

Plan Number - 513
EIN - 41-0693979

**ST. OLAF COLLEGE EMERITI RETIREE
HEALTH PLAN**
Northfield, Minnesota

FINANCIAL STATEMENTS
Including Independent Auditors' Report
As of December 31, 2013 and 2012
and for the Year Ended December 31, 2013

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.

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, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the 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 such information with the related information included in the financial statements. 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, 2013 and 2012, and for the year ended December 31, 2013, that the information provided to the Plan administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

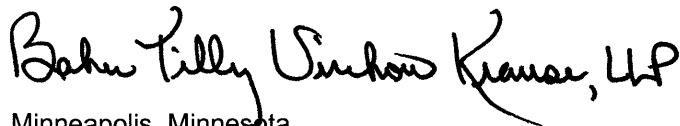
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2013, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

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.



Minneapolis, Minnesota
June 3, 2014

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS As of December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Investments, at fair value		
Money market fund	\$ 315,879	\$ 394,112
Mutual funds	<u>6,978,679</u>	<u>5,496,141</u>
Total investments	7,294,558	5,890,253
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 7,294,558</u>	<u>\$ 5,890,253</u>

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, 2013

ADDITIONS

Additions to net assets attributed to	
Investment income	
Net appreciation in fair value of investments	\$ 583,666
Interest and dividend income	<u>348,255</u>
Total investment income	931,921
Contributions	
College	904,013
Participant	<u>264,727</u>
Total contributions	<u>1,168,740</u>
Total additions	<u>2,100,661</u>

DEDUCTIONS

Deductions from net assets attributed to	
Benefits paid on behalf of participants	142,235
Insurance premiums	462,554
Administrative expenses	<u>91,567</u>
Total deductions	<u>696,356</u>

Net increase in net assets available for benefits	1,404,305
NET ASSETS AVAILABLE FOR BENEFITS - Beginning of year	<u>5,890,253</u>
NET ASSETS AVAILABLE FOR BENEFITS - End of year	<u>\$ 7,294,558</u>

See accompanying notes to financial statements.

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2013 and 2012 and for the Year Ended December 31, 2013

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 and plan document 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 "Trustee"). 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 employment, as defined in the Plan document, are eligible to participate.

Contributions

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. Certain retired participants receive contributions into their accounts based on their age at retirement, length of service, and year of retirement from the College.

Participant Accounts

Participant accounts are credited with contributions, an allocation of the Plan's earnings/losses and interest (net of administrative expenses), based on the participant's selected investment options. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting and Forfeiture

Participants are immediately vested at the time contributions are deposited into their accounts.

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. The Trustee 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.

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2013 and 2012 and for the Year Ended December 31, 2013

NOTE 1 - Description of the Plan (cont.)

Payment of 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 specific account expenses are charged against that participant's account balance, where the account balance is often funded partially or fully by College contributions.

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2013 and 2012 and for the Year Ended December 31, 2013

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 Plan 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 and unrealized appreciation or depreciation. 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 risks. 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.

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2013 and 2012 and for the Year Ended December 31, 2013

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:

	<u>2013</u>	<u>2012</u>
Money market fund	\$ 315,879	\$ 394,112
Mutual funds	<u>6,978,679</u>	<u>5,496,141</u>
Total net assets available for benefits	<u>\$ 7,294,558</u>	<u>\$ 5,890,253</u>

During the year ended December 31, 2013, the Plan's investments (including gains and losses on investments bought, sold, and held during the year) appreciated in value as follows:

	<u>2013</u>
Net appreciation in fair value of investments - mutual funds	\$ 583,666
Interest and dividends	<u>348,255</u>
Net investment return	<u>\$ 931,921</u>

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

	<u>2013</u>	<u>2012</u>
Lifecycle 2010 Fund - Retirement Class	\$ 1,375,839	\$ 1,217,543
Lifecycle 2015 Fund - Retirement Class	1,388,919	1,131,861
Lifecycle 2020 Fund - Retirement Class	1,679,285	1,308,976
Lifecycle 2025 Fund - Retirement Class	1,231,166	913,214
Lifecycle 2030 Fund - Retirement Class	847,469	603,232
Money Market Fund - Retirement Class	*	394,112

Investments that did not represent 5% or more of the Plan's net assets available for benefits as of December 31, 2013 or 2012 are identified with an " * ".

NOTE 4 - Fair Value of Financial Instruments

The Plan follows accounting principles generally accepted in the United States of America for measuring, reporting, and disclosing fair value. These standards apply to all assets and liabilities that are measured, reported and/or disclosed on a fair value basis.

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. 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:

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2013 and 2012 and for the Year Ended December 31, 2013

NOTE 4 - Fair Value of Financial Instruments (cont.)

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, 2013			
	Total	Level 1	Level 2	Level 3
INVESTMENTS				
Money market fund	\$ 315,879	\$ 315,879	\$ -	\$ -
Mutual funds				
Target date funds	6,933,813	6,933,813	-	-
Blended fund	44,866	44,866	-	-
Total Investments	\$ 7,294,558	\$ 7,294,558	\$ -	\$ -

	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	\$ -	\$ -

The following valuation methodologies were used to measure the fair value of each class of financial instrument.

Money market fund

The money market is considered 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, which approximates fair value, and the unit value is determined each day. Audited financial statements are available.

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2013 and 2012 and for the Year Ended December 31, 2013

NOTE 4 - Fair Value of Financial Instruments (cont.)

Mutual funds

The mutual funds are considered Level 1 investments and consist 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 funds invest 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.

The funds invest primarily in equity securities, fixed-income instruments, other mutual funds and short-term instruments in accordance with each fund's investment objectives. Fund holdings are generally valued using market quotations. Each fund determines its share price or net asset value (NAV) each day calculated generally as of 4 p.m. (ET); thus, can be valued based on quoted market prices.

While the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. There has been no change in the methodologies used at December 31, 2013 and 2012.

NOTE 5 - Parties-In-Interest

Plan investments are managed by TIAA-CREF 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 approximately \$136,000 for the year ended December 31, 2013 and are party-in-interest transactions. 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 trusts were 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, 2013 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 2010.

ST. OLAF COLLEGE EMERITI RETIREE HEALTH PLAN

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2013 and 2012 and for the Year Ended December 31, 2013

NOTE 7 - Subsequent Events

The Plan has evaluated subsequent events through June 3, 2014 which is the date that the financial statements were approved and available to be issued, for events requiring recording or disclosure in the Plan's financial statements.

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, 2013

(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	Money Market Fund - Retirement Class	**	\$ 315,879
	Mutual Funds			
*	TIAA-CREF	Lifecycle Retirement Income Fund	**	44,866
*	TIAA-CREF	Lifecycle 2010 Fund - Retirement Class	**	1,375,839
*	TIAA-CREF	Lifecycle 2015 Fund - Retirement Class	**	1,388,919
*	TIAA-CREF	Lifecycle 2020 Fund - Retirement Class	**	1,679,285
*	TIAA-CREF	Lifecycle 2025 Fund - Retirement Class	**	1,231,166
*	TIAA-CREF	Lifecycle 2030 Fund - Retirement Class	**	847,469
*	TIAA-CREF	Lifecycle 2035 Fund - Retirement Class	**	261,041
*	TIAA-CREF	Lifecycle 2040 Fund - Retirement Class	**	118,540
*	TIAA-CREF	Lifecycle 2050 Fund - Retirement Class	**	18,732
*	TIAA-CREF	Lifecycle 2055 Fund - Retirement Class	**	12,822
				<u>\$ 7,294,558</u>

* 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 of St. Olaf College Emeriti Retiree Health Plan.