WASHINGTON SUBURBAN SANITARY COMMISSION EMPLOYEES' RETIREMENT PLAN

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2013 AND 2012

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INDEPENDENT AUDITOR'S REPORT

The Commissioners
Washington Suburban Sanitary Commission

The Board of Trustees
Washington Suburban Sanitary Commission
Employees' Retirement Plan

Report on the Financial Statements

We have audited the accompanying Statements of Plan Net Position of the Washington Suburban Sanitary Commission Employees' Retirement Plan (the "Plan") as of December 31, 2013 and 2012, and the related Statements of Changes in Plan Net Position for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Plan as of December 31, 2013 and 2012, and the changes in its net position for the year ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the accompanying management discussion and analysis on pages 3-10, the schedules of funding progress and employer contributions on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plan's basic financial statements. The supplemental schedule of investments is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedule of investments is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of investments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Washington, D.C. BCA Watson Rice LLP
August 29, 2014

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2013 AND 2012

The Washington Suburban Sanitary Commission Employees' Retirement Plan (the "Plan") provides retirement benefits to the employees, retirees, and beneficiaries of the Washington Suburban Sanitary Commission. To facilitate understanding the Plan's financial performance for the years ended December 31, 2013 and 2012, management has prepared this discussion and analysis. The following discussion and analysis should be read in conjunction with the Plan's financial statements, and supplementary information provided in this report.

OVERVIEW OF THE FINANCIAL STATEMENTS AND SCHEDULES

The financial information presented in this report includes two financial statements, the notes to the financial statements, and supplementary information.

The Statements of Plan Net Position show the amount of assets and deferred outflow of resources, liabilities and deferred inflow of resources, and net position held in trust for pension beneficiaries as of the end of the current and prior calendar years.

The Statements of Changes in Plan Net Position show the additions to and reductions in the Plan's net position during the current and prior calendar years. The statements present the major sources of funds added and uses of funds deducted.

The Notes to the Financial Statements contain disclosures and discussions which support the data presented in the financial statements. The notes present information about the creation and administration of the Plan, significant accounting policies, and investments. The notes are an integral part of the financial statements and should be considered in conjunction with any review of the financial statements.

The Supplementary Information includes additional information on the Plan's financial condition and trends, including information on employer contributions, actuarial assumptions, funding status, and investments for the last three fiscal years.

FINANCIAL HIGHLIGHTS

Fiscal Year 2013

- On December 31, 2013, the Plan's net position held in trust for current and future retirement benefits were $736.8 million dollars. This reflects an increase in the Plan's net position of $80.6 million from the prior year.

- The total net investment gain was $110.7 million dollars, comprised of $100.3 million net gain in the fair market value of investments, $12.7 million in dividends and interest, and investment expenses of $2.3 million. This is compared to a net investment gain of $82.7 million for calendar year 2012. The 2013 increase reflects the continued recovery in the financial markets throughout 2013.

- The total fund investment return for 2013 was 17.2%. For the period ending December 31, 2013, the Plan returned 12.2% per annum over the past five years and 6.4% annualized over the past ten years.

Fiscal Year 2012

- On December 31, 2012, the Plan's net position held in trust for current and future retirement benefits were $656.2 million dollars. This reflects an increase in the Plan's net position of $53.5 million from the prior year.

- The total net investment gain was $82.7 million dollars, comprised of $71.0 million net gain in the fair market value of investments, $13.4 million in dividends and interest, and investment expenses of $1.7 million. This is compared to a net investment loss of $15.7 million for calendar year 2011. The 2012 increase reflects the continued recovery in the financial markets throughout 2012.

- The total fund investment return for 2012 was 13.9%. For the five-year period ending December 31, 2012, the Plan returned 1.9% per annum and 7.1% annualized over the past ten years.

FINANCIAL ANALYSIS

Table 1 – Condensed Statements of Plan Net Position as of December 31, 2013, 2012 and 2011

				2013 - 2012		2012 - 2011	
	2013	2012	2011	Variance	% Variance	Variance	% Variance
ASSETS							
Cash, cash equivalents and investments	$ 794,892,127	$ 723,545,364	$ 665,261,173	$ 71,346,763	9.86	$ 58,284,191	8.76
Receivables	846,444	954,492	1,149,693	(108,048)	(11.32)	(195,201)	(16.98)
Total Assets	795,738,571	724,499,856	666,410,866	71,238,715	9.83	58,088,990	8.72
LIABILITIES							
Payables for collaterals received under securities lending agreements	47,528,701	57,786,505	53,584,927	(10,257,804)	(17.75)	4,201,578	7.84
Benefits payable and accrued expenses	1,191,812	1,036,162	825,906	155,650	15.02	210,256	25.46
Deferred prefunded WSSC contributions	10,249,460	9,519,438	9,343,199	730,022	7.67	176,239	1.89
Total Liabilities	58,969,973	68,342,105	63,754,032	(9,372,132)	(13.71)	4,588,073	7.20
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	$ 736,768,598	$ 656,157,751	$ 602,656,834	$ 80,610,847	12.29	$ 53,500,917	8.88

Fiscal Year 2013

The Plan's cash and cash equivalents and investments for fiscal year 2013 increased by $71.3 million or 9.86%. The increase was due primarily to investment income of $110.7 million, contributions totaling $23.4 million. These additions were reduced by benefit payments and refunds of $53.5 million.

As shown in **Table 2a - Investments by Manager/Advisor with Rates of Returns as of December 31, 2013**, a significant portion of the Plan's investments were managed by Vanguard (17.2%), State Street Global Advisors (9.6%) and CastleArk Management (9.3%). For the year ended December 31, 2013, most managers/advisors reflected an average annual rate of return in excess of 10% for funds under management. Overall, the weighted average annual rate of return was 16.3% which contributed to an increase in investment income by 33.97% to $110.7 million.

Table 2a - Investments by Manager/Advisor with Rates of Returns as of December 31, 2013

	Investment Value	Percentage of Total Assets	Average Annual Rate of Return %
CastleArk Management	$ 69,141,063	9.3	25.9
Time Square CIGNA Investments	20,000	-	-
Hughes Capital Management	54,615,208	7.4	(1.2)
Income Research + Management	25,644,585	3.5	(7.6)
State Street Global Advisors	73,199,538	9.6	27.9
	222,620,394		
Prudential Retirement Insurance and Annuity Company	40,496,720	5.5	7.3
Vanguard	127,423,672	17.2	20.1
Morgan Stanley Asset Management	64,933,451	8.8	18.8
Dimensional Fund Advisors	32,059,068	4.3	(3.9)
Investment Counselors of Maryland	63,756,179	8.6	30.6
JP Morgan Asset Management	57,376,228	7.7	21.9
BlackRock Investments	58,160,373	7.9	13.7
Wellington Trust Company	52,765,421	7.1	10.3
ING Clarion Global Real Estate	23,208,044	3.1	3.5
	$ 742,799,550	100.0	

During the year, the Board of Trustees met regularly to monitor investment manager performance. During calendar year 2013, Board actions included:

- Approving the transfer of $12 million from Income Research & Management (IR&M) for the April, May and June annuity payments to meet annual liquidity needs and re-balance the real return (or TIPs) asset class back to below target.

- Agreement to correct equity overweight and fixed income underweight by redeeming $30 million from the Vanguard Institutional Total Stock Market Index Fund and transferring it to Prudential Guaranteed Deposit Fund for FY 2014 annuity payments.

- Reviewing the necessity of two Guaranteed Deposit Fund accounts at Prudential, and voting to merge the two contracts into one effective January 1, 2014, saving approximately $15,000 in annual fees.

Receivables for fiscal year 2013 decreased by $0.1 million or 11.32% due to marginal reductions in dividend and accrued interest receivables and contributions receivable from employees.

Total liabilities decreased by 13.71% or $9.4 million. This is due primarily to a reduction in payables for collaterals received under securities lending agreements which decreased from $57.8 million in 2012 to $47.5 million in 2013 or 17.75%.

Fiscal Year 2012

The Plan's cash and investments for fiscal year 2012 increased by $58.3 million or 8.76%. The increase was due primarily to investment income of $82.7 million, contributions totaling $22.4 million. These additions were reduced by benefit payments and refunds of $51.6 million.

As shown in **Table 2b - Investments by Manager/Advisor with Rates of Returns as of December 31, 2012**, a significant portion of the Plan's investments were managed by Vanguard (19.9%), State Street Global Advisors (8.4%), Hughes Capital Management (8.2%) and Morgan Stanley Asset Management (8.2%). For the year ended December 31, 2012, most managers/advisors reflected an average annual rate of return in excess of 10% for funds under management. Overall, the weighted average annual rate of return was 13.5% which contributed to an increase in investment income by 627.93% to $82.7 million.

Table 2b - Investments by Manager/Advisor with Rates of Returns as of December 31, 2012

	Investment Value	Percentage of Total Assets	Average Annual Rate of Return %
CastleArk Management	$ 51,804,525	7.9	12.5
Time Square CIGNA Investments	20,000	-	-
Hughes Capital Management	54,449,052	8.2	4.9
Income Research + Management	40,148,222	6.1	6.8
State Street Global Advisors	55,274,038	8.4	16.0
	201,695,837		
Prudential Retirement Insurance and Annuity Company	25,170,307	3.8	7.2
Vanguard	131,429,665	19.9	14.7
Morgan Stanley Asset Management	53,767,635	8.2	18.0
Dimensional Fund Advisors	33,326,722	5.1	17.7
Investment Counselors of Maryland	46,823,494	7.1	15.6
JP Morgan Asset Management	46,059,620	7.0	14.7
BlackRock Investments	50,700,853	7.7	9.8
Wellington Trust Company	47,603,323	7.2	13.4
CBRE Clarion Global Real Estate	22,418,374	3.4	25.8
	$ 658,995,830	100.0	

During the year, the Board of Trustees (the "Board") met regularly to monitor investment manager performance. In calendar year 2012, the Board did not take any actions to change investment managers or asset allocations, though two motions were approved during the year:

1. Transferring the CBRE Global REIT holding to a comparable collective trust with the newly formed CBRE Clarion Global REIT (due to the merger of ING Clarion and CBRE); and

2. Approving the continued draw of the Prudential Guaranteed Deposit Account to meet cash needs for monthly payments to WSSC retirees and beneficiaries.

Receivables for fiscal year 2012 decreased by $0.2 million or 16.98% due to marginal reductions in dividend and accrued interest receivables and contributions receivable from employees.

Total liabilities increased by 7.20% or $4.6 million. This is due primarily to an increase in payables for collaterals received under securities lending agreements which increased from $53.6 million in 2011 to $57.8 million in 2012 or 7.84%.

Table 3 – Condensed Statements of Changes in Plan Net Position as of December 31, 2013, 2012 and 2011

	2013	2012	2011	2013 - 2012 Variance	2013 - 2012 % Variance	2012 - 2011 Variance	2012 - 2011 % Variance
ADDITIONS							
Investment income	$ 110,734,486	$ 82,659,170	$ (15,657,106)	$ 28,075,316	33.97	$ 98,316,276	627.93
Contributions	23,421,629	22,422,674	21,948,299	998,955	4.46	474,375	2.16
Total Additions	134,156,115	105,081,844	6,291,193	29,074,271	27.67	98,790,651	1,570.30
DEDUCTIONS							
Benefit payments and refunds	53,545,268	51,580,927	49,674,859	1,964,341	3.81	1,906,068	3.84
Net Increase	80,610,847	53,500,917	(43,383,666)	27,109,930	50.67	96,884,583	223.32
NET POSITION HELD IN TRUST FOR PENSION BENEFITS							
Beginning of Year	656,157,751	602,656,834	646,040,500	53,500,917	8.88	(43,383,666)	(6.72)
End of Year	$ 736,768,598	$ 656,157,751	$ 602,656,834	$ 80,610,847	12.29	$ 53,500,917	8.88

Fiscal Year 2013

Net investment income was comprised of interest and dividends and net appreciation in the fair value of investments less investment expenses. Interest and dividends decreased, from $13.4 million in 2012, to $12.7 million in 2013. The financial markets reflected favorable conditions during the year ended December 31, 2013, and accordingly, there was a net appreciation in the fair value of the investments of $100.3 million for 2013, compared to $71.0 million for fiscal year 2012. The increase in the net investment income was primarily due to most of the Plan's funds reflecting positive rates of return. The Plan had an overall weighted average rate of return of 16.3% for financial year 2013.

Investment expenses increased by $0.6 million or 37.9%. Investment expenses represent approximately 0.3% or 30 basis points of average net position.

Participant and Plan sponsor contributions increased in 2013 to $23.4 million from $22.4 million in 2012 due to an increase in the number of employees and higher salary levels. Retirement annuity benefit payments, excluding refunds, totaled $53.2 million. This represented an increase of $2.0 million from 2012 to 2013 due to an increase in the number of retirees and cost-of-living increases.

Fiscal Year 2012

Net investment income was comprised of interest and dividends and net appreciation in the fair value of investments less investment expenses. Interest and dividends decreased, from $13.3 million in 2011, to $13.4 million in 2012. The financial markets reflected favorable conditions during the year ended December 31, 2012, and accordingly, there was a net appreciation in the fair value of the investments of $71.0 million for 2012, compared to a net depreciation of $27.9

million for fiscal year 2011. The increase in the net investment income was primarily due to most of the Plan's funds reflecting positive rates of return. The Plan had an overall weighted average rate of return of 13.5% for financial year 2012.

Investment expenses increased by $0.7 million or 65.5%. Investment expenses represent approximately 0.3% or 30 basis points of average net position.

Participant and Plan sponsor contributions increased in 2012 to $22.4 million from $21.9 million in 2011 due to an increase in the number of employees and higher salary levels. Retirement annuity benefit payments, excluding refunds, totaled $51.2 million. This represented an increase of $1.9 million from 2011 to 2012 due to an increase in the number of retirees and cost-of-living increases.

PLAN FUNDING

Fiscal year 2013

The Plan's actuarially determined target rate of investment return is 8.0% net of expenses. On an annual or biennial basis the market value of the Plan's assets and its investment gains and losses are reviewed by the Plan's actuary to determine the viability and funding progress of the Plan, the latest of which was performed effective June 30, 2013.

The Plan began using the Average Value Method to determine actuarial asset value effective July 1, 2007. This smoothing method explicitly recognizes each year's investment gain or loss over a five-year period with the final actuarial value not less than 80% or more than 120% of the market value of assets. As required by Governmental Accounting Standards Board ("GASB") Statements No. 25 *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and 27, *Accounting for Pension by State and Local Governmental Employers*, the Plan's reported funding progress (expressed as the ratio of the actuarial value of assets to the actuarial accrued liability) was 93.7% as of June 30, 2013.

Fiscal Year 2012

The Plan's actuarially determined target rate of investment return is 8.0% net of expenses. On an annual or biennial basis the market value of the Plan's assets and its investment gains and losses are reviewed by the Plan's actuary to determine the viability and funding progress of the Plan, the latest of which was performed effective June 30, 2011.

The Plan began using the Average Value Method to determine actuarial asset value effective July 1, 2007. This smoothing method explicitly recognizes each year's investment gain or loss over a five-year period with the final actuarial value not less than 80% or more than 120% of the market value of assets. As required by Governmental Accounting Standards Board ("GASB") Statements No. 25 *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures* *for Defined Contribution Plans* and 27, *Accounting for Pension by State and Local Governmental Employers*, the Plan's reported funding progress (expressed as the ratio of the actuarial value of assets to the actuarial accrued liability) was 94.8% based on June 30, 2011.

OTHER SIGNIFICANT MATTERS

Fiscal Year 2013

Throughout 2013, fiscal standoff news could have led investors to question how the lack of agreement would impact the U.S. economy. In fact, despite sequestration, federal spending reductions, payroll tax increases, and the federal government shutdown, the economy continued to grow. Throughout the first-half of the year, markets tried to anticipate when the tapering of monthly Federal Open Market Committee (FOMC) purchases of mortgage-backed securities and Treasuries would begin, as economic data seemed to support earlier tapering. However, by September, disappointing economic data and the uncertainty created by the fiscal standoff in Congress led the Federal Reserve to hold off on scaling back its quantitative easing program. By December, the FOMC did announce it would begin to reduce bond purchases, and investors reacted favorably, interpreting this as confirmation that the U.S. economy was strong enough to justify the move. While maintaining its commitment to policy accommodation, the Federal Reserve left the federal funds rate unchanged at zero to 0.25 percent. The continued FOMC large-scale asset purchases during 2013 supported equity markets, and investors responded to increased corporate earnings as risk-averse corporations kept costs in check and improved balance sheets. In Europe, no news was good news as policymakers directed progress in a slow recovery from the debt crisis.

Fiscal Year 2012

In 2012, as investors reacted to a slow growing U.S. economy, stubbornly high unemployment, and the latest developments in the European debt crisis, market sentiment shifted between "risk on" and "risk off" modes. Although there was demonstrated volatility around issues ranging from the European financial crisis and austerity measures, national elections, Hurricane Sandy, and the U.S. "fiscal cliff," for the short-term, accommodative monetary policies proved successful. For the year, risk clearly remained attractive to investors as international equities and emerging markets out-performed, as did other risk-based assets.

ADDITIONAL INFORMATION

These financial statements present the finances of the Plan in accordance with accounting principles generally accepted in the United States of America. Questions about these financial statements or other inquiries should be addressed to the Executive Director, WSSC Employees' Retirement Plan, Washington Suburban Sanitary Commission, 14501 Sweitzer Lane, Laurel, MD 20707-5901.

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF PLAN NET POSITION
DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS		
Cash and cash equivalents	$ 4,563,876	$ 6,763,029
Investments at fair value:		
Mutual and/or commingled funds	552,881,974	487,403,725
U.S. Government and agency bonds	56,032,500	66,638,421
Corporate bonds	24,142,089	26,259,699
Common stock	69,140,842	51,804,525
Investment contracts with insurance company	40,496,720	25,170,307
Other holdings:		
Commercial paper	-	1,699,153
Cash collateral received under securities lending agreements (Note H)	47,528,701	57,786,505
Limited partnership units	20,000	20,000
Other fixed holdings	85,425	-
Total investments	790,328,251	716,782,335
Dividends and accrued interest receivable	651,026	706,910
Contributions receivable from employees	195,418	247,582
Total Assets	795,738,571	724,499,856
LIABILITIES		
Payable for collateral received under securities lending agreements (Note H)	47,528,701	57,786,505
Benefits payable and accrued expenses	1,191,812	1,036,162
Deferred prefunded WSSC contributions (Note C)	10,249,460	9,519,438
Total Liabilities	58,969,973	68,342,105
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	$ 736,768,598	$ 656,157,751

The accompanying notes are an integral part of these financial statements.

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF CHANGES IN PLAN NET POSITION
DECEMBER 31, 2013 AND 2012

	2013	2012
ADDITIONS		
Investment Income:		
Net appreciation in the fair value of Plan investments	$ 100,322,596	$ 70,973,044
Dividends and interest	12,725,877	13,363,618
	113,048,473	84,336,662
Less investment expenses	(2,313,987)	(1,677,492)
Net investment income	110,734,486	82,659,170
Contributions (Note C):		
WSSC contributions	19,768,897	18,862,636
Employee contributions	3,652,732	3,560,038
Total contributions	23,421,629	22,422,674
Total Additions	134,156,115	105,081,844
DEDUCTIONS		
Benefit payments to retirees	53,150,627	51,157,147
Refunds of employees' contributions and interest earned	394,641	423,780
Total Deductions	53,545,268	51,580,927
NET INCREASE IN NET POSITION	80,610,847	53,500,917
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
BEGINNING OF YEAR	656,157,751	602,656,834
END OF YEAR	$ 736,768,598	$ 656,157,751

The accompanying notes are an integral part of these financial statements.

NOTE A. DESCRIPTION OF PLAN

General

The Plan, a single employer contributory defined benefit retirement plan, was established in 1967 to provide retirement and death benefits for the employees of the Washington Suburban Sanitary Commission ("WSSC") under conditions set forth in the Plan Document based on an employee's age, length of service, and compensation. The Retirement Plan Document is amended from time to time, with the Plan last amended on December 18, 2012. The Plan may be amended by Commission resolution or by the Executive Director on behalf of the Commission.

WSSC implemented the Open Version of the Plan on July 1, 1978. Members of the Plan as of June 30, 1978 had an option to be included in the Open Version. This option expired December 31, 1978. The Open Version is mandatory for new employees. It generally provides for reduced employee contributions and benefits.

As of December 31, 2013 and 2012, there were 1,525 and 1,528 employees, respectively, participating in the Open Version of the Plan, and 12 and 17 employees, respectively, participating in the Closed Version of the Plan, a total of 1,537 and 1545 employee participants, respectively.

The Plan provides for a review process for participants whose claim for benefits is denied. There were no reviews pending as of December 31, 2013 and 2012.

Contributions

The Plan requires employees under the Closed Version to contribute 6% of gross wages and employees under the Open Version to contribute 3% of gross wages as a condition of employment.

Expenses

WSSC pays the administrative expenses of the Plan, other than investment management and consulting fees.

Pension Benefits

The Plan provides for 100% vesting of retirement benefits after five years of credited service.

NOTE A. DESCRIPTION OF PLAN (Continued)

Generally, the normal retirement benefits payable to an eligible participant are equal to the sum of:

1. 2.1% of final average monthly compensation multiplied by the Closed Version credited service, plus

2. 1.4% of final average monthly compensation multiplied by the Open Version credited service where the sum of Closed Version credited service and Open Version credited service, exclusive of accumulated sick leave service is subject to a maximum of 36 years.

The Plan provides options for disability and early retirement to eligible participants or their surviving spouses.

The Plan provides for periodic cost of living increases to retirement benefits. Participants covered by the Closed Version will receive an increase two months following a sustained increase in the Consumer Price Index of 3% or more. Participants in the Open Version receive an increase each March 1, based on the preceding calendar year's increase in the Consumer Price Index. The first increase may be pro-rated depending on the time of retirement.

As of December 31, 2013 and 2012, there were 1,517 and 1495 retirees and/or beneficiaries, respectively, receiving benefits from the Plan, and there were 74 and 75 terminated vested employees, respectively, not yet receiving benefits. Five and eleven employees retired fiscal years 2013 and 2012, respectively, and began receiving benefits in subsequent fiscal years.

Plan Termination

In the event of termination, Plan assets are to be allocated in the following priorities:

1. Expenses, fees and other charges under the Plan, not previously paid.
2. Pension benefits based upon contributions made by employees and interest earned thereon.
3. Pension benefits based upon contributions made by the employer which are vested.
4. All other pension benefits under the Plan.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Plan's financial statements are presented in accordance with Governmental Accounting Standards Board ("GASB") Statements. The Statements requires two basic financial statements: the statement of plan net position and the statement of changes in plan net position. For financial reporting purposes, the Plan is considered a retirement plan.

Basis of Accounting

The financial statements of the Washington Suburban Sanitary Commission Employees' Retirement Plan (the "Plan") are presented on the accrual basis of accounting. Contributions are recognized by the Plan when the payments become due from WSSC. Investment income is recognized when earned. Deductions are recognized when due in accordance with the terms of the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Plan considers all cash and highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Investments

Investments are stated at fair value. The fair value is generally based on quoted market prices on the last business day of the Plan's year end.

The Plan holds investment contracts with Prudential Financial. The fair value of these contracts is determined based on the fair value of the underlying pooled assets, and is an estimate only and not the result of a precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year. It does not constitute an offer by Prudential Financial or a final experience adjustment.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net appreciation (depreciation) in the fair value of investments reflected in the Statements of Changes in Plan Net Position includes realized gains and losses on investments that were sold during the year and unrealized appreciation in the fair value of investments.

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

Reclassifications

Certain prior year balances may have been reclassified to conform with the current year presentation. These reclassifications have no effect upon reported net position held in trust for benefits.

Accounting Changes

GASB has issued Statement No. 63, *Financial Reporting of Deferred Outflow of Resources, Deferred Inflow of Resources, and Net Position*. The requirement of this statement standardizes the presentation of deferred inflows and outflows of resources, and their effects on a government's net position. This statement became effective for periods beginning after December 15, 2011. The implementation of this statement was limited to renaming of "Net Assets" to "Net Position".

GASB has issued Statement No. 65, *Items Previously Reported as Assets and Liabilities.* This statement reclassifies certain items that were previously reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources, or as outflows of resources and inflows of resources, respectively. The statement is effective for periods beginning after December 15, 2012. The implementation in fiscal year 2013 did not have material impact on the Plan's financial statements.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*. The Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures,* as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. This Statement is effective for financial statements for fiscal years beginning after June 15, 2013. The Plan is evaluating the impact of this standard on the financial statements.

NOTE C. CONTRIBUTIONS

WSSC funds annual pension plan costs based upon a level percentage of payroll costs. WSSC's contribution, which is paid in a lump sum on July 1 each year, amounted to $20,498,919 and $19,038,875 on July 1, 2013 and 2012, respectively. At December 31, 2013 and 2012, $10,249,460 and $9,519,438, respectively, of these contributions were recorded as deferred prefunded WSSC contributions. For the years ended December 31, 2013 and 2012, the Plan recognized WSSC's contributions of $19,765,897 and $18,862,636, respectively.

NOTE D. TRUSTEES OF THE PLAN

WSSC established a Board of Trustees (the "Board") for the Plan to be responsible for the investment management of the Plan's assets for the exclusive benefit of the Plan's participants. The trustees are governed by a Trust Agreement. The agreement provides for trustees to be appointed by WSSC and for the eleven-member Board to be composed of two Commissioners, four employees who are participants of the Plan, two representatives of the public, two retirees who are participants in the Plan, and the Executive Director of the Plan.

The administration of the Plan is managed by the Executive Director of the WSSC Employee Retirement Plan who is appointed by the General Manager of WSSC.

NOTE E. INTERNAL REVENUE STATUS

The Plan obtained its latest determination letter dated May 25, 2012, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, the Plan was qualified and the related Trust was tax exempt as of December 31, 2013 and 2012.

NOTE F. CASH AND INVESTMENTS

The Plan's investments are subject to the following risks common to investments:

- ***Custodial Credit Risk*** is the risk that the Plan will not be able to recover the value of its investments if the counterparty fails. The Plan's investments were subject to custodial credit risk for 2013 and 2012 because the investments were uninsured and were held by the counterparty in the Plan's name.

- ***Credit Risk*** is the risk that an issuer to an investment will not fulfill its obligations. The Plan seeks to maintain a diversified portfolio of fixed income securities in order to obtain the highest total return at an acceptable level of risk.

  As of December 31, 2013, the quality ratings of the Plan's fixed income investments in U.S. Government obligations and corporate bonds were as follows:

Quality Rating	Fair Value	Percentage
U.S. Government and Agency Bonds:		
AAA	$ 25,644,805	31.99%
AAA/AA+	30,387,695	37.90%
Total U.S. Government and Agency Bonds	56,032,500	69.89%
Corporate Bonds:		
AAA	5,090,507	6.35%
Aa2	695,820	0.87%
Aa3	454,820	0.57%
A1	3,301,885	4.12%
A2	3,864,291	4.82%
A3	6,432,802	8.02%
Baa1	2,615,585	3.26%
Baa2	445,816	0.56%
Baa3	1,020,389	1.27%
Ca	220,174	0.27%
Total Corporate Bonds	24,142,089	30.11%
Total	$ 80,174,589	100.00%

NOTE F. CASH AND INVESTMENTS (Continued)

As of December 31, 2012, the quality ratings of the Plan's fixed income investments in U.S. Government obligations and corporate bonds were as follows:

Quality Rating	Fair Value	Percentage
U.S. Government and Agency Bonds:		
AAA	$ 66,638,421	31.99%
Corporate Bonds:		
AAA	6,580,841	7.08%
Aa2	1,487,593	1.60%
Aa3	571,589	0.62%
A1	3,132,982	3.37%
A2	4,135,252	4.45%
A3	3,697,324	3.98%
Baa1	3,556,577	3.83%
Baa2	1,621,636	1.75%
Baa3	1,145,164	1.23%
Ca	330,741	0.36%
Total Corporate Bonds	26,259,699	28.27%
Total	$ 92,898,120	60.26%

Certain mutual and/or commingled funds of the Plan maintain investments that includes fixed income securities, such as, the Vanguard High Yield Corporate (Vanguard) and Wellington OIA (Wellington) funds. As of December 31, 2013 and 2012, the ratings of the underlying securities of the Vanguard fund were AAA/BB/B/Below B. Ratings were unavailable for the underlying securities of the Wellington fund. The other mutual funds, which were equity-based, and the investment contracts were unrated.

- ***Interest Rate Risk*** is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

NOTE F. CASH AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's fixed income investments by maturity:

Fiscal Year 2013

Investment Type	Total	Remaining Maturities (In Months) 12 Months Or Less	13 to 24 Months	25 - 60 Months	More Than 60 Months
U.S. Government and Agency bonds:					
Mortgage-backed securities	$ 14,956,346	$ 393,486	$ 15,294	$ 243,214	$ 14,304,352
U.S. Treasury Notes	38,251,154	1,956,170	2,813,927	7,295,607	26,185,450
U.S. Treasury Bills	2,825,000	2,825,000	-	-	-
Corporate bonds	24,142,089	7,431,425	591,474	6,851,176	9,268,014
	$ 80,174,589	$ 12,606,081	$ 3,420,695	$ 14,389,997	$ 49,757,816

Fiscal Year 2012

Investment Type	Total	Remaining Maturities (In Months) 12 Months Or Less	13 to 24 Months	25 - 60 Months	More Than 60 Months
U.S. Government and Agency bonds:					
Mortgage-backed securities	$ 16,828,815	$ 702,077	$ 180,979	$ 161,337	$ 15,784,422
U.S. Treasury Notes	49,809,606	3,101,406	3,334,431	10,565,345	32,808,424
Corporate bonds	26,259,699	6,356,326	1,498,582	3,447,893	14,956,898
	$ 92,898,120	$ 10,159,809	$ 5,013,992	$ 14,174,575	$ 63,549,744

The mortgage-back securities listed above are considered highly sensitive to interest rate risk.

Also, as of December 31, 2013 and 2012, the weighted average maturity (WAM) of the underlying securities of the Vanguard High Yield Corporate Fund (a mutual and/or commingled fund of the Plan) was 4.6 years. The WAM of the other mutual and/commingled funds were unavailable.

- ***Foreign Currency Risk*** is the risk that changes in exchange rates will adversely affect the fair value of an investment in a foreign financial institution. The Plan mitigates this risk by limiting its investments in non-U.S. securities.

NOTE F. CASH AND INVESTMENTS (Continued)

As of December 31, 2013 and 2012, the Plan's mutual and/or commingled funds which contained underlying foreign related investments were as follows:

	2013	2012
Morgan Stanley Investment Management International Equity Trust	$ 64,933,451	$ 53,767,635
Dimensional Fund Advisors	32,059,068	33,326,722
Wellington OIA Fund	52,765,421	47,603,323
Blackrock Investments	58,160,373	50,700,853
JP Morgan Global Focus Fund	57,376,228	46,059,620
ING Clarion Global Securities	23,208,044	-
CBRE Clarion Global Securities	-	22,418,374
Total	$ 288,502,585	$ 253,876,527

- ***Concentration of Credit Risk*** - Individual investments that represent 5 percent or more of the fair value of the Plan's net position are as follows:

	2013	2012
ICM Small Company Portfolio	$ 63,756,719	$ 46,823,494
Vanguard Total Stock Market Index Fund	84,847,744	90,742,065
State Street Global Advisor	73,199,538	55,274,039
Morgan Stanley Investment Management International Equity Trust	64,933,451	53,767,635
Vanguard High Yield Corporate Fund	42,575,928	40,687,600
BlackRock Global Allocation Fund	58,160,373	50,700,853
Wellington OIA Fund	52,765,421	47,603,323
JP Morgan Global Focus Fund	57,376,228	46,059,620
Dimension Fund Advisors	*	33,326,722

*Balance less than 5%.

Except for investments in U.S. Government or Agency securities, investment managers invest no more than 7 percent of their portion of Plan assets, at cost, and no more than 10 percent at market, in securities of any one issuer or its subsidiaries or affiliates.

NOTE G. INVESTMENT IN REAL ESATATE FUND

The Plan invests in the CB Richard Ellis Global REIT Fund, which is valued by using quoted market prices on the last business day of the Plan's year end. In fiscal year 2013, the holding was transferred to a comparable collective trust with CBRE Clarion Global REIT.

NOTE H. SECURITIES LENDING

The Board of Trustees permits the Plan to lend its securities to broker-dealers and other entities (the "Borrowers") for collateral that will be returned for the same securities in the future. The Plan's custodian is the agent in lending the Plan's securities for collateral of 102 percent for domestic securities and 105 percent for international securities. The custodian receives cash, securities or irrevocable bank letters of credit as collateral. All securities loans can be terminated on demand by either the Plan or the Borrowers. Cash collateral received from the Borrowers is invested by the lending agent, as an agent for the Plan, in a short-term investment pool in the name of the Plan, with guidelines approved by the Board. Such investments are considered a collateralized investment pool. The relationship between the maturities of the investment pool and the Plan's loans is affected by the maturities of securities loans made by other plan entities that invest cash collateral in the investment pool, and which the Plan cannot determine. The Plan records a liability for the return of the cash collateral shown as collateral held for securities lending in the Statements of Plan Net Position. The Board does not restrict the amount of loans the lending agent may make on its behalf. The agent indemnifies the Plan by agreeing to purchase replacement securities, or return the cash collateral thereof, in the event a Borrower fails to return loaned securities or pay distributions thereon.

As of December 31, 2013 and 2012, the fair value of securities on loan was $46,507,686 and $56,680,468 respectively. Cash received as collateral and the related liability of $47,528,701 and $57,786,504 as of December 31, 2013 and 2012 are shown on the Statements of Plan Net Position. Securities received as collateral are not reported as assets since the Plan does not have the ability to pledge or sell the collateral securities.

Securities lending revenues and expenses amounting to $166,294 and $92,812, respectively for December 31, 2013 and $189,739 and $137,662, respectively, for December 31, 2012, have been classified with investment income and investment expenses, respectively, in the accompanying financial statements.

NOTE H. SECURITIES LENDING (Continued)

The following represents the balances relating to the securities lending transactions as of December 31, 2013 and 2012:

	Fair Value of Underlying Securities	Cash Collateral Investment Value
December 31, 2013		
Securities Loaned for Cash Collateral		
Corporate Bonds	$ 1,552,090	$ 1,585,796
Common Stock	9,853,902	10,065,813
U.S. Government & Agency Bonds	35,101,695	35,877,092
Total	$ 46,507,687	$ 47,528,701

	Fair Value of Underlying Securities	Cash Collateral Investment Value
December 31, 2012		
Securities Loaned for Cash Collateral		
Corporate Bonds	$ 3,375,418	$ 3,436,520
Common Stock	9,046,843	9,135,407
U.S. Government & Agency Bonds	44,258,207	45,214,578
Total	$ 56,680,468	$ 57,786,505

At year-end, the Plan has credit risk exposure to Borrowers because the amount the Plan owes the Borrowers is less than the amounts the Borrowers owe the Plan. The Plan is fully indemnified by its custodial bank against any losses incurred as a result of Borrower default.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2013 and 2012, there were no funds held by a counterparty that was acting as the Plan's agent in securities lending transactions.

NOTE I. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities that are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of plan net position.

NOTE J. FUNDED STATUS AND FUNDING PROGRESS

The funded status of the Plan as of June 30, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2013	$ 646,535,661	$ 690,054,129	$ 43,518,468	93.7%	$ 117,392,770	37.1%

The schedules of funding progress, presented as required supplementary information ("RSI") following the notes to financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Additional information as of the latest actuarial valuation is as follows:

Valuation date	June 30, 2013
Actuarial method	Frozen initial liability modification of the entry age normal method.
Amortization method	Prior to the effective date of GASB 25, the method is a 15-year amortization at 8% interest adjusted for the yearly increase in salary scale. Beginning with the effective date, the amortization method is based on a level percentage of projected payroll.
Remaining amortization	For the amortization component of the ARC (Annual Required Contribution), the effective remaining period is 7 years.

NOTE J. FUNDED STATUS AND FUNDING PROGRESS (Continued)

Asset valuation method	Beginning July 1, 2007, the Average Value Method is used to determine the Actuarial Asset Value. This method determines the value of assets so that asset appreciation or depreciation is only partially recognized in the year of occurrence. The result is a gradual recognition of 20% per year over a 5-year period of each year's appreciation or depreciation in excess of or less than that which was assumed. The Actuarial Asset Value must be within 80% to 120% of the Market Value of Assets.

Actuarial assumptions:

Rate of return on investments	8%
Yearly increase in cost of living	3.5%
Yearly increase in salary scale	5%
Yearly increase in total payroll	5%
Annual rates of severance prior to retirement	Severance due to withdrawal is based on WSSC experience. Severance due to mortality or disability is based on published rates adjusted to reflect actual experience.
Mortality rates after retirement	RP 2000 Healthy Annuitant mortality table for non-disability retirement pensioners. GA-1983 mortality table assumed forward ten years for disability retirement pensioners.
Retirement age assumptions	Ranging from age 45 to 69.

NOTE K. SUBSEQUENT EVENTS

The Plan has evaluated events subsequent to December 31, 2013 and through August 29, 2014, the date the financial statements were available to be issued, and determined there have not been any events that have occurred that would require adjustments to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2007	$ 689,681,811	$ 730,211,276	$ 40,529,465	94.4%	$ 97,976,657	41.4%
6/30/2008	727,310,385	769,488,003	42,177,618	94.5%	102,652,120	41.1%
6/30/2009	619,401,976	655,824,629	36,422,653	94.4%	108,582,987	33.5%
6/30/2010	672,657,242	701,998,709	29,341,467	95.8%	110,028,784	26.7%
6/30/2011	673,242,000	710,346,757	37,104,757	94.8%	110,954,566	33.4%
*6/30/2013	646,535,661	690,054,129	43,518,468	93.7%	117,392,770	37.1%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30	Annual Required Contribution (ARC)	Employer Contributions Made	Percentage Contributed**
2009	$ 14,444,809	$ 15,741,076	109.0%
2010	12,201,033	16,016,323	131.3%
2011	26,295,382	16,756,099	63.7%
2012	22,757,807	18,220,798	80.1%
2013	22,739,819	18,443,182	81.1%
2014	25,745,448	19,063,719	74.0%

* According to policy, WSSC completes an actuarial study at least once every two years. No study was performed in 2012, consequently results are not displayed.

** Employer contributions made are based upon a level percentage (16.9%) of a budgeted payroll amount. This amount is determined subsequent 'to the actuarial valuation date, and therefore, will be a different percentage of covered (actuarial) payroll than calculated in the annual valuation.

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2013

		Cost	Fair Value
Mutual and/or Commingled Funds:			
Shares			
1,837,180	ICM Small Company Portfolio	$ 49,192,820	$ 63,756,179
255,323	Morgan Stanley Investment Management International Equity Trust	3,354,292	64,933,451
1,161,140	Dimensional Fund Advisors	36,732,587	32,059,068
7,060,685	Vanguard High Yield Corporate Fund	42,046,937	42,575,928
2,004,909	Vanguard Total Stock Market Index Fund	63,451,309	84,847,744
1,124,141	State Street Global Advisor	32,877,663	73,199,538
2,713,970	BlackRock Global Allocation Fund	55,480,954	58,160,373
4,251,847	Wellington OIA Fund	50,971,650	52,765,421
2,800,206	JP Morgan Global Focus Fund	39,454,908	57,376,228
22,418,374	ING Clarion Global Securities	22,264,228	23,208,044
	TOTAL MUTUAL AND/OR COMMINGLED FUNDS	**395,827,348**	**552,881,974**
U.S Government and Agency Bonds:			
Par			
$4,028	Federal Home Loan Mortgage Corporation Group #E88105, 6.00%, due March 1, 2017	4,064	4,223
45,210	Federal Home Loan Mortgage Corporation Pool #G13076, 5.00%, due March 1, 2023	45,005	48,783
1,127,157	Federal Home Loan Mortgage Corporation Pool #J25400 3.00%, due September 1, 2028	1,163,965	1,150,466
1,956	Federal Home Loan Mortgage Corporation Pool #E00938, 7.00%, due January 1, 2016	2,004	2,027
43,980	Federal Home Loan Mortgage Corporation Group #E01098, 6.00%, due February 1, 2017	44,516	46,103
81,371	Federal Home Loan Mortgage Corporation Pool #B13269, 4.50%, due April 1, 2019	79,013	86,270
369,463	Federal Home Loan Mortgage Corporation Pool #G12395 6.00%, due October 1, 2021	400,275	404,436
348,861	Federal Home Loan Mortgage Corporation Pool #J02815 5.50%, due June 1, 2021	374,317	379,547
624,007	Federal Home Loan Mortgage Corporation Pool #J19310 3.00%, due June 1, 2027	659,010	636,113
280,000	Federal Home Loan Mortgage Corporation 4.50%, due January 15, 2014	294,776	280,440
805,755	Federal Home Loan Mortgage Corporation Pool #J16823 4.00%, due October 1, 2026	854,631	851,948
81,537	Federal Home Loan Mortgage Corporation Group #G01771 5.50%, due February 1, 2035	89,028	89,327
104,186	Federal Home Loan Bank, 5.46%, due November 27, 2015	108,387	110,654

WASHINGTON SUBURBAN SANITARY COMMISSION
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DECEMBER 31, 2013

U.S Government and Agency Bonds:

Par		Cost	Fair Value
$1,088,636	Federal National Mortgage Association Pool #AE4481 4.00%, due April 1, 2041	$ 1,138,831	$ 1,120,968
170,011	Federal National Mortgage Association Pool #AE5773 4.5%, due September 1, 2025	179,043	181,022
269,298	Federal National Mortgage Association Pool #AB2782 5.00%, due April 1, 2041	315,603	323,388
755,900	Federal National Mortgage Association Pool #AA7755, 4.5%, due June 1, 2024	784,394	822,532
817,703	Federal National Mortgage Association Pool #AA7889 5.0%, due June 1, 2024	864,593	886,251
2,046,633	Federal National Mortgage Association Pool #AA8719 5.0%, due June 1, 2039	211,864	2,262,471
282,244	Federal National Mortgage Association Pool #AC4521 4.0%, due August , 2024	295,651	299,351
1,356,327	Federal National Mortgage Association Pool #AC5454 6.0%, due November 1, 2039	1,448,727	1,511,342
440,469	Federal National Mortgage Association Pool #AE5105 4.50%, due October 1, 2040	467,702	468,505
4,708	Federal National Mortgage Association Pool #253883, 6.00%, due August 1, 2016	4,729	4,904
3,523	Federal National Mortgage Association Pool #253941, 7.00%, due August 1, 2016	3,607	3,687
11,404	Federal National Mortgage Association Pool #254259, 5.50%, due April 1, 2017	11,262	12,183
669	Federal National Mortgage Association Pool #535006, 7.00%, due November 1, 2014	652	678
718	Federal National Mortgage Association Pool #535201, 7.50%, due March 1, 2015	719	733
956	Federal National Mortgage Association Pool #535377, 8.00%, due June 1, 2015	957	981
5,762	Federal National Mortgage Association Pool #545404, 6.00%, due January 1, 2017	5,764	6,036
1,114	Federal National Mortgage Association Pool #545093, 7.50%, due June 1, 2016	1,150	1,157
2,213	Federal National Mortgage Association Pool #580052, 6.00%, due July 1, 2016	2,240	2,301

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DECEMBER 31, 2013

U.S Government and Agency Bonds:

Par		Cost	Fair Value
$1,171	Federal National Mortgage Association Pool #580044, 6.00%, due June 1, 2016	$ 1,173	$ 1,218
2,226	Federal National Mortgage Association Pool #630293, 6.00%, due March 1, 2017	2,261	2,269
7,709	Federal National Mortgage Association Pool #634771, 6.00%, due March 1, 2017	7,784	8,028
72,132	Federal National Mortgage Association Pool #789085, 5.50%, due August 1, 2019	72,267	78,102
121,147	Federal National Mortgage Association Pool #910434, 6.00%, due January 1, 2037	122,113	134,652
142,294	Federal National Mortgage Association Pool #916933, 5.50%, due May 1, 2037	152,522	156,287
111,409	Federal National Mortgage Association Pool #929627, 5.50%, due June 1, 2038	112,627	122,940
1,062,172	Federal National Mortgage Association Pool #930134 5.50%, due November 1, 2038	1,124,907	1,190,015
43,664	Federal National Mortgage Association Pool #976406, 5.50%, due March 1, 2038	44,551	47,928
569,085	Federal National Mortgage Association Pool #AQ2196, 4.00%, due November 1, 2042	613,189	585,993
585,204	Federal National Mortgage Association Pool #932724, 4.00%, due April 1, 2025	620,317	620,323
5,590	Government National Mortgage Association Pool #403952, 8.00%, due September 15, 2024	5,785	6,294
3,014	Government National Mortgage Association Pool #423986, 8.00%, due August 15, 2026	3,071	3,471
1,132,000	United States Treasury Notes, 6.00%, due February 15, 2026	1,328,641	1,445,068
248,000	United States Treasury Notes, 5.25%, due November 15, 2028	300,916	298,569
2,064,000	United States Treasury Notes, 4.50%, due February 15, 2036	2,611,200	2,296,522
274,000	United States Treasury Notes, 4.25%, due August 15, 2015	287,176	291,500
216,000	United States Treasury Notes, 4.50%, due November 15, 2015	232,086	232,698
386,000	United States Treasury Notes, 2.75%, due February 15, 2019	393,265	404,455
4,343,000	United States Treasury Notes, 2.625%, due August 15, 2020	4,683,287	4,431,215

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2013

U.S Government and Agency Bonds:		Cost	Fair Value
Par			
$2,950,000	United States Treasury Notes, 1.125%, due April 30, 2020	$ 2,785,522	$ 2,757,097
474,000	United States Treasury Notes, 1.375%, due May 31, 2020	452,763	449,226
418,000	United States Treasury Notes, 5.081%, due April 15, 2028	697,945	798,483
592,000	United States Treasury Notes, 3.875%, due April 15, 2029	1,031,845	1,152,696
653,000	United States Treasury Notes, 2.375%, due January 15, 2025	776,350	930,060
1,028,000	United States Treasury Notes, 2.00%, due January 15, 2026	1,076,995	1,339,220
216,000	United States Treasury Notes, 2.375%, due January 15, 2027	236,865	288,163
530,000	United States Treasury Notes, 3.375%, due February 15, 2040	646,590	643,514
553,000	United States Treasury Notes, 2.125%, due February 15, 2041	700,669	662,698
275,000	United States Treasury Notes, 0.625%, due February 15, 2043	261,659	214,811
954,000	United States Treasury Notes, .125%, due July 15, 2022	1,039,117	928,148
2,053,000	United States Treasury Notes, 1.135%, due April 15, 2017	2,236,462	2,169,877
280,000	United States Treasury Notes, 1.625%, due January 15, 2015	330,090	352,827
515,000	United States Treasury Notes, 1.875% due July 15, 2015	584,216	651,791
442,000	United States Treasury Notes, 2.00%, January 15, 2016	494,527	554,316
433,000	United States Treasury Notes, 2.50%, due July 15, 2016	523,008	549,452
556,000	United States Treasury Notes, 2.375%, due January 15, 2017	620,788	708,651
1,113,000	United States Treasury Notes, .125%, due January 15, 2023	1,188,877	1,063,675
591,000	United States Treasury Notes, 2.625%, due July 15, 2017	633,837	749,170
1,713,000	United States Treasury Notes, .125%, due April 15, 2018	1,809,359	1,765,314
1,169,000	United States Treasury Notes, .375%, due July 15, 2023	1,164,048	1,131,549
1,930,000	United States Treasury Notes, 0.125%, due July 15, 2022	2,089,547	1,914,176
448,000	United States Treasury Notes, 1.375%, due July 15, 2018	458,950	525,919
338,000	United States Treasury Notes, .75%, due February 15, 2042	340,080	280,866
275,000	United States Treasury Notes, 2.125%, due January 15, 2019	293,802	334,082
235,000	United States Treasury Notes, 1.25%, due July 15, 2020	245,210	269,259
525,000	United States Treasury Notes, 1.875%, due July 15, 2019	644,392	638,137

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Par	U.S Government and Agency Bonds:	Cost	Fair Value
$1,209,000	United States Treasury Notes, 1.125%, due January 15, 2021	$ 1,334,100	$ 1,356,729
1,574,000	United States Treasury Notes, .128%, due April 15, 2016	1,692,484	1,710,159
1,458,000	United States Treasury Notes, .627%, due July 15, 2021	1,652,710	1,533,706
388,000	United States Treasury Notes, .505%, due April 15, 2015	407,997	427,355
2,825,000	United States Treasury Bills,	2,825,000	2,825,000
	TOTAL U.S. GOVERNMENT AND AGENCY BONDS	**53,851,421**	**56,032,500**

Corporate Bonds:

Par		Cost	Fair Value
270,000	Bank New York Inc. Notes, 2.40%, due January 17, 2017	269,511	276,327
3,801	Bear Stearns Notes, 4.735%, due September 11, 2042	3,822	3,796
620,000	Bear Stearns Notes, 0.978%, due October 12, 2042	660,688	657,587
280,445	Bear Stearns Notes, 5.209%, due December 11, 2038	283,265	280,325
352,988	Bear Stearns Notes, 5.736%, due June 11, 2050	360,736	362,335
500,000	BellSouth Capital Funding Notes, 7.875%, due February 15, 2030	576,485	587,645
430,000	Berkshire Hathaway Financial Corp. Notes, 0.574%, due January 10, 2014	430,326	430,034
225,000	Burlington Inc., Notes, 8.75%, due February 25, 2022	320,328	292,163
600,000	CMO PTHUR /CTF CL Notes, 2.00%, due March 15, 2046	617,999	611,071
384,027	CMO Commercial Mortgage Trust Notes, 5.402%, due July 15, 2044	393,089	387,154
550,000	CMO Commercial Mortgage Trust Notes, 3.055%, due July 10, 2045	566,488	566,011
250,000	Canadian Pacific Railroad Co. Notes, 7.25%, due May 15, 2019	252,468	302,761
378,188	Citigroup Notes, 5.88%, due December 10, 2049	404,897	383,589

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Corporate Bonds:

Par		Cost	Fair Value
$2,070,000	Commonwealth Edison Co. Notes, 1.625%, due January 15, 2014	$ 2,079,138	$ 2,070,905
300,000	Conoco Phillips GTD Notes, 5.75%, due February 1, 2019	299,227	346,432
575,000	E. I. Du Pont De Nemours Notes, 4.75%, due March 15, 2015	573,356	603,031
750,000	EMC Corp. Notes, 2.65%, due June 1, 2020	747,585	734,535
250,000	ERP Operating LP Notes, 5.25%, due September 15, 2014	249,693	257,956
120,000	Emerson Electric Co. Notes, 4.875%, due October 15, 2019	119,543	134,251
330,000	Ford Motor Credit Co. Notes, 4.207%, due April 15, 2016	344,888	351,628
200,000	Gatx Corp. Notes, 8.75%, due May 15, 2014	235,064	205,970
230,000	Gatx Corp. Notes, 3.50%, due July 15, 2016	230,580	239,846
330,000	General Electric Capital Corp., Notes, 5.625%, due September 15, 2017	306,567	375,407
170,000	Gilead Sciences Notes, 4.40%, due December 15, 2015	169,609	181,551
420,000	Greenwich Capitol Notes, 4.799%, due August 10, 2042	451,270	430,911
400,000	Hewlett Packard Co. Notes, 4.75%, June 2, 2014	400,156	400,004
280,000	HSBC Financial Corp. Notes, 0.494%, due January 10, 2014	279,980	284,484
325,000	Illinois Tool Works Inc., Notes, 5.15%, due April 1, 2014	324,740	328,673
240,000	Intel Corp. Notes, 4.80%, due October 1, 2041	245,165	234,056
200,000	International Business Notes, 7.00%, due October 30, 2025	231,956	250,993
126,467	JP Morgan Chase Notes, 5.99%, due June 15, 2049	126,862	127,429

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Corporate Bonds:

Par		Cost	Fair Value
$600,000	JP Morgan Chase Notes, 2.072%, due December 15, 2047	$ 617,998	$ 600,013
198,964	JP Morgan Chase Notes, 5.47%, due January 12, 2043	199,953	202,117
300,000	Jefferies Group Notes, 8.5%, due July 15, 2019	296,742	366,000
350,000	Lincoln National Corp., Notes, 8.75%, due July 1, 2019	458,721	450,505
350,000	Mattel Inc. Notes, 5.45%, due November 1, 2041	346,619	349,728
570,000	Met Life Inc., Notes, 7.717%, due February 15, 2019	713,338	706,519
350,000	Mid-American Energy Notes, 6.125%, due April 1, 2036	358,470	397,622
467,396	Morgan Stanley Dean Witter & Co. Notes, 4.70%, due December 15, 2014	492,756	478,170
600,000	Morgan Stanley Dean Witter & Co. Notes, 5.45%, due January 9, 2017	621,516	665,401
700,000	Murray STR Investment Notes, 2.578%, due March 9, 2017	689,535	753,821
400,000	National Rural Utilities Notes, 8.00%, due March 1, 2032	598,160	536,568
260,000	Nations Bank Corp. Notes, 7.75%, due August 15, 2015	266,711	286,056
180,000	Novartis Sec Investment Notes, 5.125%, due February 10, 2019	179,680	203,827
100,000	Pepsi Bottling Group Inc., Notes, 7.0%, due March 1, 2029	118,179	125,922
300,000	Pfizer Inc., Notes, 6.2% due March 15, 2019	299,697	355,629
600,000	PNC Funding Corp. Notes, 6.70%, due June 10, 2019	716,184	720,705
207,289	Residential Funding Mortgage Securities Notes, 5.31% due February 25, 2036	206,020	220,173
400,000	Starbucks Corp., Notes, 6.25%, due August 15, 2017	428,636	466,079

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		Cost	Fair Value
Corporate Bonds:			
Par			
$400,000	TD Ameritrade Holdings Notes, 5.6%, due December 1, 2019	$ 402,032	$ 461,727
400,000	UBS Notes, 2.25%, due January 28, 2014	401,920	400,515
1,130,000	Unilever Cap Corp Notes, 3.65%, due February 15, 2014	1,137,469	1,134,195
350,000	United Technologies Corp., Notes, 4.875%, due May 1, 2015	348,030	369,881
230,000	Wal Mart Stores Inc., Notes, 5.80%, due February 15, 2018	229,593	265,784
875,000	Wells Fargo & Co. Notes, 5.375%, due February 7, 2035	818,011	926,272
	TOTAL CORPORATE BONDS	**23,501,451**	**24,142,089**
Common Stock:			
Shares			
1,920	Amazon Inc.	493,943	765,677
21,700	Ansys Inc.	1,278,103	1,892,240
2,390	Apple Inc.	1,048,580	1,341,053
6,500	Biogen Idec Inc.	1,525,040	1,818,375
5,200	Blackrock Inc.	1,575,800	1,645,644
38,800	Borg Warner Inc.	1,418,392	2,169,308
40,600	CBRE Group Inc.	1,001,260	1,067,780
25,900	CME Group Inc.	1,940,216	2,032,114
33,800	Citigroup Inc.	1,339,646	1,761,318
21,300	Costco Wholesale Corp.,	2,253,120	2,534,913
4,800	Cummins Inc.	635,275	676,656
8,200	EOG Resources Inc.	1,366,896	1,376,288
7,770	Fleetcor Technologies Inc.	815,328	910,411
23,300	GNC Holdings Inc.	1,251,159	1,361,885
41,500	Gilead Sciences Inc.	1,942,288	3,118,725
1,970	Google Inc.	2,005,014	2,207,799
15,100	Harley Davidson	1,017,226	1,045,524
32,200	Home Depot Inc.	2,113,307	2,651,348
25,900	J.B Hunt Transport Services, Inc.	1,128,738	2,002,070
16,400	KS CY Southern	1,281,366	2,030,812
5,880	Lincoln Electric Holdings Inc.	212,708	419,479
8,800	Linkedin Corp.	1,413,537	1,908,104
2,160	MasterCard Inc.	1,110,165	1,804,594
6,870	Middleby Corp.,	1,065,104	1,648,594
6,400	Monsanto Co.	583,419	745,920
14,600	Paccar Inc.	661,146	863,882
8,000	Palo Alto Networks Inc.	418,515	459,760
22,800	Parker-Hannfin Corp.	2,201,231	2,932,992
35,400	Perkinelmer Inc.	1,185,391	1,459,542

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		Cost	Fair Value
Common Stock:			
Shares			
56,600	Pfizer Inc.	$ 1,671,320	$ 1,733,658
5,000	Proctor & Gamble	391,277	407,050
21,100	Qualcomm Inc.	1,265,953	1,566,675
18,200	Range Res Corp.	1,113,954	1,534,442
5,900	Schlumberger Ltd.,	467,682	531,649
9,400	Sherman-Williams Co.,	1,428,413	1,724,900
50,900	Southwestern Energy Co.	1,892,025	2,001,897
28,700	Starbucks Corp.,	1,963,028	2,249,793
46,600	TJX Cos. Inc.	1,944,083	2,969,818
25,000	Teradata Corp.	1,326,227	1,137,250
20,900	Wabtec Corp.	790,696	1,552,243
41,000	Xilinx Inc.,	1,679,597	1,882,720
27,800	Michael Kors Holding Ltd.,	1,610,971	2,257,082
6,970	Stratasys Inc.	820,754	938,858
	TOTAL COMMON STOCK	**54,647,893**	**69,140,842**
Investment Contracts with Insurance Company:			
Par			
$53,787	Investment Contract with Prudential Financial #IN15546	53,787	60,145
38,980,948	Investment Contract with Prudential Financial #IN17086	38,980,948	40,436,575
	TOTAL INVESTMENT CONTRACTS	**39,034,735**	**40,496,720**
Other Holdings:			
Units			
85,425	Lehman Brothers	-	85,425
		-	85,425
400	Peachtree Cable Association Ltd., Limited Partnership Units	4,000	20,000
	Cash collateral received under securities lending agreements	47,528,701	47,528,701
	TOTAL OTHER HOLDINGS	**47,532,701**	**47,548,701**
	TOTAL INVESTMENTS	**$ 614,395,549**	**$ 790,328,251**