ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

Northfield, Minnesota

FINANCIAL STATEMENTS
Including Independent Auditors' Report

As of December 31, 2012 and 2011
and for the Year Ended December 31, 2012

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

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Note: Supplemental schedules required by the Employee Retirement Income Security Act of 1974 not included as part of these statements are not applicable to St. Olaf College Emeriti Retiree Health Plan.

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of the
St. Olaf College Emeriti Retiree Health Plan
Northfield, Minnesota

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of St. Olaf College Emeriti Retiree Health Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by TIAA-CREF, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the Trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the Plan administrator by the Trustee is complete and accurate.

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Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year), which is the responsibility of Plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota
July 15, 2013

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
As of December 31, 2012 and 2011

	2012	2011
Investments, at fair value:		
Money market fund	$ 394,112	$ 312,386
Mutual funds	5,496,141	4,357,103
Total investments	5,890,253	4,669,489
Liabilities:		
Insurance premiums payable	-	25,974
NET ASSETS AVAILABLE FOR BENEFITS	$ 5,890,253	$ 4,643,515

See accompanying notes to financial statements.

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2012

ADDITIONS	
Additions to net assets attributed to:	
Investment income	
Net appreciation in fair value of investments	$ 435,557
Interest and dividends	203,134
Total investment income	638,691
Contributions	
Employer	962,377
Participants	301,622
Total contributions	1,263,999
Total additions	1,902,690
DEDUCTIONS	
Deductions from net assets attributed to:	
Benefits paid on behalf of participants	127,370
Insurance premiums	435,702
Administrative expenses	92,880
Total deductions	655,952
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	1,246,738
NET ASSETS AVAILABLE FOR BENEFITS - BEGINNING OF YEAR	4,643,515
NET ASSETS AVAILABLE FOR BENEFITS - END OF YEAR	$ 5,890,253

See accompanying notes to financial statements.

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2012 and 2011 and for the Year Ended December 31, 2012

NOTE 1 - Description of the Plan

The following description of the St. Olaf College Emeriti Retiree Health Plan (the "Plan") provides only general information. Participants should refer to the St. Olaf College Emeriti Retiree Health Plan summary plan description for a more complete description of the Plan's provisions.

General

The Plan, effective January 1, 2006, provides post-retirement health benefits, covering the employees of St. Olaf College (the College) and their covered dependents. The Plan is a defined contribution health model plan that is funded through employer and employee Voluntary Employees' Beneficiary Association (VEBA) Trusts designed in part by Emeriti Retirement Health Solutions, a not-for-profit company. Upon enrollment in the Plan, a participant may direct employer and employee contributions to any combination of available investment options. The Emeriti Retirement Health Solutions company appointed TIAA-CREF as the Trustee of the Plan. The College is the Plan sponsor and administrator of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

All employees who are age 21 or older and are in an eligible class of employee, as defined in the Plan document, are eligible to participate.

Contributions

Certain retired participants receive contributions into their accounts based on their age at retirement, length of service, and year of retirement from the College. Participants, including those no longer employed by the College may make after-tax contributions into an account, provided the account maintains a positive balance. Once an eligible participant attains the age of 39, the College will begin to make a contribution for each payroll period during which the participant is credited with at least one hour of service.

Participant Accounts

Participant accounts are credited with contributions, plus earnings and interest, less administrative expenses not paid by the College.

Vesting and Forfeiture

Participants are immediately vested in College contributions and individual after-tax contributions.

All employer asset sources in the Emeriti Retiree Health Account are forfeitable upon the last to die (or reach majority) of the participant, spouse (or dependent domestic partner), dependent children and dependent relatives. TIAA-CREF will transfer the forfeitable balance to the forfeiture account at the direction of the College. The employee after-tax source is 100% non-forfeitable immediately.

NOTE 1 - Description of the Plan (continued)

Benefits

The Plan makes available certain health benefits to retired participants of the Plan. Retirees age 65 or older may elect an Emeriti Health Insurance option. Residents of Minnesota may choose a HealthPartners plan; residents outside of Minnesota may choose an AETNA plan. Both plans have the option for prescription coverage. Participants must enroll within 90 days of attaining age 65. The spouse of a retiree may also enroll in health coverage if age 65 or older. Monthly insurance premiums are incurred by the selection of a health insurance option and are deducted from the participants' VEBA account. If the participants' account is exhausted, participants may retain coverage under the Emeriti Health Insurance option by paying insurance premiums directly from a personal checking or savings account. COBRA is available for dependents of retirees who lose eligibility.

A participant is eligible for reimbursement benefits payable from the non-forfeitable balance in their VEBA account upon the date the participant ceases to be employed and attains age 55. Retirees who have a balance in their VEBA account are immediately eligible for reimbursement. Participants may submit qualified medical expense claim forms along with the required documentation for reimbursement. In the event of the death of a participant, the dependent named on the account may submit qualified medical expenses for reimbursement until the account is exhausted.

Special Benefit Circumstances

If the participant ceases to be employed by the College prior to attaining age 55 and the aggregate balance of the VEBA Account is less than $5,000 then the participant is immediately eligible to use the VEBA accounts for qualified medical expenses.

If the participant has a terminal illness or injury expense, the participant is immediately eligible to use the VEBA account for qualified medical expenses.

If the participant and/or eligible dependents have incurred medical expenses during a single 12-month period which exceeds $15,000, the participant is immediately eligible to use the VEBA accounts for qualified medical expenses for any amount greater than $15,000.

Termination of Plan

Although it has not expressed any intent to do so, the College has the right under the Plan to terminate the Plan at any time subject to the provisions of ERISA.

Participant Loans

There are no participant loans allowed under the Plan.

Administrative Expenses

General Plan administrative expenses, such as legal fees and administrative costs, are paid for directly by the College. Fees specific to the participant's investment selections and accounts are charged against that participant's account balance, where the account balance is often funded partially or fully by College contributions.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from these estimates.

Investment Valuation and Income Recognition

The Plan's investments are valued at fair value using quoted market prices.

Net appreciation in fair value of investments included in the accompanying statement of changes in net assets available for benefits includes realized gains or losses from the sale of investments and unrealized appreciation or depreciation in fair value of investments. Net unrealized appreciation or depreciation in the fair value of investments represents the net change in the fair value of the investments held during the year. The net realized gains or losses on the sale of investments represents the difference between the sale proceeds and the fair value of the investment as of the beginning of the year or the cost of the investment if purchased during the year.

Purchases and sales of securities are recorded on a trade-date basis. Interest and dividend income is recorded on the cash basis, which approximates accounting principles generally accepted in the United States of America.

Risk and Uncertainties

The Plan provides for various investment options in which any combination of investments offered by the Plan can be chosen. Investments, in general, are subject to various risks, including credit, interest, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the statements of net assets available for benefits. Plan investments are not insured by FDIC or similar loss coverage.

Payment of Benefits

Benefits are recorded when paid.

NOTE 3 - Information Prepared and Certified by Trustee - Unaudited

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to be complete and accurate by the Trustee.

Net assets available for benefits as of December 31:

	2012	2011
Money market fund	$ 394,112	$ 312,386
Mutual funds	5,496,141	4,357,103
Total net assets available for benefits	$ 5,890,253	$ 4,669,489

During the year ended December 31, 2012, the Plan's investments (including gains and losses on investments bought, sold, and held during the year) appreciated in value as follows:

	2012
Net appreciation in fair value of investments - mutual funds	$ 435,557
Interest and dividends	203,134
Net investment return	$ 638,691

The following investments represent 5% or more of the Plan's net assets available for benefits as of December 31:

	2012	2011
TIAA-CREF Lifecycle 2010 Fund - Retirement Class	$ 1,217,543	$ 1,007,497
TIAA-CREF Lifecycle 2015 Fund - Retirement Class	1,131,861	920,594
TIAA-CREF Lifecycle 2020 Fund - Retirement Class	1,308,976	1,001,616
TIAA-CREF Lifecycle 2025 Fund - Retirement Class	913,214	710,440
TIAA-CREF Lifecycle 2030 Fund - Retirement Class	603,232	446,749
TIAA-CREF Money Market Fund - Retirement Class	394,112	312,386

NOTE 4 - Fair Value of Financial Instruments

As defined in the accounting standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Plan may use various valuation methods including the market, income and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Based on the observability of the inputs used in the valuation methods the Plan is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

NOTE 4 - Fair Value of Financial Instruments (continued)

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The College is responsible for the determination of fair value. The College has not historically adjusted the prices obtained from the pricing services.

The tables below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	December 31, 2012			
	Total	Level 1	Level 2	Level 3
INVESTMENTS				
Money market fund	$ 394,112	$ 394,112	$ -	$ -
Mutual funds				
Target date funds	5,427,124	5,427,124	-	-
Blended fund	69,017	69,017	-	-
Total Investments	$ 5,890,253	$ 5,890,253	$ -	$ -

	December 31, 2011			
	Total	Level 1	Level 2	Level 3
INVESTMENTS				
Money market fund	$ 312,386	$ 312,386	$ -	$ -
Mutual funds				
Target date funds	4,252,980	4,252,980	-	-
Blended fund	104,123	104,123	-	-
Total Investments	$ 4,669,489	$ 4,669,489	$ -	$ -

The following valuation methodologies were used to estimate the fair value of each class of financial instrument. There has been no change in the methodologies used at December 31, 2012 and 2011:

Money market fund – The money market is a Level 1 investment and consist of the TIAA-CREF Money Market Fund Retirement Class. TIAA-CREF Money Market Fund holdings are generally valued at amortized cost, and the unit value is determined each day; thus, can be valued based on quoted market prices. Audited financial statemetns are available.

NOTE 4 - Fair Value of Financial Instruments (continued)

Mutual funds – The mutual funds are Level 1 investments consisting of TIAA-CREF Lifecycle Funds. TIAA-CREF Fund is a Delaware statutory trust that was organized on April 15, 1999, and is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as an open-end management investment company. The fund invests primarily in underlying index funds according to an asset allocation strategy designed for investors target retirement date, a more conservative asset allocation strategy is designed for investors who are already in or entering retirement. Fund holdings are generally valued using market quotations. Each fund determines its share price or net asset value (NAV) daily; thus can be valued based on quoted market prices.

NOTE 5 - Parties-In-Interest

Plan investments are managed by the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment, claims, and other management services amounted to $128,591 for the year ended December 31, 2012. A portion of these fees are netted against investment income.

NOTE 6 - Tax Status

The Internal Revenue Service ruled in letters dated May 31, 2007 that the trusts established under the Plan qualify under Section 501(c)(9) of the Internal Revenue Code (IRC) and, therefore, the trusts are not subject to tax under present income tax law. The Plan has been amended since receiving the determination letter. The plan administrator believes that the Plan, as amended, is designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the plan administrator believes that the Plan was qualified and the related trust was tax-exempt at the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

NOTE 7 - Subsequent Events

The Plan has evaluated subsequent events through July 15, 2013 which is the date that the financial statements were approved and available to be issued.

SUPPLEMENTAL INFORMATION

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

SCHEDULE H, LINE 4i, SCHEDULE OF ASSETS (HELD AT END OF YEAR)
Plan 513
EIN 41-0693979
As of December 31, 2012

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Money Market Fund			
*	TIAA-CREF	TIAA-CREF Money Market Fund - Retirement Class	**	$ 394,112
	Mutual Funds			
*	TIAA-CREF	TIAA-CREF Lifecycle Retirement Income Fund	**	69,017
*	TIAA-CREF	TIAA-CREF Lifecycle 2010 Fund - Retirement Class	**	1,217,543
*	TIAA-CREF	TIAA-CREF Lifecycle 2015 Fund - Retirement Class	**	1,131,861
*	TIAA-CREF	TIAA-CREF Lifecycle 2020 Fund - Retirement Class	**	1,308,976
*	TIAA-CREF	TIAA-CREF Lifecycle 2025 Fund - Retirement Class	**	913,214
*	TIAA-CREF	TIAA-CREF Lifecycle 2030 Fund - Retirement Class	**	603,232
*	TIAA-CREF	TIAA-CREF Lifecycle 2035 Fund - Retirement Class	**	120,567
*	TIAA-CREF	TIAA-CREF Lifecycle 2040 Fund - Retirement Class	**	107,731
*	TIAA-CREF	TIAA-CREF Lifecycle 2050 Fund - Retirement Class	**	14,199
*	TIAA-CREF	TIAA-CREF Lifecycle 2055 Fund - Retirement Class	**	9,801
				$ 5,890,253

* Represents a party-in-interest
** Cost omitted for participant directed investments

This schedule has been prepared based on information certified as complete and accurate by TIAA-CREF, Trustee.