectively.

Note 8. Concentration of Credit Risk

The Society maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Society has not experienced any losses in such accounts. The Society believes it is not exposed to any significant credit risk on cash and cash equivalents.

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## SEPM (SOCIETY FOR SEDIMENTARY GEOLOGY)

## NOTES TO FINANCIAL STATEMENTS

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**Note 9. Contingency**

A plaintiff filed a petition on April 28, 2001, alleging wrongful termination in violation of Oklahoma public policy and discrimination on the basis of religion and national origin in violation of Title VII of the Civil Rights Act of 1964 and the Oklahoma Anti-Discrimination Act. The plaintiff's petition alleges damages in excess of \$10,000. The parties are currently in negotiation. The Society cannot evaluate the likely outcome of the complaint and cannot estimate the amount or range of possible loss.