McGladrey & Pullen
Certified Public Accountants

Southeastern Baptist Theological Seminary, Inc. and Subsidiary

Consolidated Financial Report
07.31.2009

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Certified Public Accountants

Independent Auditor's Report

To the Board of Trustees
Southeastern Baptist Theological Seminary, Inc.
Wake Forest, North Carolina

We have audited the accompanying consolidated statements of financial position of Southeastern Baptist Theological Seminary, Inc. and subsidiary (the "Seminary") as of July 31, 2009 and 2008, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Seminary'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 used 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southeastern Baptist Theological Seminary, Inc. and subsidiary as of July 31, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, the Seminary adopted the provisions of Financial Accounting Standards Board Staff Position FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds.*

McGladrey & Pullen, LLP

Raleigh, North Carolina
January 26, 2010

Southeastern Baptist Theological Seminary, Inc. and Subsidiary

Consolidated Statements of Financial Position
July 31, 2009 and 2008

	2009	2008
Assets		
Cash	$ 6,932,038	$ 12,370,179
Accounts and notes receivable, less allowance for doubtful accounts 2009 $104,986; 2008 $113,554	235,913	523,818
Accrued investment income receivable	46,348	-
Assets held in trust (Note 1)	350,000	-
Prepaid expenses and other assets	734,321	531,691
Inventories	13,385	32,410
Investments (Notes 2, 5 and 15)	19,188,054	18,882,345
Unamortized debt issuance costs	270,430	290,075
Property and equipment, net (Notes 3, 10, and 16)	42,818,470	42,980,092
Beneficial interests in perpetual trusts (Notes 4 and 5)	2,321,112	2,985,091
Total assets	$ 72,910,071	$ 78,595,701
Liabilities and Net Assets		
Accounts payable and other accrued expenses	$ 795,164	$ 1,158,843
Refundable advance (Note 1)	350,000	-
Student deposits	671,142	715,237
Deferred student tuition	497,477	921,944
Postretirement benefit liability (Note 7)	6,325,431	4,970,419
Due to donor of remainder trusts and gift annuities	49,570	26,171
Note payable (Note 8)	-	1,207,314
Line of credit (Note 9)	501,387	-
Bonds payable (Note 10)	7,920,000	8,275,000
Capital lease obligation (Note 16)	49,257	73,636
Total liabilities	17,159,428	17,348,564
Commitments (Notes 6, 9, 10 and 16)		
Net assets:		
Unrestricted (Notes 11, 14 and 15)	30,295,014	30,958,457
Temporarily restricted (Notes 12, 14 and 15)	10,618,018	15,331,279
Permanently restricted (Notes 13 and 15)	14,837,611	14,957,401
Total net assets	55,750,643	61,247,137
Total liabilities and net assets	$ 72,910,071	$ 78,595,701

See Notes to Consolidated Financial Statements.

Southeastern Baptist Theological Seminary, Inc. and Subsidiary

Consolidated Statements of Activities
Years Ended July 31, 2009 and 2008

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains, and other support:				
Gross tuition and fees	$ 7,027,199	$ -	$ -	$ 7,027,199
Less institutional grants	778,647	-	-	778,647
	6,248,552	-	-	6,248,552
Sales and services of auxiliary enterprises	3,768,435	-	-	3,768,435
SBC Cooperative Program	8,411,175	-	38,541	8,449,716
Private gifts and bequests	615,298	897,123	375,354	1,887,775
Investment return designated for current operations (Note 2)	418,479	380,153	-	798,632
Total return (loss) on beneficial interest in perpetual trusts	(24,744)	(130,726)	(374,796)	(530,266)
Other income	75,708	-	-	75,708
Total revenues, gains and other support	19,512,903	1,146,550	39,099	20,698,552
Net assets released from program restrictions (Note 14)	6,710,699	(6,710,699)	-	-
Expenses:				
Educational and general:				
Instructional	9,100,895	-	-	9,100,895
Administrative and general	5,576,513	-	-	5,576,513
Operation and maintenance of plant	3,394,180	-	-	3,394,180
Total educational and general	18,071,588	-	-	18,071,588
Auxiliary enterprises	3,934,839	-	-	3,934,839
Total expenses	22,006,427	-	-	22,006,427
Change in net assets from operations	4,217,175	(5,564,149)	39,099	(1,307,875)
Other changes:				
Gain on sale of property and equipment (Note 3)	-	-	-	-
Investment loss in excess of amounts designated for current operations (Note 2)	(1,946,056)	(966,517)	(158,889)	(3,071,462)
Reclassifications based on change in law (Note 15)	(1,514,256)	1,514,256	-	-
Reclassification of underwater endowments (Note 15)	(303,149)	303,149	-	-
Changes in postretirement benefit liability other than net periodic postretirement benefit costs (Note 7)	(1,117,157)	-	-	(1,117,157)
Change in net assets	(663,443)	(4,713,261)	(119,790)	(5,496,494)
Net assets:				
Beginning	30,958,457	15,331,279	14,957,401	61,247,137
Ending	$ 30,295,014	$ 10,618,018	$ 14,837,611	$ 55,750,643

See Notes to Consolidated Financial Statements.

2008			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$ 6,856,752	$ -	$ -	$ 6,856,752
679,219	-	-	679,219
6,177,533	-	-	6,177,533
3,748,107	-	-	3,748,107
8,811,347	-	-	8,811,347
680,265	3,608,972	277,802	4,567,039
335,871	400,797	-	736,668
54,634	(365,963)	97,367	(213,962)
538,286	-	-	538,286
20,346,043	3,643,806	375,169	24,365,018
1,120,846	(1,120,846)	-	-
7,830,343	-	-	7,830,343
6,676,125	-	-	6,676,125
3,981,216	-	-	3,981,216
18,487,684	-	-	18,487,684
4,208,978	-	-	4,208,978
22,696,662	-	-	22,696,662
(1,229,773)	2,522,960	375,169	1,668,356
5,509,258	-	-	5,509,258
(839,918)	(871,163)	(310,324)	(2,021,405)
-	-	-	-
-	-	-	-
769,069	-	-	769,069
4,208,636	1,651,797	64,845	5,925,278
26,749,821	13,679,482	14,892,556	55,321,859
$ 30,958,457	$ 15,331,279	$ 14,957,401	$ 61,247,137

Southeastern Baptist Theological Seminary, Inc. and Subsidiary

Consolidated Statements of Cash Flows
Years Ended July 31, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities		
Change in net assets	$ (5,496,494)	$ 5,925,278
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	1,789,224	1,562,286
Change in value of beneficial interest in perpetual trusts	663,979	337,719
Bad debt expense	35,524	41,266
Realized and unrealized loss on investments	2,667,753	1,876,483
Gain on sale or disposal of property and equipment	-	(5,509,258)
(Increase) decrease in:		
Accounts and notes receivable	252,381	(52,117)
Accrued investment income receivable	(46,348)	833,685
Prepaid expenses and other assets	(552,630)	(215,280)
Inventories	19,025	(11,256)
Increase (decrease) in:		
Accounts payable and other accrued expenses	9,720	138,999
Student deposits	(44,095)	(243,814)
Postretirement benefit liability	1,355,012	(495,701)
Deferred student tuition	(424,467)	650,575
Interest and dividends restricted for reinvestment	(44,320)	(102,885)
Contributions restricted for investment in endowment	(375,354)	(277,802)
Contributions restricted for property and equipment	(377,618)	(1,196,500)
Net cash provided by (used in) operating activities	(568,708)	3,261,678
Cash Flows From Investing Activities		
Proceeds from sale of investments	33,044,977	47,212,472
Purchase of investments	(36,018,439)	(43,909,848)
Proceeds from the sale of property and equipment	-	5,545,637
Purchases of property and equipment	(1,607,957)	(6,507,110)
Net cash provided by (used in) investing activities	(4,581,419)	2,341,151

(Continued)

Southeastern Baptist Theological Seminary, Inc. and Subsidiary

Consolidated Statements of Cash Flows (Continued)
Years Ended July 31, 2009 and 2008

	2009	2008
Cash Flows From Financing Activities		
Proceeds from contributions restricted for:		
Investment in endowment	$ 375,354	$ 277,802
Property and equipment	377,618	1,196,500
Other financing activities:		
Payments on bonds payable	(355,000)	(340,000)
Payments on note payable	(1,207,314)	(146,500)
Borrowings on line of credit	1,265,000	-
Payments on line of credit	(763,613)	-
Payments on capital lease obligation	(24,379)	(3,957)
Interest and dividends restricted for reinvestment	44,320	102,885
Net cash provided by (used in) financing activities	(288,014)	1,086,730
Net increase (decrease) in cash	(5,438,141)	6,689,559
Cash:		
Beginning	12,370,179	5,680,620
Ending	$ 6,932,038	$ 12,370,179
Supplemental Disclosures of Cash Flow Information		
Cash payments for interest	$ 201,742	$ 340,572
Supplemental Schedule of Noncash Investing and Financing Activities		
Capital lease obligation incurred for the use of equipment	$ -	$ 77,593

See Notes to Consolidated Financial Statements.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: Southeastern Baptist Theological Seminary, Inc. (the "Seminary") prepares men and women by means of academic studies and practical preparation for leadership roles in Baptist churches and in other Christian ministries. The Seminary is an institution of higher learning established and supported through the Cooperative Program by the Southern Baptist Convention. It is governed by the Board of Trustees who are elected by the Southern Baptist Convention. Outlined below are the accounting and reporting policies considered significant by the Seminary.

Principles of consolidation: The consolidated financial statements include the accounts of Southeastern Baptist Theological Seminary, Inc. and its wholly-owned subsidiary, Southeastern Baptist Theological Seminary Foundation, Inc. (the "Foundation"). The Foundation holds assets in trust on behalf of a donor through a revocable trust. This is reflected as an asset and corresponding liability on the statement of financial position.

Basis of presentation: In preparing its financial statements, the Seminary's net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Seminary and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Seminary and/or by the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Seminary. Generally, the donors of these assets permit the Seminary to use all or part of the earnings on the related investments for general or specific purposes.

Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and other support and expenses during the reporting period. Actual results could differ from those estimates.

Cash: The Seminary maintains deposits with Branch Banking and Trust Company in amounts that are at times in excess of federal insurance limits, including the entire cash balance at July 31, 2009 and 2008. Cash includes temporarily restricted amounts of $5,194,454 and $6,011,146 at July 31, 2009 and 2008, respectively. Cash designated or restricted for long-term purposes is included with investments.

Accounts and notes receivable: Student accounts receivable are carried at the original invoice less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Notes receivable are carried at the original note amount plus any accrued interest less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines these allowances for doubtful accounts by identifying troubled accounts and using historical experience applied to an aging of accounts. Student accounts receivable and notes receivable are written off when deemed uncollectible. Recoveries of student accounts receivables and notes receivables previously written off are recorded when received.

A student accounts receivable is considered past due if any portion of the receivable balance is outstanding for more than 120 days. Interest is not charged on student accounts receivable. A note receivable is considered past due if the note balance and unpaid interest is outstanding past the note maturity date. After the note receivable becomes past due, it is on nonaccrual status and accrual of interest is suspended.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based upon measurements described in Note 5 determined at the financial statement date. Donated investments are initially recorded at fair value at the date of gift. Unless specifically directed by the donor, endowment contributions received by the Seminary are pooled and investments are then purchased with the funds available.

Debt issue costs: Costs incurred in issuing the Series 2005 Educational Facilities Revenue Bonds issued by the Colorado Educational and Cultural Facilities Authority and loaned to the Seminary are deferred and amortized to income over the term of the bonds by the interest method.

Long-lived assets: Cash or other assets whose purpose is to acquire long-lived assets are recorded as unrestricted if the Seminary has internally designated such assets or restricted if such assets represent gifts received with donor imposed restrictions. Once acquired and placed into service, all long-lived assets, primarily property and equipment, are also recorded as unrestricted net assets.

Property and equipment: Property and equipment is stated at cost less accumulated depreciation. Property and equipment is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Land improvements	40 - 50
Buildings	40 (plus actual life prior to 1993)
Equipment	5 - 10

Tuition and fees: Tuition and fees revenue is reported in the fiscal year in which educational programs are primarily conducted. Scholarships and fellowships awarded to students for tuition, fees, and room and board are based upon need and merit.

Contributions and beneficial interests: Contributions and beneficial interests received, including those from the SBC Cooperative Program, are recognized as revenues at their fair values when they become unconditional. Contributions with donor-imposed restrictions are recorded as temporarily restricted net assets until the restrictions are met or as permanently restricted net assets. At the time that temporary restrictions are met, they are reported as net assets released from restrictions. Contributions received with donor-imposed restrictions are reported as unrestricted when the donor-imposed restrictions are satisfied in the same reporting period as the receipt of the contribution. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Postretirement benefits: The Seminary provides certain postretirement benefits, including health care benefits, for all retired employees that meet certain eligibility requirements. The Seminary follows the provisions of Financial Accounting Standards Board ("FASB") Statement No. 158 *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)* ("SFAS 158") to account for the costs of those benefits. Under that Statement, the Seminary recognizes the overfunded or underfunded status of defined benefit postretirement plans as an asset or liability in the statement of financial position.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Income taxes: The Seminary is exempt from federal and state income taxes. The federal exemption is under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c) (3).

Subsequent events: The Organization has evaluated its subsequent events (events occurring after July 31, 2009) through January 26, 2010, which represents the date the financial statements were issued.

Recent accounting pronouncements: In July 2006, the FASB issued Interpretation 48, *Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109* (“FIN 48”). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification on the statement of financial position, interest and penalties, accounting in interim periods, disclosure, and transition.

In December 2008, the FASB provided for a deferral of the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The Seminary has elected this deferral and accordingly will be required to adopt FIN 48 in its 2010 annual financial statements. If there are changes in net assets as a result of application of FIN 48, these will be accounted for as an adjustment to the opening balance of net assets. Additional disclosures about the amounts of such liabilities would also be required.

In September, the FASB issued Accounting Standards Update (“ASU”) No. 2009-06, *Income Taxes (Topic 740) - Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities.* This ASU includes guidance on the application of FASB Interpretation No.48, *Accounting for Uncertainty in Income Taxes* (FASB ASC 740) by pass-through entities and tax-exempt not-for-profit entities, and eliminates certain disclosures for nonpublic entities. ASU 2009-06 takes a principles-based approach to providing guidance on three issues related to the application of Topic 740 to pass-through entities and tax-exempt not-for-profit entities. The overriding principle established in the ASU is that all entities are subject to Topic 740, even if the only tax position in question is the entity’s status. Additionally, even if it is more likely than not that the entity’s status as a pass-through entity or tax-exempt not-for-profit entity would be sustained upon examination, the entity may have other tax positions to consider that fall within the scope of Topic 740. In addition, the amendments eliminate the disclosures required by paragraph 740-10-50-15(a) through (b) for nonpublic entities. For those entities that have deferred the application of accounting for uncertainty in income taxes, the guidance and disclosure amendments are effective upon adoption of those standards (*i.e.,* annual financial statements for years beginning after December 15, 2008). The Seminary has not yet completed its analysis of the effects of FIN 48 and has not determined if the adoption of FIN 48 will have a material impact on its financial statements.

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards ("SFAS") No. 157, *Fair Value Measurements* (“SFAS 157”). SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Under SFAS 157, fair value measurements are disclosed by level within that hierarchy. In February 2008, the FASB issued FASB Staff Position No. 157-2, *Effective Date of FASB Statement No. 157*, which permits a one-year deferral for the

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

implementation of SFAS 157 with regard to nonfinancial assets and nonfinancial liabilities that are not recognized or disclosed at fair value in the financial statements on a recurring basis. The Seminary adopted SFAS 157 for the fiscal year beginning August 1, 2008, except for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis for which delayed application is permitted until the Seminary's fiscal year beginning August 1, 2009. See Note 5. The adoption of the remaining provisions of SFAS 157 is not expected to have a material impact on the Seminary's financial position, change in net assets, or cash flows.

FASB Staff Position FAS 117-1 ("FSP 117-1") was issued by the FASB in August of 2008 and provides guidance for the classification of donor restricted endowment funds that are subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). FSP 117-1 also provides for enhanced disclosures about endowment funds (both donor restricted and board designated). The state of North Carolina adopted UPMIFA effective March 19, 2009. See Note 15.

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* ("SFAS 165"). SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the statement of financial position date but before financial statements are issued or available to be issued. Specifically, SFAS 165 provides clarity around the period after the statement of financial position date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the statement of financial position date in its financial statements, and the disclosure that an entity should make about events or transactions that occurred after the statement of financial position date. SFAS is effective for interim and annual financial reporting periods ending after June 15, 2009 and shall be applied prospectively. The Seminary adopted SFAS 165 for its fiscal year ending July 31, 2009 and there was no material impact on the Seminary's financial position, change in net assets, or cash flows resulting from this adoption.

In June 2009, the FASB issued SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles - a replacement of FASB Statement No. 162* ("SFAS 168") to indicate changes to the GAAP hierarchy. Following the issuance of SFAS 168, the FASB will not issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates, which will not be authoritative in their own right but will serve to update the Codification, provide background information about the guidance, and provide the bases for conclusions on the changes to the Codification. On the effective date of SFAS 168, the *FASB Accounting Standards Codification* will become the single source of authoritative U.S. accounting and reporting standards to be applied by nongovernmental entities, except for rules and interpretive releases of the SEC under authority of federal securities laws, which are sources of authoritative GAAP for SEC registrants. All other nongrandfathered, non-SEC accounting literature not included in the Codification would become nonauthoritative. SFAS 168 will be effective for financial statements issued for interim and annual periods ending after September 15, 2009.

Reclassifications: Certain amounts on the financial statements for 2008 have been reclassified, with no effect on net assets or the change in net assets, to be consistent with the classifications adopted for 2009.

Note 2. Investments

Investments at July 31, 2009 and 2008 consist of the following:

	2009		
	Cost	Net Unrealized Gains	Fair Value
Common stocks	$ 7,764,323	$ 224,784	$ 7,989,107
Equities funds	3,908,870	276,078	4,184,948
Pooled investments, Southern Baptist Foundation	91,827	189	92,016
Fixed income securities	4,302,895	158,310	4,461,205
Other	84,497	-	84,497
Short-term cash investments	2,376,281	-	2,376,281
	$ 18,528,693	$ 659,361	$ 19,188,054

	2008		
	Cost	Net Unrealized Gains (Losses)	Fair Value
Common stocks	$ 11,212,182	$ (341,874)	$ 10,870,308
Equities funds	583,618	334,114	917,732
Pooled investments, Southern Baptist Foundation	44,635	2,691	47,326
Fixed income securities	6,144,202	(96,245)	6,047,957
Other	116,497	-	116,497
Short-term cash investments	882,525	-	882,525
	$ 18,983,659	$ (101,314)	$ 18,882,345

The Seminary invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. During the past year, financial markets as a whole incurred significant declines in values. Due to the level of risk associated with investment securities, any significant changes in risks in the near term could materially impact the Seminary's investment balance reported in the consolidated statement of financial position.

Note 2. Investments (Continued)

The following schedule summarizes the investment return and its classification in the statements of activities:

	2009			
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Dividends and interest, net of expenses	$ 235,937	$ 114,666	$ 44,320	$ 394,923
Net change in unrealized appreciation	425,440	203,346	131,889	760,675
Net realized losses	(2,188,954)	(904,376)	(335,098)	(3,428,428)
Total loss on investments	(1,527,577)	(586,364)	(158,889)	(2,272,830)
Investment return designated for current operations	418,479	380,153	-	798,632
Investment loss in excess of amounts designated for current operations	$ (1,946,056)	$ (966,517)	$ (158,889)	$ (3,071,462)

	2008			
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Dividends and interest, net of expenses	$ 167,110	$ 321,751	$ 102,885	$ 591,746
Net change in unrealized appreciation	(1,118,815)	(1,320,455)	(688,818)	(3,128,088)
Net realized gains	447,658	528,338	275,609	1,251,605
Total loss on investments	(504,047)	(470,366)	(310,324)	(1,284,737)
Investment return designated for current operations	335,871	400,797	-	736,668
Investment loss in excess of amounts designated for current operations	$ (839,918)	$ (871,163)	$ (310,324)	$ (2,021,405)

Investment expenses for the years ended July 31, 2009 and 2008 were $173,206 and $181,997, respectively.

Note 3. Property and Equipment

Property and equipment at July 31, 2009 and 2008 consisted of the following:

	2009	2008
Land	$ 559,506	$ 559,506
Land improvements	2,080,579	2,032,549
Buildings	49,333,192	42,209,445
Equipment	7,085,383	6,452,239
Construction in progress	618,130	6,815,095
	59,676,790	58,068,834
Less accumulated depreciation	16,858,320	15,088,742
	$ 42,818,470	$ 42,980,092

During 2008, the Seminary sold 27.88 acres of land to a third-party. The gain on the sale of this land was $5,509,258, which is reflected in the consolidated statement of activities.

Note 4. Beneficial Interests in Perpetual Trusts

The North Carolina Baptist Foundation is administering certain deferred trust assets held for the benefit of Southeastern Baptist Theological Seminary, Inc. These trust assets are restricted in order to provide that all trust income accrues to the donor for life, after which all earnings have been designated to benefit the Seminary. Such assets are not recorded on the Seminary's books because either the trust is revocable or the donor maintains the right to change beneficiaries. The North Carolina Baptist Foundation and several others also administer certain perpetual trusts for the benefit of the Seminary and distribute the earnings from such trusts annually to the Seminary. The assets in these perpetual trusts are recorded by the Seminary as Beneficial Interests in Perpetual Trusts.

Note 5. Fair Value Measurements

SFAS 157 established a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

The fair value hierarchy is as follows:

- Level 1 Inputs – unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, discount values, volatilities, prepayment spreads, credit risks, etc.), or inputs that are derived principally from or corroborated by market data correlation or other means.
- Level 3 Inputs – unobservable inputs for determining the fair values of assets or liabilities that would reflect an entity's own determination about the assumptions that market participants would use in pricing the assets or liabilities.

Note 5. Fair Value Measurements (Continued)

In determining fair value, the Seminary uses various valuation approaches within the SFAS 157 fair value measurement framework. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the hierarchy:

Investments:

Short-term cash investments: Cash equivalents and money market funds are in active markets and classified within Level 1 of the valuation hierarchy.

Common stocks and equities funds: Equity securities and equity mutual funds listed on national markets or exchanges are valued at the last sales price, or if there is no sale and the market is considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy. The Seminary holds shares of stock in a privately-held company which is classified within Level 3 of the valuation hierarchy.

Pooled investments: Pooled investments consist of investment funds that have been pooled together with the investments of other religious organizations which are managed by the Southern Baptist Foundation. Ownership interests in pooled investments are typically valued using the net asset valuations provided by the Southern Baptist Foundation and information provided by professional appraisers. Investments in pooled investments are classified within Level 2 of the valuation hierarchy.

Fixed income securities: Investments in fixed income securities include domestic and foreign corporate bonds and government and agency obligation bonds that are either exchange-traded and/or valued at last sales price. If there is no sale and the market is considered active, the securities are valued at the mean of the last bid and asked prices on such exchange. These fixed income securities are classified within Level 2 of the valuation hierarchy.

Other: Other investments consist of land which was donated and has been recognized at estimated fair value as contribution revenue in the year of donation. Land is held at the lower of cost (or estimated fair value as of the date of donation) or net realizable value and is not depreciated. Since there are observable inputs for similar land sales, this land is classified within Level 2 of the valuation hierarchy.

Beneficial interests in perpetual trusts: The Seminary has been named as a beneficiary in perpetual trusts in which the Seminary is not the trustee. Amounts reported approximate fair value as noted below:

Short-term cash investments: Cash equivalents and money market funds are in active markets and classified within Level 1 of the valuation hierarchy.

Common stocks and equities funds: Equity securities and equity mutual funds listed on national markets or exchanges are valued at the last sales price, or if there is no sale and the market is considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy.

Note 5. Fair Value Measurements (Continued)

Fixed income funds: Investments in fixed income funds include corporate bond funds, government agency obligation bond funds, and blended fixed income mutual funds that are either exchange-traded and/or valued at last sales price. If there is no sale and the market is considered active, the securities are valued at the mean of the last bid and asked prices on such exchange. These fixed income securities are classified within Level 1 of the valuation hierarchy.

Pooled investments: Pooled investments consist of trust funds that have been pooled together with the funds of other religious organizations which are managed by the North Carolina Baptist Foundation. Ownership interests in pooled investments are typically valued using the net asset valuations provided by the North Carolina Baptist Foundation and information provided by professional appraisers. Pooled investments are classified within Level 2 of the valuation hierarchy.

The following table summarizes financial assets and financial liabilities measured at fair value by classification within the fair value hierarchy as of July 31, 2009:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Investments:				
Short-term cash investments	$ 2,376,281	$ -	$ -	$ 2,376,281
Common stocks	6,582,221	-	1,406,886	7,989,107
Equities funds	4,184,948	-	-	4,184,948
Pooled investments,				
Southern Baptist Foundation	-	92,016	-	92,016
Fixed income securities	-	4,461,205	-	4,461,205
Other	-	84,497	-	84,497
	13,143,450	4,637,718	1,406,886	19,188,054
Beneficial interest in perpetual trusts:				
Short-term cash investments	18,169	-	-	18,169
Common stocks and equities funds	691,250	-	-	691,250
Fixed income funds	349,042	-	-	349,042
Pooled investments,				
North Carolina Baptist Foundation	-	1,262,651	-	1,262,651
	1,058,461	1,262,651	-	2,321,112
Total financial assets	$ 14,201,911	$ 5,900,369	$ 1,406,886	$ 21,509,166

There was no change in the beginning and ending balance of financial assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the year ended July 31, 2009.

Note 6. Retirement Plan

Permanent employees of the Seminary who normally work at least half time are participants in a retirement annuity plan sponsored by Guidestone Financial Resources of the Southern Baptist Convention. The Seminary contributes 10% of each eligible participant's compensation to the plan and will match an employee's contribution up to 5%. Retirement fund investments are self-directed by the plan participants and the Seminary has no further funding obligation once the contribution has been made. The Seminary's contribution to the plan for 2009 and 2008 was $795,657 and $790,048, respectively.

Note 7. Postretirement Benefits

The Seminary sponsors a postretirement benefit plan for all employees that meet the eligibility requirements. The plan provides health benefits and is noncontributory and unfunded. The measurement dates used to determine the postretirement benefit measurements is the same as the Seminary's fiscal year-end.

Net periodic postretirement benefit costs recognized as expenses included the following components for the years ended July 31, 2009 and 2008:

	2009	2008
Service cost-benefits attributable to service during the year	$ 172,930	$ 193,235
Interest on accumulated postretirement benefit obligation	348,684	343,223
Amortization of unrecognized transition obligation	129,060	129,060
	$ 650,674	$ 665,518

The accumulated postretirement benefit obligation recognized on the accompanying statement of financial position includes the following components and activity as of and for the year ended July 31, 2009 and 2008:

	2009	2008
Benefit obligation at beginning of year	$ 4,970,419	$ 5,466,120
Service cost-benefits attributable to service during the year	172,930	193,235
Interest on accumulated postretirement benefit obligation	348,684	343,223
Benefits paid by the Seminary	(283,759)	(263,090)
Actuarial (gain) loss	314,545	(284,369)
Effect of change in discount rate assumption	802,612	(484,700)
Benefit obligation at end of year	$ 6,325,431	$ 4,970,419

Accumulated postretirement benefit obligation included the following components that have not yet been recognized as components of net periodic postretirement benefit costs at July 31, 2009 and 2008 but which have been reflected as a reduction to unrestricted net assets, apart from expenses, on the accompanying consolidated statement of activities for the years ended July 31, 2009 and 2008:

	2009	2008
Net transition obligation	$ 758,800	$ 887,860
Net experience (gains) losses	349,448	(784,626)
	$ 1,108,248	$ 103,234

Note 7. Postretirement Benefits (Continued)

The following amounts included in accumulated postretirement benefit obligation at July 31, 2009 and 2008 that have not yet been recognized as components of net periodic postretirement benefit costs but are expected to be recognized as components of periodic postretirement benefit costs in 2010 and 2009:

	2010	2009
Amortization of unrecognized transition obligation	$ 129,060	$ 129,060
Net experience gains	-	(16,917)
	$ 129,060	$ 112,143

For measurement purposes, an 8.75% and 9.50% annual rate of increase in per capita health care costs of covered benefits was assumed for 2009 and 2008, respectively, with such annual rate of increase gradually declining to 5.0% by 2014. If assumed health care cost trend rates were increased by 1 percentage point in each year, the accumulated postretirement benefit obligation at July 31, 2009 and 2008 would be increased by approximately $126,806 (2.25%) and $111,753 (2.25%), respectively, and the aggregate of the service and interest cost components of net periodic postretirement benefit costs for the years ended July 31, 2009 and 2008 would be increased by approximately $11,660 (2.53%) and $12,763 (2.38%), respectively.

If assumed health care cost trend rates were decreased by 1 percentage point in each year, the accumulated postretirement benefit obligation at July 31, 2009 and 2008 would be decreased by approximately $112,967 (2.00%) and $100,566 (2.02%), respectively, and the aggregate of the service and interest cost components of net periodic postretirement benefit costs for the years ended July 31, 2009 and 2008 would be decreased by approximately $10,176 (2.21%) and $11,090 (2.07%), respectively.

The weighted average discount rate used in estimating the benefit obligation and net period benefit cost at July 31, 2009 and 2008 was 5.95% and 7.00%, respectively.

The benefits expected to be paid by the Seminary in each of the next five fiscal years and in the aggregate for the five fiscal years thereafter are as follows:

Year Ending July 31,	Amount
2010	$ 325,127
2011	312,741
2012	337,459
2013	349,513
2014	370,073
2015 - 2019	1,963,713
	$ 3,658,626

Note 8. Note Payable

Note payable at July 31, 2009 and 2008 consisted of the following:

	2009	2008
Note payable to bank, interest at fixed rate of 6.85%, principal and interest payable monthly on outstanding balance in 35 consecutive equal monthly payments of principal with one final payment of all remaining principal and accrued but unpaid interest, repaid early on July 24, 2009	$ -	$ 1,207,314

Total interest expense for the years ended July 31, 2009 and 2008 was $189,814 and $325,713, of which $75,505 and $88,942 related to the note payable, respectively.

Note 9. Line of Credit

At July 31, 2009 and 2008, the Seminary has an unsecured line of credit with a bank with available borrowings up to $1,500,000. Borrowings under the line of credit were at LIBOR plus 1.85% and require monthly interest payments. Total outstanding borrowings under the line of credit agreement were $501,387 and $0 at July 31, 2009 and 2008, respectively. Total interest expense for the years ended July 31, 2009 and 2008 was $189,814 and $325,713, of which $6,714 and $0 related to the line of credit, respectively. The outstanding balance and all accrued but unpaid interest will be due on February 12, 2010. The loan agreement associated with the line of credit contains various covenants, including the requirement to maintain minimum tangible net worth of $40,000,000, total unrestricted net assets of $25,000,000, and minimum liquidity of $3,000,000.

Note 10. Bonds Payable

During 2005, the Colorado Educational and Cultural Facilities Authority ('the Authority"), pursuant to a trust agreement dated March 1, 2005 with The Bank of New York Trust Company, N.A. ("the Trustee"), issued revenue bonds in the amount of $8,955,000. The Authority loaned the proceeds of the bonds through ASCI Capital Corporation ("ASCI") to the Seminary pursuant to a loan agreement between ASCI and the Seminary in which the Seminary is obligated to make payments to the Trustee in amounts sufficient to pay the principal and interest on the bonds. The bonds have variable rates with an average interest rate of 1.25% at July 31, 2009 (reset weekly) and mature on March 1, 2025, subject to various optional and potential mandatory redemptions prior to that date. A portion of the bond proceeds were used to repay previously existing debt of the Seminary with the balance of the remaining proceeds being used for the cost of the acquisition, construction and equipping a student housing facility and a facilities management building. The amounts outstanding at July 31, 2009 and 2008 were $7,920,000 and $8,275,000, respectively. Total interest expense for the years ended July 31, 2009 and 2008 was $189,814 and $325,713 of which $103,307 and $235,897 related to the bonds payable, respectively.

These bonds are secured by an irrevocable, direct-pay letter of credit issued by Branch Banking and Trust Company ("BB&T"), which has an initial term expiring on March 10, 2010, pursuant to a loan and letter of credit reimbursement agreement. Any drawings on the letter of credit by the Trustee will be considered loans from BB&T to the Seminary so long as there is no event of default under the reimbursement agreement. The agreement contains various restrictive covenants, the most specific of which requires the Seminary to maintain a long-term debt service coverage ratio of at least 1.20 to 1.00. The agreement also requires audited financial statements to be furnished to the bank within 120 days after the end of each fiscal year. The Seminary has given a deed of trust to real property and assigned rents and leases of the property as collateral for BB&T's letter of credit.

Note 10. Bonds Payable (Continued)

The Seminary was not in compliance with the long-term debt service coverage ratio requirement at July 31, 2009. By letter dated December 16, 2009, the bank waived the Seminary's failure to comply with this requirement.

Principal payments on bonds payable over the next five years and thereafter, assuming continuous renewal of the letter of credit, are as follows:

Year Ending July 31,		Amount
2010	$	370,000
2011		380,000
2012		395,000
2013		410,000
2014		425,000
Thereafter		5,940,000
	$	7,920,000

Note 11. Unrestricted Net Assets

Unrestricted net assets include board-designated amounts for endowment purposes at July 31, 2009 and 2008 of $4,841,391 and $8,313,569, respectively. These amounts are impacted by investment return and appropriations subsequent to designation.

Note 12. Temporarily Restricted Net Assets

Temporarily restricted net assets as of July 31, 2009 and 2008 are available for the following purposes:

		2009		2008
Purposes restrictions:				
Scholarships	$	3,797,589	$	4,521,522
Project renovations		2,691,047		7,811,902
Faculty		1,180,389		982,214
Institutional support		1,032,131		-
Loans to students		589,609		595,130
Remainder trusts		247,784		378,162
Lectures and awards		211,911		229,499
Library		168,919		186,839
Other		698,639		626,011
	$	10,618,018	$	15,331,279

Note 13. Permanently Restricted Net Assets

Permanently restricted net assets at July 31, 2009 and 2008 are restricted to:

	2009	2008
Investment in perpetuity, the income from which is expendable to support:		
Faculty	$ 5,438,574	$ 5,328,044
Scholarships	4,600,861	4,478,463
Institutional support	4,110,515	4,487,497
Lectures and awards	318,359	292,280
Library	246,880	246,618
Plant maintenance	122,422	124,499
	$ 14,837,611	$ 14,957,401

Note 14. Net Assets Released From Donor Restrictions

Net assets during the years ended July 31, 2009 and 2008 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

	2009	2008
Purpose restrictions accomplished:		
Project renovations	$ 5,581,711	$ 239,040
Scholarships	778,411	673,137
Faculty	80,201	157,678
Lectures and awards	8,009	18,898
Other	262,367	32,093
	$ 6,710,699	$ 1,120,846

Note 15. Endowment Funds

The Seminary's endowment funds consist of over 300 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

The Seminary's Board of Trustees has interpreted the North Carolina enacted version of UPMIFA ("NCUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Seminary classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Seminary in a manner consistent with the standard of prudence prescribed by NCUPMIFA. In accordance with NCUPMIFA, the Seminary considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of the Seminary and the endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and appreciation of investments
- Other resources of the Seminary
- The investment policy of the Seminary

The Seminary's Board of Trustees has a standing Audit and Investment Committee comprised of six trustees. The Committee is charged with the oversight of the Seminary's investments and operates under a Board approved Investment Policy Statement. The Statement defines the parameters within which investments may be made. The overall investment objective as defined in the document is "to preserve, over time, the principal value of the assets as measured in real, inflation adjusted terms." The absolute goal is an annual real rate of return of 5 percent. Asset allocation ranges, benchmark indices, risk tolerances, and rebalancing procedures are specified within the Investment Policy Statement.

The Board's current endowment spending policy is to distribute an amount equal to 5 percent of a rolling three-year average of the endowment investments. This spending policy is consistent with the average long-term return expectation, intended to provide support of donors' intent and additional growth of the endowment funds.

Note 15. Endowment Funds (Continued)

The Seminary's Board of Trustees authorizes endowment expenditures at the time it approves the annual fiscal year's operating budget based upon the endowment earnings available at that time, consistent with the Seminary's endowment spending policy. The actual expenditure of these appropriations occurs at various times during the fiscal year for which they are appropriated. From time to time, the fair value of assets associated with the donor restricted endowment funds may fall below the level that the donor or NCUPMIFA requires the Seminary to retain as a fund of perpetual duration. At July 31, 2009 and 2008, the aggregate amount that the fair values of these endowments was below the donor or NCUPMIFA required levels was $303,149 and $116,815, respectively, and are reported within unrestricted net assets. These deficiencies are generally due to unfavorable market fluctuations that occurred within the Seminary's investment portfolio. During the years ended July 31, 2009 and 2008, appropriations of $75,456 and $39,995, respectively, were made on funds with deficiencies.

The following table summarizes changes in endowment net assets for the years ended July 31, 2009 and 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, August 1, 2007	$ 4,133,471	$ 1,661,308	$ 14,892,556	$ 20,687,335
Contributions	-	-	277,802	277,802
Designation of quasi-endowment funds	5,502,834	-	-	5,502,834
Interest, other investment income, net of expenses, and realized and unrealized gains (losses)	527,391	(487,929)	(212,957)	(173,495)
Appropriations of endowment assets for expenditure	(335,871)	(400,797)		(736,668)
Endowment net assets, July 31, 2008	9,827,825	772,582	14,957,401	25,557,808
Net asset reclassification based on change in law	(1,514,256)	1,514,256	-	-
Endowment net assets after reclassification	8,313,569	2,286,838	14,957,401	25,557,808
Contributions	-	-	413,895	413,895
Interest, other investment income, net of expenses,				-
and realized and unrealized losses	(1,211,445)	(583,664)	(533,685)	(2,328,794)
Appropriations of endowment assets for expenditure	(418,479)	(380,153)	-	(798,632)
Appropriations of quasi-endowment assets	(1,842,254)	-	-	(1,842,254)
Net asset reclassification of underwater endowments	(303,149)	303,149	-	-
Endowment net assets, July 31, 2009	$ 4,538,242	$ 1,626,170	$ 14,837,611	$ 21,002,023

Note 15. Endowment Funds (Continued)

The following table summarizes the composition of endowment net assets by fund type on July 31, 2009 and 2008:

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds:				
Scholarships	$ (50,277)	$ 694,313	$ 4,600,860	$ 5,244,896
Faculty	-	248,087	5,438,574	5,686,661
Institutional support	-	322,699	4,110,515	4,433,214
Lectures and awards	(8,053)	52,519	318,360	362,826
Library	-	39,129	246,880	286,009
Plant maintenance	-	24,172	122,422	146,594
Other	(244,819)	245,251	-	432
	(303,149)	1,626,170	14,837,611	16,160,632
Board designated endowment funds	4,841,391	-	-	4,841,391
Total endowment net assets	$ 4,538,242	$ 1,626,170	$ 14,837,611	$ 21,002,023

	2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds:				
Scholarships	$ -	$ 536,995	$ 4,478,463	$ 5,015,458
Faculty	386,094	123,287	5,330,123	5,839,504
Institutional support	1,032,131	61,566	4,487,497	5,581,194
Lectures and awards	-	32,360	292,280	324,640
Library	-	18,074	246,617	264,691
Plant maintenance	96,031	-	122,421	218,452
Other	-	300	-	300
	1,514,256	772,582	14,957,401	17,244,239
Board designated endowment funds	8,313,569	-	-	8,313,569
Total endowment net assets	$ 9,827,825	$ 772,582	$ 14,957,401	$ 25,557,808

Note 16. Lease Commitments

The Seminary has various operating leases primarily for office equipment and student housing that expire between 2010 and 2015. Total rental expense under cancelable and noncancelable operating leases was $1,626,783 and $1,589,116 for 2009 and 2008, respectively. During 2008, the Seminary entered into a capital lease for office equipment that expires in 2011.

At July 31, 2009, the future minimum lease payments under noncancelable operating leases and capital leases are as follows:

Year	Operating	Capital
2010	$ 1,857,446	$ 28,666
2011	1,883,538	23,889
2012	1,876,813	-
2013	1,876,813	-
2014	1,413,677	-
Thereafter	208,368	-
Total future minimum lease payments	$ 9,116,655	52,555
Less amount representing interest (rate at 6.85%)		3,298
Present value of minimum lease obligations		49,257
Less current portion		24,378
Long-term portion of capital lease obligations		$ 24,879

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report on the Supplementary Information

To the Board of Trustees
Southeastern Baptist Theological Seminary, Inc. and Subsidiary
Wake Forest, North Carolina

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information which follows is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information, except for the schedule of insurance in force, on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

McGladrey & Pullen, LLP

Raleigh, North Carolina
January 26, 2010

Southeastern Baptist Theological Seminary, Inc. and Subsidiary

Statements of Activities Information
Years Ended July 31, 2009 and 2008

Cooperative Program, Southern Baptist Convention	2009	2008
Churches/miscellaneous	$ 226,665	$ 262,996
Miscellaneous individuals	7,229	9,631
Alabama	808,877	813,708
Alaska	9,839	9,606
Arizona	36,071	37,689
Arkansas	351,580	369,618
California	96,204	98,698
Colorado	26,015	27,163
Dakota Fellowship	1,664	1,561
District of Columbia	1,484	4,961
Florida	589,640	667,384
Georgia	712,907	837,584
Hawaii	15,301	15,128
Illinois	105,232	104,269
Indiana	38,346	43,721
Iowa	4,669	4,388
Kansas-Nebraska	44,701	46,636
Kentucky	366,879	373,759
Louisiana	361,672	331,278
Maryland-Delaware	83,360	83,317
Michigan	20,619	23,249
Minnesota-Wisconsin	2,310	2,530
Mississippi	505,882	504,857
Missouri	243,962	251,931
Montana Fellowship	4,467	4,606
Nevada	11,863	12,535
New England	5,572	5,674
New Mexico	53,835	53,504
New York	9,661	11,116
North Carolina	430,539	441,299
Northwest	29,347	31,709
Ohio	74,960	78,407
Oklahoma	433,411	439,804
Pennsylvania-South Jersey	9,772	9,304
South Carolina	506,791	617,930
Tennessee	639,243	674,721
Texas, BGCT	567,290	570,868
Texas, SBTC	595,295	568,484
Utah-Idaho	7,543	8,113
Virginia, BGAV	86,607	87,236
Virginia, SBCV	188,599	199,636
West Virginia	20,909	21,558
Wyoming	7,508	7,305
Puerto Rico/U. S. Virgin Islands	105	214
Other	105,291	41,662
Total cooperative program	$ 8,449,716	$ 8,811,347

Southeastern Baptist Theological Seminary, Inc. and Subsidiary

Insurance In Force (Unaudited)
July 31, 2009

Type	Coinsurance	Amount
Commercial property blanket policy:		
Fire, lightning and extended coverage:		
Buildings and personal property	100%	$ 103,915,901
Comprehensive crime:		
Employee dishonesty		1,000,000
Forgery or alteration		1,000,000
General liability:		
General aggregate limit		3,000,000
Employee benefits liability		3,000,000
Educators legal liability		1,000,000
Clergyperson professional legal liability		1,000,000
Religious institution's directors and officers' legal liability		1,000,000
Automobile liability and uninsured motorists		1,000,000
Workers' compensation		N.C. Standard
Property floater:		
Data processing breakdown		ACV
Business personal property		ACV
Camera equipment		ACV
Telephone system		ACV
Scheduled property		ACV
Miscellaneous property floater		ACV
Umbrella liability		10,000,000
Trustee travel (per Trustee)		100,000

ACV=Actual cash value

Note: This schedule was prepared from information taken from the policies and does not purport to show all details of the coverage or the adequacy thereof.