

ST. OLAF COLLEGE
SALARY REDUCTION SAVINGS PLAN

Northfield, Minnesota

FINANCIAL STATEMENTS
Including Independent Auditors' Report

December 31, 2009 and 2008

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

TABLE OF CONTENTS

Independent Auditors' Report	1
Financial Statements	
Statements of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4 - 10
Supplemental Information	
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)	11

Baker Tilly Virchow Krause, LLP
225 S Sixth St, Ste 2300
Minneapolis, MN 55402-4661
tel 612 876 4500
fax 612 238 8900
bakertilly.com

INDEPENDENT AUDITORS' REPORT

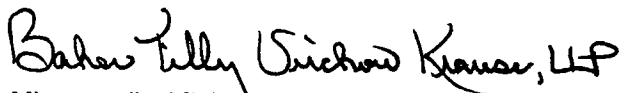
To the Plan Administrator
St. Olaf College Salary Reduction Savings Plan
Northfield, Minnesota

We were engaged to audit the accompanying statements of net assets available for benefits of St. Olaf College Salary Reduction Savings Plan (the "Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009, and the supplemental schedule as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

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 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 a certification from the Trustee, as of December 31, 2009 and 2008 and for the year ended December 31, 2009, that the information provided to the plan administrator by the Trustee is complete and accurate.

As described in Note 8, the Plan has excluded from investments in the accompanying financial statements certain annuity and custodial accounts issued to current and former employees prior to January 1, 2009, as permitted by the Department of Labor's Field Assistance Bulletin No. 2009-02. Accounting principles generally accepted in the United States of America (US GAAP) require that these accounts and the related income and distributions be included in the accompanying financial statements. Management has not determined the impact of this departure from US GAAP, but estimates that it could be material to the financial statements.

Because of the significance of the information in the Plan's financial statements and supplemental schedule that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2009 and 2008 financial statements and supplemental schedule taken as a whole.



Minneapolis, Minnesota
September 23, 2010

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

ASSETS	2009	2008
	<u>2009</u>	<u>2008</u>
Investments	\$ 28,481,047	\$ 23,694,123
Participant contributions receivable	<u>-</u>	<u>120,862</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 28,481,047</u>	<u>\$ 23,814,985</u>

See accompanying accountants' report and notes to financial statements.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year Ended December 31, 2009

ADDITIONS

Additions to net assets attributed to

Investment income

Interest and dividend income

\$ 58,062

Net appreciation in fair value of investments

3,898,797

Total investment income

3,956,859

Contributions

Participant

1,695,951

Rollover

227,549

Total contributions

1,923,500

Total additions

5,880,359

DEDUCTIONS

Deductions from net assets attributed to

Benefits paid to participants

1,214,297

Net increase in net assets available for benefits

4,666,062

NET ASSETS AVAILABLE FOR BENEFITS -

Beginning of year

23,814,985

NET ASSETS AVAILABLE FOR BENEFITS -

End of year

\$ 28,481,047

See accompanying accountants' report and notes to financial statements.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE 1 - Description of the Plan

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

General

The Plan is a defined contribution plan established by St. Olaf College (the "College"), and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and the requirements of Section 403(b) of the Internal Revenue Code. The Trustee manages the investments of the Plan as directed by the participants. In addition, the Trustee provides recordkeeping services for the Plan. All employees who have either completed at least 1 year of service with the College, as defined in the Plan, or are age 21 or older are eligible to participate. Upon enrollment in the Plan, a participant may direct employee contributions to any combination of available investment options. The Plan was restated as of January 1, 2009, with the only significant change being that all funds must all be remitted to the Trustee selected by the College.

Beginning January 1, 2009, the Plan is subject to annual Form 5500 reporting, disclosure and audit requirements under ERISA. Previously, the Plan was exempt from ERISA requirements for disclosure and plan audit.

Contributions

Each year, participants may contribute up to 100% of pretax annual compensation (salary reduction contributions), as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified plans (rollover contributions). There are no College contributions for this plan. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's salary reduction contributions, rollover contributions and an allocation of the Plan earnings (net of administrative expenses), based on the participant's selected investment option. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

The Plan contains only participant contributions, the College has a separate Matched Savings Plan which includes College contributions.

Vesting

Participants are always 100% vested in their accounts.

Forfeited Accounts

Because participants are immediately vested in their accounts, the Plan has no forfeitures.

Payment of Benefits

Benefits may be paid to the participant or beneficiary upon death, disability, retirement or termination of employment, as defined in the Plan agreement. The Plan provides for normal retirement at age 65 and early retirement on or after attaining age 55. The total vested portion of a participant's account balance is distributed in the form of a lump-sum payment, installments, or an annuity. Participants experiencing financial hardship may withdraw a portion of this account balance as defined in the Plan.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE 1 - Description of the Plan (cont.)

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.

Plan Loans

Participants may borrow against their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 45% of their vested account balance. The loans do not reduce the balance of participants accounts unless the loan goes into default, but at least 110% of the loan collateral must be kept in the TIAA Traditional Annuity GSRA. The loans bear interest at variable rates tied to the Monthly Average Corporate yield, published by Moody's Investor Service, but the rate remains the same for the first year. Principal and interest is paid directly to the Trustee of the Plan, TIAA-CREF.

Administrative Expenses

All reasonable plan administrative expenses including those involved in retaining necessary professional assistance may be paid from the assets of the plan to the extent permitted by the participant's individual agreements. These expenses may be allocated to all plan participants, or for expenses directly related to one participant, charged against that participant's account balance. The College may, at its discretion, pay a portion or all of these expenses.

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 mutual fund, money market, and variable annuity investments are valued at fair value using quoted market prices. The Plan's fixed annuity contract investments are valued at contract value, which approximates market value. Plan loans are valued at amortized cost, which approximates fair value.

Net appreciation 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 period. The net realized gains or losses on the sale of investments represent the difference between the sale proceeds and the fair value of the investment as of the beginning of the period or the cost of the investment if purchased during the year.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

Payment of Benefits

Benefits are recorded when paid.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

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 TIAA-CREF, the Trustee of the Plan.

Net assets available for benefits as of December 31:

	2009	2008
Fixed annuity contracts	\$ 9,020,043	\$ 8,517,716
Money market	578,690	626,990
Mutual funds	1,439,542	658,496
Variable annuities – real estate	909,910	1,470,801
Variable annuities – other	16,532,862	12,420,120
Total Investments	<u>\$ 28,481,047</u>	<u>\$ 23,694,123</u>

During the year ended December 31, 2009, the Plan's investments (including gains and losses on investments bought, sold, and held during the year) appreciated in value as follows:

	2009
Fixed annuity contracts	\$ 257,618
Money market	668
Mutual funds	3,341,596
Variable annuities	298,915
Net Appreciation in Fair Value of Investments	<u>3,898,797</u>
Interest and dividends	<u>58,062</u>
Net Investment Return	<u>\$ 3,956,859</u>

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 coverage.

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

	2009	2008
TIAA Traditional	\$ 9,020,043	\$ 8,517,716
TIAA Real Estate	*	1,470,801
CREF Stock	8,699,793	6,514,071
CREF Global Equities	1,946,094	1,381,412
CREF Growth	1,645,138	*
CREF Social Choice	1,528,976	1,281,591

Investments that did not represent 5% or more of the Plan's net assets available for benefits at December 31, 2009 and 2008 are identified with an "***".

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE 4 - Fair Value of Financial Instruments

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:

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

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy.

	December 31, 2009			
	Total	Level 1	Level 2	Level 3
TIAA Traditional Annuity	\$ 9,020,043			\$ 9,020,043
TIAA Real Estate Account	909,910		\$ 909,910	
CREF Accounts	17,111,552	\$ 17,111,552		
TIAA-CREF Funds	1,439,542	1,439,542		
Total	\$ 28,481,047	\$ 18,551,094	\$ 909,910	\$ 9,020,043
	December 31, 2008 (compiled)			
	Total	Level 1	Level 2	Level 3
TIAA Traditional Annuity	\$ 8,517,716			\$ 8,517,716
TIAA Real Estate Account	1,470,801		\$ 1,470,801	
CREF Accounts	13,047,110	\$ 13,047,110		
TIAA-CREF Funds	658,496	658,496		
Total	\$ 23,694,123	\$ 13,705,606	\$ 1,470,801	\$ 8,517,716

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value:

TIAA Traditional Annuity

The TIAA Traditional Annuity is a fixed annuity contract that is fully and unconditionally guaranteed by Teachers Insurance and Annuity Association of America (TIAA), a New York domiciled non-profit legal reserve life insurance company. During the accumulation phase, the TIAA Traditional Annuity provides a guarantee of principal, a guaranteed minimum rate of interest (generally 3%, but in some recent contracts between 1% and 3%), and the potential for additional interest if declared by TIAA. Additional interest, when declared, remains in effect for the "declaration year," which begins each March 1. Additional interest is not guaranteed for future years. When the accumulation in TIAA Traditional is converted to an annuity based on life expectancy, the present value of the stream of payments is equal to the accumulation.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

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

The TIAA Traditional Annuity is reported at contract value. The contract value of the TIAA Traditional Annuity equals the accumulated cash contributions and interest credited to the Plan's contracts, less any withdrawals. The TIAA Traditional Annuity is not available for sale or transfer on any securities exchange. Accordingly, transactions in similar investment instruments are not observable.

While transactions involving the purchases/sales of individual TIAA Traditional contracts are not observable in a public marketplace, contract value has historically provided a good approximation of fair value. The Plan has provided no reserves against such contract value for credit risk of the contract issuer.

TIAA Real Estate Account

The TIAA Real Estate Account (REA) is an insurance company separate account of Teachers Insurance and Annuity Association of America (TIAA) investing mainly in real estate and real estate-related investments. This is a variable annuity. Audited financial statements are available.

The REA generally invests in real estate properties and real estate-related investments. The REA's value is principally derived from the market value of the underlying real estate holdings or other real estate-related investments. Real estate holdings are valued principally using external appraisals, which are estimates of property values based on a professional's opinion. The REA sometimes holds securities as well. These are generally priced using values obtained from independent pricing sources.

CREF Accounts

College Retirement Equities Fund (CREF) is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as an open-end management investment company. It consists of eight investment portfolios: the Stock, Global Equities, Growth, Equity Index, Bond Market, Inflation-Linked Bond, Social Choice and Money Market Accounts (individually referred to as the "Account" or collectively referred to as the "Accounts"). These are variable annuities. Audited financial statements are available.

The Accounts invest principally in equity securities, fixed-income instruments and short-term investments in accordance with each portfolio's investment objectives. Account investments are primarily valued using market quotations or prices obtained from independent pricing sources who may employ various pricing methods to value the investments including matrix pricing. CREF Money Market Account holdings are generally valued at amortized cost. Each Account determines its unit value each day.

TIAA-CREF Funds

TIAA-CREF Funds 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. Current offerings include domestic and international equities, fixed income, real estate securities, asset allocation and money market funds.

The funds invest principally 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 or prices obtained from independent pricing services, except those held by the TIAA-CREF Money Market Fund, whose holdings are valued at amortized cost. Each fund determines its share price or net asset value (NAV) each day calculated generally as of 4 p.m. (ET). The TIAA-CREF Money Market Fund is managed to maintain a constant value, though not guaranteed, of \$1 per share.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

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

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.

The following table presents a reconciliation of financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December, 31 2009:

	Balances December 31, 2008	Net realized and unrealized gains (losses) included in change in net assets	Sales, issuances and settlement	Purchases	Balances December 31, 2009
Assets					
Fixed annuity contract	\$ 8,517,716	\$ 257,618	\$ (1,321,729)	\$ 1,566,438	\$ 9,020,043

The amount of total gains for the period included in change in net assets attributable to the change in unrealized gains or losses relating to Level 3 financial instruments still held at December 31, 2009

\$ 186,821

The following table presents a reconciliation of financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December, 31 2008 (compiled):

	Balances December 31, 2007	Net realized and unrealized gains (losses) included in change in net assets	Sales, issuances and settlement	Purchases	Balances December 31, 2008
Assets					
Fixed annuity contract	\$ 7,307,495	\$ 375,638	\$ (243,006)	\$ 1,077,589	\$ 8,517,716

NOTE 5 - Plan Loans

The Trustee allows plan loans, in which participants request loans using the assets of the Plan as collateral for the loans. As of December 31, 2009 and 2008, outstanding loans totaled \$195,572 and \$185,691, respectively. As of December 31, 2009, there were seven individuals with loans in default totaling \$47,582.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE 6 - Parties-In-Interest

Certain Plan investments are fixed and variable annuity contracts, shares of mutual funds and money market funds 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 management services amounted to \$156,933 for the year ended December 31, 2009 and are party-in-interest transactions. These fees are netted against investment income.

NOTE 7 - Tax Status

The Internal Revenue Service (IRS) has provided 403(b) plans relief from obtaining a determination letter until the revenue procedures are finalized and the IRS announces the date that it will start accepting applications. A written 403(b) plan adopted prior to December 31, 2009, that is intended to satisfy the requirements of Section 403(b) and the regulations, will have a remedial amendment period in which to amend the Plan to correct any form defects retroactive to January 1, 2010.

The College is not aware of any events that have occurred that might adversely affect the Plan from obtaining a qualified status. The Plan is required to operate in conformity with Section 403(b) of the Internal Revenue Code to obtain its qualification.

NOTE 8 - Orphan Contracts

The Department of Labor's Field Assistance Bulletin No. 2009-02, *Annual Reporting Requirements for 403(b) Plans* allows a plan administrator of a 403(b) plan to exclude certain contracts and accounts (Orphan Contracts) from plan assets for purposes of ERISA's annual reporting and audit requirements under specified conditions. Accordingly, the Plan has excluded from investments in the accompanying statement of net assets available for benefits certain annuity and custodial accounts issued to current and former employees prior to January 1, 2009. The related investment income and distributions have also been excluded in the accompanying statement of changes in net assets available for benefits. These amounts relate to vendors other than TIAA-CREF to whom contributions were made prior to January 1, 2009. No contributions were made or allowed to vendors other than TIAA-CREF after January 1, 2009. The amount of these excluded annuity and custodial accounts and the related income and distributions has not been determined, but management estimates that they are material to the financial statements. Accounting principles generally accepted in the United States of America require that these excluded annuity and custodial accounts and the related income and distributions be included in the accompanying financial statements.

NOTE 9 - Subsequent Events

The College has evaluated subsequent events through September 23, 2010 which is the date that the financial statements were approved and available to be issued.

SUPPLEMENTAL INFORMATION

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

Schedule H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Plan 002

EIN 41-0693979

December 31, 2009

(a)	(b)	(c)	(d)	(e)
Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value	
	Fixed Annuity Contract			
* TIAA	TIAA Traditional	**	\$ 9,020,043	
	Money Market			
* CREF	CREF Money Market	**	578,690	
	Variable Annuities			
* TIAA	TIAA Real Estate	**	909,910	
* CREF	CREF Stock	**	8,699,793	
* CREF	CREF Social Choice	**	1,528,976	
* CREF	CREF Bond Market	**	904,618	
* CREF	CREF Global Equities	**	1,946,094	
* CREF	CREF Growth	**	1,645,138	
* CREF	CREF Equity Index	**	1,342,123	
* CREF	CREF Inflation-Linked Bond	**	466,120	
	Mutual Funds			
* TIAA-CREF	TIAA-CREF Lifecycle 2010	**	11,279	
* TIAA-CREF	TIAA-CREF Lifecycle 2015	**	153,575	
* TIAA-CREF	TIAA-CREF Lifecycle 2020	**	103,581	
* TIAA-CREF	TIAA-CREF Lifecycle 2025	**	90,790	
* TIAA-CREF	TIAA-CREF Lifecycle 2030	**	74,060	
* TIAA-CREF	TIAA-CREF Lifecycle 2035	**	212,030	
* TIAA-CREF	TIAA-CREF Lifecycle 2040	**	187,749	
* TIAA-CREF	TIAA-CREF Lifecycle 2050	**	2,892	
* TIAA-CREF	TIAA-CREF International Equity	**	199,917	
* TIAA-CREF	TIAA-CREF Large-Cap Value	**	82,552	
* TIAA-CREF	TIAA-CREF Mid-Cap Growth	**	45,257	
* TIAA-CREF	TIAA-CREF Mid-Cap Value	**	182,000	
* TIAA-CREF	TIAA-CREF Small-Cap Equity	**	93,860	
				<u>\$ 28,481,047</u>

* Represents a party-in-interest

** Cost omitted for participant directed investments