

ST. OLAF COLLEGE
SALARY REDUCTION SAVINGS 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 SALARY REDUCTION SAVINGS 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 Salary Reduction Savings Plan.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of St. Olaf College Salary Reduction Savings 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 matters 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.

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.

Disclaimer of Opinion

Because of the significance of the matters 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 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 matters 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.



Minneapolis, Minnesota
June 3, 2013

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

As of December 31, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Investments, at fair value	<u>\$ 38,395,549</u>	<u>\$ 34,501,530</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 38,395,549</u>	<u>\$ 34,501,530</u>

See accompanying notes to financial statements.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

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

ADDITIONS	<u>2012</u>
Additions to net assets attributed to	
Investment income	
Interest and dividend income	\$ 194,684
Net appreciation in fair value of investments	<u>3,759,087</u>
Total investment income	<u>3,953,771</u>
Contributions	
Participant	1,772,765
Rollovers	<u>1,738,409</u>
Total contributions	<u>3,511,174</u>
Plan servicing credit	<u>22,404</u>
Total additions	<u>7,487,349</u>
DEDUCTIONS	
Deductions from net assets attributed to	
Benefits paid to participants	<u>3,619,736</u>
Net increase in net assets available for benefits	3,867,613
Transfer of plan assets	26,406
NET ASSETS AVAILABLE FOR BENEFITS -	
Beginning of year	<u>34,501,530</u>
NET ASSETS AVAILABLE FOR BENEFITS -	
End of year	<u>\$ 38,395,549</u>

See accompanying notes to financial statements.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS 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 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 College is the sponsor and administrator of the Plan and the Trustee is TIAA-CREF. The Trustee manages the investments of the Plan as directed by the participants. In addition, the Trustee provides recordkeeping services for the Plan.

Eligibility

All employees, except students performing services described in Code Section 3121(b)(10), are eligible to participate. Upon enrollment in the Plan, a participant may direct employee contributions to any combination of available investment options.

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 the Plan. Contributions are subject to certain Internal Revenue Service (IRS) 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 options. 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 and Forfeited Accounts

Participants are always 100% vested in their 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 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

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

NOTE 1 - Description of the Plan (cont.)

Participants invested in certain TIAA Traditional Annuity contracts are subject to liquidity restrictions on benefit payment withdrawals. Under these contracts, participant initiated withdrawals out of the Plan have a distribution restriction of either a minimum of ten annual installments or 84 monthly installments. There is an option for a lump-sum withdrawal within 120 days following termination of employment, which is subject to a 2.5% surrender charge.

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 amounts from TIAA-CREF using the assets of the Plan as collateral for the loans. General guidelines are that the minimum loan amount be \$1,000, while the maximum is 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 is in default at the time when the benefits are distributable. The Plan loan requires the participant to maintain at least 110% of the loan collateral within their 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.

As of December 31, 2012 and 2011, outstanding loans totaled \$213,418 and \$162,102, respectively. As of December 31, 2012, there were six individuals with loans in default totaling \$30,602.

Administrative Expenses

General Plan administrative expenses, such as legal fees and administrative costs, have generally been paid for directly by the College. Fees specific to the participant's investment selections and accounts are charged against that participant's account balance.

As of December 31, 2012, the Plan has a revenue credit account included in the money market investment fund that totaled \$22,404. There was no such credit as of December 31, 2011. The revenue credit account was funded with excess revenue generated by the Plan in the form of a plan servicing credit. General Plan administrative expenses, such as legal fees and administrative costs, are paid for with any available revenue credit funds. Any such remaining expenses not covered by the revenue credit account are paid directly by the College.

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.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

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

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Investment Valuation and Income Recognition

The Plan's mutual fund, money market, and variable annuity investments are valued at fair value as determined by the Trustee using quoted market prices. The Plan's fixed annuity contract investments are valued at contract value, which approximates fair value. Refer to Note 4 for details on inputs, valuation techniques and fair value measurement level within the fair value hierarchy.

The plan invests in variable annuity accounts that determine their fair value using the net asset value (NAV) of the funds. The NAV is determined by each fund's trustee using the fair value of the underlying securities within the fund at year end.

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 investments as of the beginning of the period or the cost of the investments 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

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 coverage.

Payment of Benefits

Benefits are recorded when paid.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

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

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:

	2012	2011
Fixed annuity contract	\$ 10,672,424	\$ 9,924,753
Money market	1,174,091	540,543
Mutual funds	4,314,898	3,335,987
Variable annuities - real estate	2,030,305	1,738,807
Variable annuities - other	20,203,831	18,961,440
Total net assets available for benefits	\$ 38,395,549	\$ 34,501,530

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
Fixed annuity contract	\$ 307,017
Money market	3
Mutual funds	485,992
Variable annuities	2,966,075
Net appreciation in fair value of investments	3,759,087
Interest and dividends	194,684
Net investment return	\$ 3,953,771

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

	2012	2011
TIAA Traditional	\$ 10,672,424	\$ 9,924,753
CREF Stock	9,552,345	9,178,104
CREF Global Equities	2,851,118	2,488,870
CREF Bond Market	2,033,608	2,012,176
TIAA Real Estate	2,030,305	1,738,807

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

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

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 used 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:

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
Fixed annuity contract	\$ 10,672,424			\$ 10,672,424
Money market	1,174,091	\$ 1,174,091		
Mutual funds				
Large cap equity funds	608,759	608,759		
Mid cap equity funds	586,850	586,850		
Small cap equity funds	371,131	371,131		
International equity funds	655,076	655,076		
Target date funds	2,093,082	2,093,082		
Variable annuities - real estate	2,030,305		\$ 2,030,305	
Variable annuities - other				
Domestic equity annuities	3,230,024	3,230,024		
Domestic/International equity annuities	9,552,345	9,552,345		
International equity annuities	2,851,118	2,851,118		
Fixed-income annuities	2,987,507	2,987,507		
Balanced annuities	1,582,837	1,582,837		
Total	\$ 38,395,549	\$ 25,692,820	\$ 2,030,305	\$ 10,672,424

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

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

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

	December 31, 2011			
	Total	Level 1	Level 2	Level 3
Fixed annuity contract	\$ 9,924,753			\$ 9,924,753
Money market	540,543	\$ 540,543		
Mutual funds				
Large cap equity funds	466,111	466,111		
Mid cap equity funds	574,724	574,724		
Small cap equity funds	286,339	286,339		
International equity funds	484,862	484,862		
Target date funds	1,523,951	1,523,951		
Variable annuities - real estate	1,738,807		\$ 1,738,807	
Variable annuities - other				
Domestic equity annuities	3,048,680	3,048,680		
Domestic/International equity annuities	9,178,104	9,178,104		
International equity annuities	2,488,870	2,488,870		
Fixed-income annuities	2,806,715	2,806,715		
Balanced annuities	1,439,071	1,439,071		
Total	\$ 34,501,530	\$ 22,837,970	\$ 1,738,807	\$ 9,924,753

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

Fixed Annuity Contract

The fixed annuity contract is a Level 3 investment held by Teachers Insurance and Annuity Association of America (TIAA) and consists of contracts within the TIAA Traditional Annuity. The TIAA Traditional Annuity is reported at contract value and 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 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. For further discussion on how the contract value is determined, see Note 5.

Money Market

The money market is a Level 1 investment and consists of the College Retirement Equities Fund (CREF) Money Market Account. CREF is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as an open-end management investment company. CREF Money Market Account is a variable annuity. CREF Money Market Account 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 statements are available.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

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

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

Mutual Funds

The mutual funds are Level 1 investments and consist of TIAA-CREF 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. Current offerings include domestic and international equities, fixed income, real estate securities, and asset allocation.

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. 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.

Variable Annuity - Real Estate

The variable annuity - real estate is a Level 2 investment and consists of the TIAA Real Estate Account (REA). The REA is an insurance company separate account of TIAA investing mainly in real estate and real estate-related investments. Audited financial statements are available.

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. The fair value measurement of REA calculates NAV per share, which allows for a quarterly redemption and redemption notice period.

Variable Annuities - Other

The variable annuities - other are Level 1 investments and consist of seven investment portfolios within CREF. CREF is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as an open-end management investment company. The seven investment portfolios consist of: the Stock, Global Equities, Growth, Equity Index, Bond Market, Inflation-Linked Bond, and Social Choice (individually referred to as the "Account" or collectively referred to as the "Accounts"). These are variable annuities that have the fair market value per share calculated at NAV on a daily basis; thus, can be valued based on quoted market prices. 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.

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.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

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

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

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, 2012:

	<u>Balance December 31, 2011</u>	<u>Net realized and unrealized gains included in change in net assets</u>	<u>Sales, issuances and settlements</u>	<u>Purchases</u>	<u>Balance December 31, 2012</u>
Fixed annuity contract	\$ 9,924,753	307,017	(3,431,176)	3,871,830	\$ 10,672,424

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, 2012 \$ 171,301

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, 2011:

	<u>Balance December 31, 2010</u>	<u>Net realized and unrealized gains included in change in net assets</u>	<u>Sales, issuances and settlements</u>	<u>Purchases</u>	<u>Balance December 31, 2011</u>
Fixed annuity contract	\$ 9,306,664	287,850	(1,768,007)	2,098,246	\$ 9,924,753

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, 2011 \$ 184,370

NOTE 5 - Investment Contract with Insurance Company

The Plan has entered into a fixed annuity contract with TIAA. Contributions to the TIAA Traditional Annuity purchase a contractual or guaranteed amount of future benefits for the participant that is fully and unconditionally guaranteed by the general assets of 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 a participant's account in the TIAA Traditional is annuitized based on available options, the present value of the stream of payments is equal to the account balance. The subsequent stream of annuity payments occurs outside of the Plan and does not represent an obligation of the Plan.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

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

NOTE 5 - Investment Contract with Insurance Company (cont.)

The contract value of the TIAA Traditional Annuity equals the accumulated cash contributions and interest credited to the Plan's contracts less any withdrawals and adjusted for transfers, if any.

The TIAA Traditional Annuity investment contract is 99% benefit responsive as of December 31, 2012. The average yield of the TIAA Traditional benefit responsive investment contract was 3.31% for the year ended December 31, 2012.

NOTE 6 - Parties-In-Interest

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, net of revenue credit, amounted to \$178,803 for the year ended December 31, 2012 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.

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 IRS. 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.

ST. OLAF COLLEGE SALARY REDUCTION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

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

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 statements 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 may be 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 June 3, 2013 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, 2012

(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	**	\$ 10,672,424
	Money Market			
*	CREF	CREF Money Market	**	1,174,091
	Variable Annuities			
*	TIAA	TIAA Real Estate	**	2,030,305
*	CREF	CREF Stock	**	9,552,345
*	CREF	CREF Social Choice	**	1,582,837
*	CREF	CREF Bond Market	**	2,033,608
*	CREF	CREF Global Equities	**	2,851,118
*	CREF	CREF Growth	**	1,646,084
*	CREF	CREF Equity Index	**	1,583,940
*	CREF	CREF Inflation-Linked Bond	**	953,899
	Mutual Funds			
*	TIAA-CREF	TIAA-CREF Lifecycle 2010	**	78,482
*	TIAA-CREF	TIAA-CREF Lifecycle 2015	**	389,129
*	TIAA-CREF	TIAA-CREF Lifecycle 2020	**	145,567
*	TIAA-CREF	TIAA-CREF Lifecycle 2025	**	415,192
*	TIAA-CREF	TIAA-CREF Lifecycle 2030	**	170,818
*	TIAA-CREF	TIAA-CREF Lifecycle 2035	**	419,824
*	TIAA-CREF	TIAA-CREF Lifecycle 2040	**	445,750
*	TIAA-CREF	TIAA-CREF Lifecycle 2045	**	19,400
*	TIAA-CREF	TIAA-CREF Lifecycle 2050	**	8,568
*	TIAA-CREF	TIAA-CREF Lifecycle 2055	**	352
*	TIAA-CREF	TIAA-CREF International Equity	**	655,076
*	TIAA-CREF	TIAA-CREF Large-Cap Value	**	608,759
*	TIAA-CREF	TIAA-CREF Mid-Cap Growth	**	55,838
*	TIAA-CREF	TIAA-CREF Mid-Cap Value	**	531,012
*	TIAA-CREF	TIAA-CREF Small-Cap Equity	**	371,131
				<u>\$ 38,395,549</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.