WASHINGTON SUBURBAN SANITARY COMMISSION EMPLOYEES' RETIREMENT PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2016 AND 2015

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES WITH INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2016 AND 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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 4-12, the schedules of changes in net pension liability and related ratios, contributions and investment returns on page 32 - 36 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 is 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.

Lanham, MD BCA Watson Rice LLP
August 8, 2017

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2016 AND 2015

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, 2016 and 2015, 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 fiscal years. The statements present the major sources and uses of funds.

The Notes to 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 changes in the net pension liability and related ratios, contributions, actuarial assumptions, investment returns, investments and actuarial assumptions.

FINANCIAL HIGHLIGHTS

Fiscal Year 2016

- As of December 31, 2016, the Plan's net position held in trust for current and future retirement benefits were $733.5 million. This reflects an increase in the Plan's net position of $31.0 million from the prior year.

- The net investment gain was $61.9 million for fiscal year 2016. This was comprised of $52.2 million net appreciation in the fair market value of investments, $12.0 million in dividends and interest income, and investment expenses of $2.3 million. For fiscal year 2015, the net investment loss was $10.4 million. The 2016 increase reflects the continued recovery in the financial markets; in particular, international and emerging markets.

- The total investment returns for 2016 was 9.3%. For the period ended December 31, 2016, the Plan returned 8.8% per annum over the past five years and 4.7% annualized over the past ten years.

Fiscal Year 2015

- As of December 31, 2015, the Plan's net position held in trust for current and future retirement benefits were $702.5 million. This reflects a decrease in the Plan's net position of $41.5 million from the prior year.

- The net investment loss was $10.4 million for fiscal year 2015. This was comprised of $20.6 million net depreciation in the fair market value of investments, $12.5 million in dividends and interest income, and investment expenses of $2.3 million. For fiscal year 2014, the net investment income was $37.6 million. The 2015 decrease reflects the continued decline in the financial markets; in particular, international and emerging markets.

- The total investment returns for 2015 was -0.9%. For the period ended December 31, 2015, the Plan returned 6.4% per annum over the past five years and 5.0% annualized over the past ten years.

FINANCIAL ANALYSIS

Table 1 – Condensed Statements of Plan Net Position as of December 31, 2016, 2015 and 2014

				2016 - 2015		2015 - 2014	
	2016	2015	2014	Variance	% Variance	Variance	% Variance
ASSETS							
Cash, cash equivalents and investments	$ 781,709,232	$ 743,170,574	$ 797,900,109	$ 38,538,658	5.19	$ (54,729,535)	(6.86)
Receivables	575,661	725,706	732,991	(150,045)	(20.68)	(7,285)	(0.99)
Total Assets	782,284,893	743,896,280	798,633,100	38,388,613	5.16	(54,736,820)	(6.85)
LIABILITIES							
Payables for collaterals received under securities lending agreements	35,924,584	28,852,182	43,064,028	7,072,402	24.51	(14,211,846)	(33.00)
Benefits payable and accrued expenses	1,562,357	1,364,070	1,121,526	198,287	14.54	242,544	21.63
Deferred prefunded WSSC contributions	11,303,265	11,173,425	10,482,508	129,840	1.16	690,917	6.59
Total Liabilities	48,790,206	41,389,677	54,668,062	7,400,529	17.88	(13,278,385)	(24.29)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	$ 733,494,687	$ 702,506,603	$ 743,965,038	$ 30,988,084	4.41	$ (41,458,435)	(5.57)

Fiscal Year 2016

The Plan's cash, cash equivalents and investments for fiscal year 2016 increase by $38.5 million or 5.2%. The increase was due primarily to investment gain of $61.9 million, contributions totaling $26.7 million, offsetting benefit payments and refunds of $57.6 million, and an increase in the value of collateral received under securities lending agreements of $7.1 million.

As shown in Table 2a - Investments by Manager/Advisor with Rates of Returns as of December 31, 2016, a significant portion of the Plan's investments were managed by Vanguard (27.9%), State Street Global Advisors (12.2%) and JP Morgan Asset Management (8.7%). For the year ended December 31, 2016, all but one managers/advisors reflected a positive return for funds under management. Overall, the weighted average annual rate of return was 14.1% which contributed to an increase in investment income by 696.3% to $61.9 million.

Table 2a - Investments by Manager/Advisor with Rates of Returns as of December 31, 2016

	Investment Value	Percentage of Total Assets	Average Annual Rate of Return %
CastleArk Management	$ 34,169,705	4.7	7.9
Northern Trust Asset Management	50,055,282	6.8	2.8
Income Research + Management	27,354,801	3.8	4.6
State Street Global Advisors	89,244,634	12.2	17.2
	200,824,422		
Prudential Retirement Insurance and Annuity Company	31,937,671	4.4	3.5
Vanguard	204,587,061	27.9	24.0
Morgan Stanley Asset Management	60,379,892	8.2	(1.6)
Dimensional Fund Advisors	29,829,987	4.1	19.8
Investment Counselors of Maryland	57,681,752	7.9	31.4
JP Morgan Asset Management	63,851,940	8.7	8.8
Wellington Trust Company	56,576,893	7.7	6.1
Voya Clarion Global Real Estate	26,255,097	3.6	0.7
	$ 731,924,715	100.0	

During the year, the Board of Trustees met regularly to monitor investment manager performance. During calendar year 2016, Board actions included:

- Paying annuity payments for the final three quarters of the year from its stable-value guaranteed deposit account with Prudential after liquidating a portion of CastleArk holdings in the first quarter.
- Terminating Global Tactical manager BlackRock and re-allocating funds to Vanguard Total Stock & High-Yield Funds, and the Prudential GDA after revising the Global Tactical target from 15% to 10% in the Investment Policy.

- Voting to address the projected year-end domestic equity overweight by funding annuity payments from the State Street Russell 1000 Value Index holdings.

Receivables for fiscal year 2016 decreased by $0.2 million or 20.7% due to a decrease in dividend and accrued interest receivable.

Total liabilities increased by $7.4 million or 17.9%. This is due primarily to an increase in payables for collaterals received under securities lending agreements which increased from $28.9 million in 2015 to $35.9 million in 2016 or 24.5%.

Fiscal Year 2015

The Plan's cash, cash equivalents and investments for fiscal year 2015 decreased by $54.7 million or 6.86%. The decrease was due primarily to investment loss of $10.3 million, contributions totaling $25.6 million, offsetting benefit payments and refunds of $56.0 million, and a decrease in the value of collateral received under securities lending agreements of $14.2 million.

As shown in Table 2b - Investments by Manager/Advisor with Rates of Returns as of December 31, 2015, a significant portion of the Plan's investments were managed by Vanguard (19.8%), State Street Global Advisors (11.3%) and Morgan Stanley Asset Management (8.7%). For the year ended December 31, 2015, only six managers/advisors reflected a positive return for funds under management. Overall, the weighted average annual rate of return was -1.0% which contributed to a decrease in investment income by 127.6% to $10.4 million.

Table 2b - Investments by Manager/Advisor with Rates of Returns as of December 31, 2015

	Investment Value	Percentage of Total Assets	Average Annual Rate of Return %
CastleArk Management	$ 41,639,164	5.9	3.7
Northern Trust Asset Management	60,256,070	8.5	1.0
Income Research + Management	26,163,733	3.7	3.5
State Street Global Advisors	79,891,211	11.3	(3.7)
	207,950,178		
Prudential Retirement Insurance and Annuity Company	32,780,178	4.6	3.4
Vanguard	139,959,578	19.8	(0.8)
Morgan Stanley Asset Management	61,362,892	8.7	0.4
Dimensional Fund Advisors	24,891,215	3.5	(18.8)
Investment Counselors of Maryland	43,911,492	6.2	(3.2)
JP Morgan Asset Management	58,681,291	8.3	(1.4)
BlackRock Investments	58,919,349	8.3	(0.8)
Wellington Trust Company	53,331,084	7.5	0.5
Voya Clarion Global Real Estate	26,077,441	3.7	(1.5)
	$ 707,864,698	100.0	

During 2015, the Board of Trustees met regularly to monitor investment manager performance and the following actions were taken:

- Approved the "opt-in" to Wellington's new performance-based fee structure (capped at the prior flat rate).

- Confirmed the hiring of Northern Trust Asset Management as its Core Fixed Income manager via a thorough search process.

- Paid annuity payments throughout the year from its stable-value guaranteed deposit account with Prudential.

- Voted to address the minor equity overweight and fixed income underweight at year-end by paying first quarter 2016 annuity payments from the CastleArk large-cap domestic equity account.

Receivables for fiscal year 2015 decreased by $0.01 million or 0.99% due to marginal decrease in contributions receivable from employees.

Total liabilities decreased by $13.3 million or 24.3%. This is due primarily to a reduction in payables for collaterals received under securities lending agreements which decreased from $43.1 million in 2014 to $28.9 million in 2015 or 33.0%.

Table 3 – Condensed Statements of Changes in Plan Net Position as of December 31, 2016, 2015 and 2014

	2016	2015	2014	2016 - 2015 Variance	2016 - 2015 % Variance	2015 - 2014 Variance	2015 - 2014 % Variance
ADDITIONS							
Net investment income (loss)	$ 61,852,141	$ (10,371,882)	$ 37,575,768	$ 72,224,023	696.34	$ (47,947,650)	(127.60)
Contributions	26,690,482	25,586,297	24,555,033	1,104,185	4.32	1,031,264	4.20
Total Additions	88,542,623	15,214,415	62,130,801	73,328,208	481.97	(46,916,386)	(75.51)
DEDUCTIONS							
Benefit payments and refunds	57,554,539	56,672,850	54,934,361	881,689	1.56	1,738,489	3.16
Net Increase (Decrease)	30,988,084	(41,458,435)	7,196,440	72,446,519	174.74	(48,654,875)	(676.10)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS							
Beginning of Year	702,506,603	743,965,038	736,768,598	(41,458,435)	(5.57)	7,196,440	0.98
End of Year	$ 733,494,687	$ 702,506,603	$ 743,965,038	$ 30,988,084	4.41	$ (41,458,435)	(5.57)

Fiscal Year 2016

Net investment income was comprised of interest and dividends and net appreciation/depreciation in the fair value of investments less investment expenses. Interest and dividends decreased, from $12.5 million in 2015, to $12.0 million in 2016. The financial markets reflected favorable conditions during the year and, accordingly, there was a net appreciation in the fair value of the investments of $52.2 million for 2016, compared to a net depreciation of $20.6 million for fiscal year 2015. The increase in 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 14.1% for fiscal year 2016.

Investment expenses increased by $0.06 million or 2.6%. Investment expenses represent approximately 0.33% or 33 basis points of average net position.

Participant and Plan sponsor contributions increased in 2016 to $26.7 million from $25.6 million in 2015 due to an increase in the number of employees and higher salary levels. Retirement annuity benefit payments, excluding refunds, totaled $57.1 million. This represented an increase of $1.0 million over 2015, which is due to an increase in cost-of-living and the number of retirees.

Fiscal Year 2015

Net investment income was comprised of interest and dividends and net appreciation/depreciation in the fair value of investments less investment expenses. Interest and dividends decreased, from $13.9 million in 2014, to $12.5 million in 2015. The financial markets reflected unfavorable conditions during the year and, accordingly, there was a net depreciation in the fair value of the investments of $20.6 million for 2015, compared to a net appreciation of $25.8 million for fiscal year 2014. The decrease in net investment income was primarily due to most of the Plan's funds reflecting negative rates of return. The Plan had an overall weighted average rate of return of -1.0% for financial year 2015.

Investment expenses increased by $0.1 million or 6.01%. Investment expenses represent approximately 0.3% or 30 basis points of average net position.

Participant and Plan sponsor contributions increased in 2015 to $25.6 million from $24.6 million in 2014 due to an increase in the number of employees and higher salary levels. Retirement annuity benefit payments, excluding refunds, totaled $56.0 million. This represented an increase of $1.5 million over 2014, which is due to an increase in cost-of-living and the number of retirees.

PLAN FUNDING

Fiscal Year 2016

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, 2016. The Plan's actuarially determined target rate of investment return is 7.0% net of expenses, reflecting the most recent Assumption Study, which also updated assumptions concerning mortality, inflation, and salary scale.

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. The Plan implemented Governmental Accounting Standards Board ("GASB") Statement No. 67 Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25 in fiscal year 2014. As required by GASB Statement No. 67, the Plan's fiduciary net position as a percentage of total pension liability was 80.0% as of December 31, 2016. This represents an increase from the 76.94% determined as of December 31, 2015, reflecting the higher asset base.

Fiscal Year 2015

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, 2015. The Plan's actuarially determined target rate of investment return is 7.0% net of expenses, reflecting the most recent Assumption Study, which also updated assumptions concerning mortality, inflation, and salary scale.

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. The Plan implemented Governmental Accounting Standards Board ("GASB") Statement No. 67 Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25 in fiscal year 2014. As required by GASB Statement No. 67, the Plan's fiduciary net position as a percentage of total pension liability was 76.9% as of December 31, 2015. This represents a decline from the 80.9% determined as of December 31, 2014, reflecting the lower asset base and the increase in mortality assumptions.

OTHER SIGNIFICANT MATTERS

Fiscal Year 2016

In a year marked by great political theatre highlighted by two surprise populist election victories, world markets continued their run throughout 2016. Buoyed by improving global fundamentals and the removal of the deflationary overhang, the greatest impact on the markets may have been, as Fed Chair Janet Yellen noted, "market participants anticipating shifts in fiscal policy that may stimulate growth and perhaps raise earnings."

U.S. markets experienced significant volatility throughout the year, schizophrenically anticipating election results and their projected economic impact. A continuation of relatively easy money from the Fed, with only the one increase in December, aided the U.S. markets run, as the S&P 500 jumped 12.0% for the year. The rally was even greater for Small Cap stocks as the Russell 2000 increased 21.3%, reversing a two-year trend of Large Cap outperformance. Value stocks significantly outperformed Growth stocks as the Russell 3000 Value Index rose 18.4% while its Growth counterpart saw a 7.4% gain.

Inflation picked up modestly, rising 2.1% in 2016, largely due to a rebound in oil prices. Unemployment declined to 4.7%, a significant and marked improvement from its October 2009 recessionary peak measurement of 10.0%. Gross Domestic Product (GDP) growth remained tepid at 1.6% year-over-year, though gains in leading indicators point to an improved rate of growth in 2017. International markets continued to stabilize, but developed markets could not overcome another year of relative U.S. dollar appreciation, as EAFE (non-U.S., developed) markets increased just 1.0% in U.S. dollar terms relative to a 5.3% gain denominated in local currency. Emerging markets recovered nicely, bouncing 11.2% for the year, led by Brazil and Russia and their respective, local energy companies.

Fiscal Year 2015

Throughout 2015, the economy continued its slow growth trajectory as the Federal Reserve contemplated the eventual liftoff of its benchmark federal funds rate. U.S. markets experienced significant volatility throughout the year, though both equity and fixed income finished the year on a slightly positive note—both up 0.5% for the year (Russell 3000 and BC Aggregate Bond Index). Growth stocks outperformed value stocks as the Russell 3000 Growth increased 5.1% while its Value counterpart fell 4.1%. Large and Midcap stocks also outperformed, up 2.4%

versus a 4.4% decline in the Russell 2000 (Small Cap) index. Inflation remained tame, rising just 0.7% in 2015 largely due to a decline in oil prices. Oil demand actually accelerated in 2015 but surging supply overwhelmed demand to pummel prices. Unemployment declined to 5.0%, a significant and marked improvement from its October 2009 recessionary peak measurement of 10.0%. Chugging along slowly, Gross Domestic Product (GDP) growth matched its 2014 pace of 2.4% year-over-year, as other countries around the world struggled with slow economic growth and a strong U.S. Dollar. These factors proved too strong a headwind for international markets (in US$ terms), as developed markets declined 0.9% in 2015 and emerging markets fell precipitously—down 14.9% for the year.

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, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents	$ 13,859,933	$ 6,453,694
Investments at fair value:		
Mutual and/or commingled funds	588,407,256	547,025,553
U.S. Government and agency bonds	50,955,001	51,693,655
Corporate bonds	26,411,967	34,676,500
Common stock	34,169,705	41,639,164
Investment contracts with insurance company	31,937,671	32,780,178
Other holdings:		
Cash collateral received under securities lending agreements (Note H)	35,924,584	28,852,182
Limited partnership units	20,000	20,000
Other fixed holdings	23,115	29,648
Total investments	767,849,299	736,716,880
Dividends and accrued interest receivable	438,622	581,309
Contributions receivable from employees	137,039	144,397
Total Assets	782,284,893	743,896,280
LIABILITIES		
Payable for collateral received under securities lending agreements (Note H)	35,924,584	28,852,182
Benefits payable and accrued expenses	1,562,357	1,364,070
Deferred prefunded WSSC contributions (Note C)	11,303,265	11,173,425
Total Liabilities	48,790,206	41,389,677
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	$ 733,494,687	$ 702,506,603

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
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
ADDITIONS		
Investment Income:		
Net appreciation (depreciation) in the fair value of Plan investments	$ 52,158,217	$ (20,572,223)
Dividends and interest	12,035,877	12,483,407
	64,194,094	(8,088,816)
Less investment expenses	(2,341,953)	(2,283,066)
Net investment income (loss)	61,852,141	(10,371,882)
Contributions (Note C):		
WSSC contributions	22,476,689	21,655,933
Employee contributions	4,213,793	3,930,364
Total contributions	26,690,482	25,586,297
Total Additions	88,542,623	15,214,415
DEDUCTIONS		
Benefit payments to retirees	57,061,063	56,032,850
Refunds of employees' contributions and interest earned	493,476	640,000
Total Deductions	57,554,539	56,672,850
NET INCREASE (DECREASE) IN NET POSITION	30,988,084	(41,458,435)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
BEGINNING OF YEAR	702,506,603	743,965,038
END OF YEAR	$ 733,494,687	$ 702,506,603

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. As of December 31, 2016, the Plan was last amended in January 2016. 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, 2016 and 2015, there were 1,624 and 1,577employees, respectively, participating in the Open Version of the Plan, and 7 and 8 employees, respectively, participating in the Closed Version of the Plan, a total of 1,631 and 1,585 employee participants, respectively.

As of December 31, 2016 and 2015, there were 1,585 and 1,580 retirees and/or beneficiaries, respectively, receiving benefits from the Plan, and there were 100 and 92 terminated vested employees, respectively, not yet receiving benefits. Six and Ten employees retired in fiscal years 2016 and 2015, respectively, and began receiving benefits in subsequent fiscal years.

The Plan provides a review process for participants whose claim for benefits is denied. There were no reviews pending as of December 31, 2016 and 2015.

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.

NOTE A. DESCRIPTION OF PLAN (Continued)

Pension Benefits

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

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.

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. Plan investments in market-traded securities, including U.S. government and agency securities, municipal and corporate bonds, and common stock are reported at last quoted sales/bid prices provided by independent pricing vendors. Holdings in SEC-registered external investment pools are reported at fair value based upon the Net Asset Value (NAV) of shares/units held at year end, provided by independent pricing vendors. Cash equivalents are valued at cost, which approximates fair value.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Fair Value Measurement

The Plan categorize fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The valuation technique uses a three level hierarchy of inputs to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These classifications are summarized as follows:

> *Level 1 Inputs*: Quoted prices (unadjusted) for identical assets or liabilities in active markets that a reporting entity can access at the measurement date.
> *Level 2 Inputs*: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
> *Level 3 Inputs*: Unobservable inputs for an asset or liability.

In the event that inputs used to measure the fair value of an asset or liability fall into different levels in the fair value hierarchy, the overall level of the fair value hierarchy in its entirety is determined based on the lowest level input that is significant to the entire valuation. These levels are not necessarily an indication of risk but are based upon the pricing transparency of the investment.

Fair value of certain investments that do not have a readily determinable fair value is established using net asset value (or its equivalent) as a practical expedient. These investments are not categorized according to the fair value hierarchy.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Changes

Accounting Pronouncements Adopted

GASB has issued Statement No. 72, *Fair Value Measurement and Application*, which defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. Under the new guidance, fair value disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments. This Statement was effective for fiscal years beginning after June 15, 2015 and was adopted for fiscal year 2016.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of the pronouncement did not have a material impact on the Plan's financial statements.

Accounting Pronouncements to be Adopted

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement requires a statement of fiduciary net position, a statement of changes in fiduciary net position, more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rate of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2016. The adoption of the pronouncement is not expected to have an impact the Plan's financial statements.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Among other things, Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities. This Statement is effective for fiscal years beginning after June 15, 2017. The adoption of the pronouncement is not expected to have an impact the Plan's financial statements.

Reclassifications

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

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 $22,606,531 and $22,346,849 on July 1, 2016 and 2015, respectively. At December 31, 2016 and 2015, $11,303,265 and $11,173,425, respectively, of these contributions were recorded as deferred prefunded WSSC contributions. For the years ended December 31, 2016 and 2015, the Plan recognized WSSC's contributions of $22,476,689 and $21,655,933, 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 April 26, 2017, 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; therefore, the Plan was qualified and the related Trust was tax exempt as of December 31, 2016 and 2015.

NOTE F. INVESTMENTS

Investment Policy

The Plan's investment policy and any changes to the policy are adopted by the Board of Trustees of the Plan. The most recent version of the policy was approved in April 2017 and contains long-term asset allocation ranges.

The primary objective of the investment policy is to assure that assets will be available to pay retirement benefits throughout the life of the Plan and to maintain or improve the market value of the fund relative to vested and accrued benefit liabilities. The objectives seek to preserve the actuarial soundness of the Plan by achieving a long-term return of at least the actuarial return rate and to prudently manage the inherent investment risks that are related to the achievement of this goal.

Long-term asset allocation ranges are developed based on several factors including: the long-term investment goals of the Plan; the Trustee's tolerance for short-term losses; the Plan's liquidity needs; and any legal or regulatory requirements.

As of December 31, 2016 and 2015, the Plan's long-term asset allocation ranges were as follows:

	2016		2015	
	Target (%)	Range (%)	Target (%)	Range (%)
U.S. Stocks	40	35 - 45	38	33 - 43
Non-U.S. Stocks	12	9 - 15	12	9 - 15
Emerging Markets Stocks	5	2 - 8	5	2 - 8
Global Tactical Asset Allocation	10	6 - 14	15	11 - 19
Total equity	67		70	
Fixed Income	23	19 - 27	21	17 - 25
Real Return Strategies	5	0 - 10	5	0 - 10
Real Estate	5	0 - 10	4	0 - 8
Total	100		100	

NOTE F. INVESTMENTS (Continued)

The Plan has a rebalancing policy, which allows the Executive Director and staff the flexibility to adjust assets classes for purposes of rebalancing without approval from the Board of Trustees.

Money-Weighted Rate of Return

For the years ended December 31, 2016 and 2015, the annual money-weighted rate of return on Plan investments, net of investment expense, was 9.5% and -1.22%, respectively. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

Risks Common to Investments

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

- ***Custodial Credit Risk*** is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name.

  The Plan's investments for fiscal year 2016 and 2015 are partially insured and registered in the Plan's name, and are generally segregated by the counterparty in a manner to protect them from certain claims by creditors. The Plan also invests in mutual and commingled trust funds which are not generally exposed to custodial credit risks. At December 31, 2016 and 2015, there were no deposits subject to custodial credit risk.

- ***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, 2016 and 2015, the quality ratings of the Plan's fixed income investments in U.S. Government obligations and corporate bonds were as follows:

NOTE F. INVESTMENTS (Continued)

Fiscal Year 2016 Quality Rating	Fair Value	Percentage
U.S. Government and Agency Bonds:		
AAA/AA+	$ 50,955,001	66.32%
Corporate Bonds:		
AAA	2,872,847	3.25%
AA+	4,608,317	5.96%
AA	808,728	1.05%
AA-	266,820	0.35%
A+	738,417	0.95%
A	300,639	0.39%
A-	2,764,839	3.57%
BBB+	2,870,478	3.71%
BBB	5,457,396	7.05%
BBB-	5,693,513	7.36%
Unrated	29,973	0.04%
Total Corporate Bonds	26,411,967	33.68%
Total	$ 77,366,968	100.00%

Fiscal Year 2015 Quality Rating	Fair Value	Percentage
U.S. Government and Agency Bonds:		
AAA/AA+	$ 51,693,655	59.85%
Corporate Bonds:		
AAA	8,441,756	9.77%
AA+	601,102	0.70%
AA	880,180	1.02%
AA-	647,386	0.75%
A+	463,934	0.54%
A	2,853,161	3.30%
A-	2,519,116	2.92%
BBB+	6,292,074	7.28%
BBB	4,609,511	5.34%
BBB-	3,093,314	3.58%
Unrated	4,274,966	4.95%
Total Corporate Bonds	34,676,500	40.15%
Total	$ 86,370,155	100.00%

NOTE F. INVESTMENTS (Continued)

Certain mutual and/or commingled funds of the Plan maintain investments that include fixed income securities, such as, the Vanguard High Yield Corporate (Vanguard) and Wellington OIA (Wellington) funds. As of December 31, 2016 and 2015, the ratings of the underlying securities of the Vanguard fund were AAA/BBB/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. 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 2016

		Remaining Maturities (In Months)			
Investment Type	**Total**	**12 Months Or Less**	**13 to 24 Months**	**25 - 60 Months**	**More Than 60 Months**
U.S. Government and Agency bonds:					
Mortgage-backed securities	$ 19,965,742	$ 182,355	$ 989	$ 6,297,239	$ 13,485,159
U.S. Treasury Notes	30,989,259	-	4,085,080	9,767,420	17,136,759
Corporate bonds	26,411,967	455,277	660,165	3,988,496	21,308,029
	$ 77,366,968	$ 637,632	$ 4,746,234	$ 20,053,155	$ 51,929,947

Fiscal Year 2015

		Remaining Maturities (In Months)			
Investment Type	**Total**	**12 Months Or Less**	**13 to 24 Months**	**25 - 60 Months**	**More Than 60 Months**
U.S. Government and Agency bonds:					
Mortgage-backed securities	$ 18,473,990	$ 6,065,447	$ 16,551	$ 74,990	$ 12,317,002
U.S. Treasury Notes	33,219,665	-	2,194,594	7,821,505	23,203,566
Corporate bonds	34,676,500	-	1,416,914	7,752,794	25,506,792
	$ 86,370,155	$ 6,065,447	$ 3,628,059	$ 15,649,289	$ 61,027,360

The mortgage-back securities listed above are considered highly sensitive to interest rate risk. Also, as of December 31, 2016 and 2015, 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 5.8 years. The WAM of the other mutual and/commingled funds were unavailable.

NOTE F. INVESTMENTS (Continued)

- ***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.

As of December 31, 2016 and 2015, the Plan's mutual and/or commingled funds that contained underlying foreign related investments were as follows:

	2016	2015
Morgan Stanley Investment Management International Equity Trust	$ 60,379,892	$ 61,362,892
Dimensional Fund Advisors	29,829,987	24,891,215
Wellington OIA Fund	56,576,893	53,331,084
BlackRock Global Allocation Fund*	-	58,919,349
JP Morgan Global Focus Fund	63,851,940	58,691,291
Voya Clarion Global Securities	26,255,097	26,077,441
Total	$ 236,893,809	$ 283,273,272

- ***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:

	2016	2015
ICM Small Company Portfolio	$ 57,681,752	$ 43,911,492
Vanguard Total Stock Market Index Fund	140,138,846	95,967,085
State Street Global Advisor	89,244,634	79,891,211
Morgan Stanley Investment Management International Equity Trust	60,379,892	61,362,892
Vanguard High Yield Corporate Fund	64,448,215	43,992,493
BlackRock Global Allocation Fund*	-	58,919,349
Wellington OIA Fund	56,576,893	53,331,084
JP Morgan Global Focus Fund	63,851,940	58,681,291

* *Terminated during fiscal year 2016.*

For 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 F. INVESTMENTS (Continued)

Fair value measurements

The Plan categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The Plan has the following fair value measurement as of December 31, 2016:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
Fixed Income Securities				
U.S. Governemnt and Agency Bonds				
U.S. bonds	$ 50,772,840	$ 50,547,369	$ 182,356	$ 43,115
Non-U.S. bonds	225,276	-	225,276	-
Corporate Bonds and Securities				
U.S. bonds and securities	22,462,305	-	22,462,305	-
Non-U.S. bonds and securities	3,949,662	-	3,949,662	-
Common Stock				
U.S. equity	33,417,339	33,417,339	-	-
Non-U.S. equity	752,366	752,366	-	-
Mutual Funds				
U.S. equity funds	408,090,340	408,090,340	-	-
Non-U.S. equity funds	124,231,832	124,231,832	-	-
Emerging market funds	29,829,987	-	29,829,987	-
Real estate funds	26,255,097	-	-	26,255,097
Guaranteed Deposit Funds	31,937,671	-	31,937,671	-
Total investments measured at fair value	731,924,715	$ 617,039,246	$ 88,587,257	$ 26,298,212
Investments measured at cost -				
Securities lending agreements	35,924,584			
Total investments	$ 767,849,299			

NOTE F. INVESTMENTS (Continued)

The Plan has the following fair value measurement as of December 31, 2015:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
Fixed Income Securities				
U.S. Governemnt and Agency Bonds				
U.S. bonds	$ 51,743,303	$ 51,693,655	$ -	$ 49,648
Non-U.S. bonds	-	-	-	-
Corporate Bonds and Securities				
U.S. bonds and securities	31,938,669	-	27,663,704	4,274,965
Non-U.S. bonds and securities	2,737,831	-	2,737,831	-
Common Stock				
U.S. equity	39,782,608	39,782,608	-	-
Non-U.S. equity	1,856,556	1,856,556	-	-
Mutual Funds				
U.S. equity funds	317,093,366	317,093,366	-	-
Non-U.S. equity funds	178,963,532	178,963,532	-	-
Emerging market funds	24,891,215	-	24,891,215	-
Real estate funds	26,077,440	-	-	26,077,440
Guaranteed Deposit Funds	32,780,178	-	32,780,178	-
Total investments measured at fair value	707,864,698	$ 589,389,717	$ 88,072,928	$ 30,402,053
Investments measured at cost -				
Securities lending agreements	28,852,182			
Total investments	$ 736,716,880			

NOTE G. INVESTMENT IN REAL ESTATE FUND

The Plan invests in the Voya Clarion Global Real Estate Securities Trust Fund, which is valued using quoted market prices on the last business day of the Plan's year end. In fiscal year 2013, the holding was transferred from the CBRE Clarion Global REIT to a comparable collective trust with Voya Financial®.

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, 2016 and 2015, the fair value of securities on loan was $35,110,949 and $28,157,835, respectively. Cash received as collateral and the related liability of $35,924,584 and $28,852,182 as of December 31, 2016 and 2015 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 $281,517 and $181,180, respectively, for December 31, 2016 and $141,178 and $79,755, respectively, for December 31, 2015, 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, 2016 and 2015:

	Fair Value of Underlying Securities	Cash Collateral Investment Value
December 31, 2016		
Securities Loaned for Cash Collateral		
Corporate Bonds	$ 4,100,831	$ 4,207,068
Common Stock	8,451,548	8,684,877
U.S. Government and Agency Bonds	22,558,570	23,032,639
Total	$ 35,110,949	$ 35,924,584

	Fair Value of Underlying Securities	Cash Collateral Investment Value
December 31, 2015		
Securities Loaned for Cash Collateral		
Corporate Bonds	$ 2,278,431	$ 2,338,475
Common Stock	7,412,212	7,650,732
U.S. Government and Agency Bonds	18,467,192	18,862,975
Total	$ 28,157,835	$ 28,852,182

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, 2016 and 2015, 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 change could materially affect the amounts reported in the statements of plan net position.

In May of 2016, subsequent to other SEC-related charges and a declaration of technical default by the bond's trustee, federal prosecutors brought charges in the Southern District of New York against seven individuals for securities fraud and investment adviser fraud related to the issuance of Wakpamni Lake bonds and the misuse of funds which were to be placed in the annuity agreement. The charges strongly suggest an impairment of the securities in the amount of the face amount of the bonds plus any accrued interest. Consequently, during fiscal year 2016, the Plan made a full provision for the investment value and accrued interest of $4,210,280 and $77,145, respectively, of the Wakpamni Lake bonds.

Representatives of the Plan continue to participate in on-going bondholder activities related to potential recovery of the funds. Meanwhile, the investment firm which first placed the trade on the Plan's behalf, Atlantic Asset Management (the former Hughes Capital), has been placed into receivership by the SEC and a plan for distribution of the firm's remaining assets has been filed with the court by the receiver.

NOTE J. RELATED-PARTY TRANSACTIONS

An affiliate of the Plan's custodian, Northern Trust Asset Management, became an investment manager for the Plan in fiscal year 2014. At December 31, 2016, funds managed totaled $63.3 million, and comprised of cash equivalents and investments of $13.3 million and $50.0 million, respectively. For the year ended December 31, 2016, the Plan incurred approximately $94,630 in management fees with this investment manager.

At December 31, 2015, funds managed totaled $57.8 million, and comprised of cash equivalents and investments of $1.7 million and $56.1 million, respectively. For the year ended December 31, 2015, the Plan incurred approximately $98,504 in management fees with this investment manager.

NOTE K. NET PENSION LIABILITY OF WSSC

The components of the net pension liability of WSSC at December 31, 2016 and 2015 were as follows:

	2016	2015
Total pension liability	$ 917,584,542	$ 913,076,226
Plan fiduciary net position	(733,586,341)	(702,506,602)
WSSC's net pension liability	$ 183,998,201	$ 210,569,624
Plan's fiduciary net position as a percentage of the total pension liability	79.95%	76.94%

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

	2016	2015
Inflation	2.50%	2.50%
Salary increases	2.75% to 7.50%	2.75% to 7.50%
Investment rate of return	7.00%	7.00%

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience analysis covering 2011 through 2016.

The mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, with Blue Collar adjustments and one-year age set-forward, and projected to 2025 using Scale BB. The GAM83 tables with 10-year set forward were used for the valuation of disabled members.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of arithmetic real rates of return

NOTE K. NET PENSION LIABILITY OF WSSC (Continued)

for each major asset class included in the pension plan's target asset allocation and the final investment return assumption are summarized in the following table:

	2016	2015
Asset class:		
Domestic equity	5.75%	5.70%
International equity - developed	6.25%	6.00%
International equity - emerging	6.80%	6.80%
Fixed income - investment	2.80%	2.30%
Fixed income - high yield	4.10%	4.10%
Treasuries (cash equivalent)	0.75%	0.75%
Real estate	4.40%	4.10%

Discount Rate

The discount rate used to measure the total pension liability 7.00% for 2016 and 2015. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Other Key Actuarial Assumptions

The other key actuarial assumptions that determined the total pension liability as of December 31, 2016 and 2015 included:

Valuation date	July 1, 2016	July 1, 2015
Measurement date	December 31, 2016	December 31, 2015
Inflation	2.50%	2.50%
Salary increased including inflation	2.75% to 7.50%	2.75% to 7.50%

NOTE K. NET PENSION LIABILITY OF WSSC (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.00% for 2016 and 2015, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
WSSC's net pension liability (2016)	$ 289,449,222	$ 183,998,201	$ 94,985,294

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
WSSC's net pension liability (2015)	$ 315,409,666	$ 210,569,624	$ 122,062,981

NOTE L. SUBSEQUENT EVENTS

The Plan Administrator has evaluated events subsequent to December 31, 2016 and through August 8, 2017, 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 CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2016	2015	2014	2013	2007 - 2012**
Total Pension Liability:					
Service cost	$ 10,576,413	$ 9,828,010	$ 11,098,519	$ 10,541,264	
Interest on total pension liability	61,935,402	61,611,259	67,317,785	66,214,298	
Effect of plan changes	-	-	-	-	
Effect of assumption changes or inputs	(10,448,960)	32,257,956	-	-	
Difference between expected and actual experience	-	(53,390,196)	(8,657,936)	-	
Benefit payments, including refunds of contributions	(57,554,539)	(56,672,851)	(54,934,361)	(53,545,268)	
Net change in pension liability	4,508,316	(6,365,822)	14,824,007	23,210,294	
Total pension liability, beginning of the year	913,076,226	919,442,048	904,618,041	881,407,746	
Total pension liability, end of year (a)	917,584,542	913,076,226	919,442,048	904,618,040	
Plan Fiduciary Net Pension:					
Employer contributions	22,476,689	21,655,933	20,731,968	19,768,897	
Member contributions	4,213,793	3,930,364	3,823,065	3,652,732	
Investment income, net of investment expenses	61,943,796	(10,371,882)	37,575,768	110,734,486	
Benefit payments	(57,554,539)	(56,672,851)	(54,934,361)	(53,545,268)	
Administrative expenses	-	-	-	-	
Net change in plan fiduciary position	31,079,739	(41,458,436)	7,196,440	80,610,847	
Fiduciary net position, beginning of the year	702,506,602	743,965,038	736,768,598	656,157,751	
Fiduciary net position, end of year (b)	733,586,341	702,506,602	743,965,038	736,768,598	
Net pension liability, end of year (a-b)	$ 183,998,201	$ 210,569,624	$ 175,477,010	$ 167,849,442	
Plan fiduciary net position as a percentage of total pension liability	79.95%	76.94%	80.91%	81.45%	
Covered payroll	$ 132,998,160	$ 128,141,615	$ 122,674,367	$ 116,975,722	
Plan's net pension liability as a percentage of covered payroll	138.35%	164.33%	143.04%	143.49%	

See accompanying independent auditor's report.

*** This schedule is presented to illustrate the requirement to show information for 10 years. The Plan presents information for available years and additional years will be displayed as they become available.*

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit changes – There have been no changes in benefit assumptions since the implementation of GASB 67 and 68.

Changes in assumptions – There were no changes in the actuarial assumptions used for 2016 compared to 2015. Several changes in actuarial assumptions were made in 2015 compared to the prior years, including rates of mortality, retirement, and termination; as well as inflation, salary increases, and investment return. Actuarial assumptions are presented in Note K of the financial statements for the current and prior fiscal years.

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2007	$ 20,663,778	$ 15,755,202	$ 4,908,576	$ 93,226,047	16.9%
2008	18,115,582	15,832,225	2,283,357	93,681,805	16.9%
2009	13,322,921	16,337,171	(3,014,250)	96,669,651	16.9%
2010	19,248,208	17,491,535	1,756,673	103,500,207	16.9%
2011	24,526,595	18,455,605	6,070,990	109,204,763	16.9%
2012	22,748,813	18,862,636	3,886,177	111,613,231	16.9%
2013	24,242,634	19,768,897	4,473,737	116,975,722	16.9%
2014	27,284,797	20,731,968	6,552,829	122,674,367	16.9%
2015	20,100,358	21,655,933	(1,555,575)	128,141,615	16.9%
2016	18,393,733	22,476,689	(4,082,956)	132,998,160	16.9%

See accompanying independent auditor's report.

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO SCHEDULE OF CONTRIBUTIONS

Notes to Schedule of Contributions:

Valuation date:

Actuarially determined contribution rates are calculated as of July 1st of the fiscal year in which the contributions are reported. WSSC's policy is to complete an actuarial study at least once every two years.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (funding valuation uses a fixed rate of contribution)
Inflation	2.50%
Salary increases	2.75 to 7.50 % including inflation
Investment rate of return	7.0% net of pension plan investment expenses, including inflation
Cost of living adjustments	2.50%
Retirement age	Table of rates by age and eligibility
Mortality	Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, with Blue Collar adjustments and one-year age set-forward, and projected to 2025 using Scale BB. The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience analysis covering 2011 through 2016.

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF INVESTMENT RETURNS

Year Ended December 31,	Net Money-Weighted Rate of Return (%)**
2007	7.96
2008	(29.12)
2009	22.14
2010	14.16
2011	(2.48)
2012	14.10
2013	17.31
2014	5.21
2015	(1.22)
2016	9.50

See accompanying independent auditor's report.

** *This schedule is presented to illustrate the requirement to show information for 10 years.*

OTHER SUPPLEMENTARY INFORMATION

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2016

		Cost	Fair Value
Mutual and/or Commingled Funds:			
Shares			
1,832,330	ICM Small Company Portfolio	$ 49,364,131	$ 57,681,752
	Morgan Stanley Investment Management		
249,395	International Equity Trust	1,881,168	60,379,892
1,245,511	Dimensional Fund Advisors	38,730,946	29,829,987
11,054,582	Vanguard High Yield Corporate Fund	65,309,700	64,448,215
1,332,372	Vanguard Total Stock Market Index Fund	132,667,709	140,138,846
1,069,041	State Street Global Advisor	31,266,177	89,244,633
4,430,454	Wellington OIA Fund	53,274,986	56,576,893
2,738,076	JP Morgan Global Focus Fund	38,579,496	63,851,941
824,689	Voya Clarion Global Securities	28,156,803	26,255,097
	TOTAL MUTUAL AND/OR COMMINGLED FUNDS	**$ 439,231,116**	**$ 588,407,256**
U.S. Government and Agency Bonds:			
Par			
$ 34	Federal Home Loan Mortgage Corporation Group #E88105, 6.00%, due March 1, 2017	35	34
17,114	Federal Home Loan Mortgage Corporation Pool #G13076, 5.00%, due March 1, 2023	17,055	18,349
611	Federal Home Loan Mortgage Corporation Group #E01098, 6.00%, due February 1, 2017	619	612
140,221	Federal Home Loan Mortgage Corporation Pool #G12395, 6.00%, due October 1, 2021	151,915	149,469
37,418	Federal Home Loan Mortgage Corporation Group #G01771, 5.50%, due February 1, 2035	40,856	42,058
654,351	Federal National Mortgage Association Pool #AE4481, 4.00%, due April 1, 2041	684,522	688,105
1,136,977	Federal National Mortgage Association Pool #AL9069, 3.0%, due March 1, 2044	1,178,014	1,136,651
185,243	Federal National Mortgage Association Pool #AB2782, 5.00%, due April 1, 2041	197,313	204,187
1,016,106	Federal National Mortgage Association Pool #AL8352, 3.0%, due October 1, 2044	1,046,271	1,015,816
759,001	Federal National Mortgage Association Pool #AS6184, 3.5%, due November 1, 2045	805,965	782,191

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2016

U.S. Government and Agency Bonds:

Par		Cost	Fair Value
$ 1,215,968	Federal National Mortgage Association Pool #AA8719, 5.0%, due June 1, 2039	$ 1,259,477	$ 1,353,379
22,071	Federal National Mortgage Association Pool #AS6520, 3.5%, due January 1, 2046	23,285	22,640
597,191	Federal National Mortgage Association Pool #AC5454, 6.0%, due November 1, 2039	637,875	682,581
180,646	Federal National Mortgage Association Pool #AE5105, 4.50%, due October 1, 2040	191,815	195,082
482,200	Federal National Mortgage Association Pool #AS6730, 6.00%, due August 1, 2016	510,153	494,575
266,009	Federal National Mortgage Association Pool #AS7568, 4.5%, due July 1, 2046	292,111	286,709
232	Federal National Mortgage Association Pool #254259, 5.50%, due April 1, 2017	229	232
44,020	Federal National Mortgage Association Pool #BC0326, 3.5%, due December 1, 2045	46,455	45,150
455,465	Federal National Mortgage Association Pool #BC4898, 3.5%, due February 1, 2046	481,725	467,144
534,567	Federal National Mortgage Association Pool #MA2642, 3.5%, due June 1, 2046	561,630	548,582
273,519	Federal National Mortgage Association Pool #MA2522, 3.5%, due June 1, 2046	287,045	280,547
111	Federal National Mortgage Association Pool #634771, 6.00%, due March 1, 2017	112	111
19,998	Federal National Mortgage Association Pool #789085, 5.50%, due August 1, 2019	20,036	20,652
46,793	Federal National Mortgage Association Pool #910434, 6.00%, due January 1, 2037	47,166	53,329
77,605	Federal National Mortgage Association Pool #916933, 5.50%, due May 1, 2037	83,182	87,660

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2016

U.S. Government and Agency Bonds:

Par		Cost	Fair Value
$ 50,892	Federal National Mortgage Association Pool #929627, 5.50%, due June 1, 2038	$ 51,449	$ 56,902
653,617	Federal National Mortgage Association Pool #930134, 5.50%, due November 1, 2038	692,221	751,813
20,681	Federal National Mortgage Association Pool #976406, 5.50%, due March 1, 2038	21,101	23,112
272,345	Federal National Mortgage Association Pool #AQ2196, 4.00%, due November 1, 2042	293,452	287,393
522,339	Federal National Mortgage Association Pool #AH6623, 4.00%, due March 1, 2041	555,964	549,648
905,685	Federal National Mortgage Association Pool #AU7032, 4.00%, due November 1, 2043	974,744	958,718
923,297	Federal National Mortgage Association Pool #AZ903, 4.00%, due June 1, 2041	663,811	657,710
244,785	Federal National Mortgage Association Pool #AW6233, 4.50%, due June 1, 2044	268,842	265,419
3,796	Government National Mortgage Association Pool #403952, 8.00%, due September 15, 2024	3,929	4,149
1,845	Government National Mortgage Association Pool #423986, 8.00%, due August 15, 2026	1,879	2,084
220,000	Petroleos 5.375%, due March 13, 2022	218,781	225,276
418,000	United States Treasury Notes, 3.625%, due April 15, 2028	697,945	821,395
185,000	United States Treasury Notes, 3.875%, due April 15, 2029	329,395	371,888
827,000	United States Treasury Notes, 2.375%, due January 15, 2025	1,106,349	1,217,629
297,000	United States Treasury Notes, 2.00%, due January 1, 2026	330,878	407,470
430,000	United States Treasury Notes, 1.75%, due January 15, 2028	552,782	553,929
610,000	United States Treasury Notes, 2.25%, due August 15, 2046	508,124	512,900
2,445,000	United States Treasury Notes, 1.375%, due December 15, 2019	2,439,832	2,439,174
3,450,000	United States Treasury Notes, 2.0%, due December 31, 2021	3,439,503	3,462,668

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2016

U.S. Government and Agency Bonds:

Par		Cost	Fair Value
$ 650,000	United States Treasury Notes, 2.00%, due November 15, 2026	$ 628,966	$ 625,396
274,000	United States Treasury Notes, 2.375%, due January 15, 2027	320,413	384,714
745,000	United States Treasury Notes, 1.25%, due December 31, 2018	744,743	745,757
385,000	United States Treasury Notes, 2.25%, due December 31, 2023	383,775	385,181
320,000	United States Treasury Notes, 2.50%, due January 15, 2029	426,366	434,524
439,000	United States Treasury Notes, 2.375%, due February 15, 2040	535,572	608,026
503,000	United States Treasury Notes, 2.125%, due February 15, 2041	637,317	691,124
338,000	United States Treasury Notes, 0.75%, due February 15, 2042	340,080	342,295
184,000	United States Treasury Notes, 0.625%, due February 15, 2043	175,074	177,107
793,000	United States Treasury Notes, 1.375%, due February 15, 2044	877,085	897,534
487,000	United States Treasury Notes, 0.75%, due February 15, 2045	469,471	470,359
731,000	United States Treasury Notes, 0.00%, due February 15, 2046	787,982	748,852
274,000	United States Treasury Notes, 1.375%, due January 15, 2020	313,622	322,102
1,097,000	United States Treasury Notes, .625%, due January 15, 2024	1,123,261	1,156,361
1,896,000	United States Treasury Notes, 0.125%, due April 15, 2019	1,939,859	1,980,214
1,319,000	United States Treasury Notes, .25% due January 15, 2025	1,312,999	1,323,807
392,000	United States Treasury Notes, 1.625%, due January 15, 2018	476,630	464,093
703,000	United States Treasury Notes, 1.375%, due July 15, 2018	791,939	817,687
1,310,000	United States Treasury Notes, .125%, due April 15, 2020	1,349,921	1,366,165
1,037,000	United States Treasury Notes, .375%, due July 15, 2023	1,032,607	1,086,715
697,000	United States Treasury Notes, 0.125%, due July 15, 2022	744,618	734,457
1,126,000	United States Treasury Notes, 0.00%, due April 15, 2021	1,161,080	1,154,912
1,410,000	United States Treasury Notes, 0.125%, due January 15, 2022	1,526,560	1,508,335

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2016

			Cost	Fair Value
U.S. Government and Agency Bonds:				
	Par			
$	1,113,000	United States Treasury Notes, 0.125%, due January 15, 2023	$ 1,188,877	$ 1,156,891
	93,000	United States Treasury Notes, 1.25%, due July 15, 2020	103,031	108,861
	924,000	United States Treasury Notes, 0.625%, due January 15, 2026	949,949	948,193
	1,044,000	United States Treasury Notes, 1.125%, due January 15, 2021	1,152,027	1,210,168
	1,950,000	United States Treasury Notes, .125%, due April 15, 2018	2,049,051	2,057,543
	1,249,000	United States Treasury Notes, 0.627%, due July 15, 2021	1,396,945	1,382,207
	1,188,000	United States Treasury Notes, 0.125%, due July 15, 2026	1,189,897	1,158,424
	1,035,000	United States Treasury Notes, 0.125%, due July 15,2024	1,016,451	1,035,040
	1,129,000	United States Treasury Notes, 0.375%, due July 15, 2025	1,118,874	1,144,482
		TOTAL U.S. GOVERNMENT AND AGENCY BONDS	**49,980,884**	**50,772,648**
Corporate Bonds:				
	Par			
$	160,000	Abbott Labs Notes, 2.55%, due March 15, 2022	159,734	156,376
	60,000	Abbvie Inc., Notes, 4.50%, due May 14, 2035	59,585	58,952
	45,000	ACE INA Hodings Inc., Notes, 2.30%, due November 3, 2020	44,975	44,990
	50,000	Actavis Funding Services Notes, 4.55%, due March 15, 2035	50,683	49,490
	35,000	AERCAP Ireland Cap Notes, 4.50%, due May 15, 2021	36,318	36,272
	50,000	AERCAP Ireland Cap Notes, 5.00%, due October 1, 2021	53,216	52,563
	155,000	Aetna Inc. Notes, 3.20%, due June 15, 2026	157,339	153,337
	40,000	Agrium Inc., Notes, 4.90%, due June 1, 2043	40,948	39,849

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2016

Corporate Bonds:

Par		Cost	Fair Value
$ 80,000	Al Econ Settlement Notes, 3.163%, due September 15, 2025	$ 80,000	$ 80,447
70,000	Al Econ Settlement Notes, 4.263%, due September 15, 2032	70,000	71,945
54,000	Allied World Notes, 5.50%, due November 15, 2020	59,464	58,251
110,000	Altria Group Inc., Notes, 5.375%, due January 31, 2044	121,492	127,063
110,000	Amazon Inc., Notes, 3.80%, due December 5, 2024	122,625	115,591
95,000	Amazon Inc., Notes, 4.80%, due December 5, 2034	94,216	104,563
65,000	American Express Credit Notes, 2.375%, due May 26, 2020	66,273	64,964
30,000	American International Group Notes, 3.375%, due August 15, 2020	31,331	30,864
115,000	American Tower Corp. Notes, 3.125%, due January 15, 2027	111,185	106,106
130,000	Amgen Inc. Notes, 4.40%, due May 1, 2045	133,570	124,611
20,000	Anheuser Busch INBEV Fin Inc. Notes, 3.70%, due February 1, 2024	21,642	20,674
85,000	Anheuser-Busch Notes, 1.90%, due February 1, 2019	84,545	85,122
80,000	Anheuser-Busch Notes, 4.90%, due February 1, 2046	82,484	86,470
120,000	Anthem Inc., Notes, 4.65%, due August 15, 2044	128,813	121,474
125,000	Apache Corp. Notes, 4.75%, due April 15, 2043	130,088	128,754
110,000	Apple Inc., Notes, 2.70%, due May 13, 2022	109,336	110,699

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2016

Corporate Bonds:

Par		Cost	Fair Value
$ 95,000	Apple Inc., Notes, 3.25%, due February 23, 2026	$ 94,794	$ 95,050
45,000	Apple Inc., Notes, 3.85%, due August 4, 2046	44,881	43,116
50,000	Apple Inc., Notes, 4.45%, due May 6, 2044	52,434	51,774
180,000	AT & T Inc., Notes, 3.00%, due June 30, 2022	179,568	176,690
150,000	AT & T Inc., Notes, 4.125%, due February 17, 2026	159,446	151,885
185,000	AT & T Inc., Notes, 4.80%, due June 15, 2044	195,897	174,809
60,000	AT & T Inc., Notes, 4.50%, due May 15, 2035	58,270	57,970
200,000	Australia & New Notes, 4.50%, due March 19, 2024	204,992	204,791
84,000	Bank of America Corp. Notes, 4.45%, due March 3, 2026	86,962	86,565
50,000	Bank of America Corp. Notes, 4.125%, due January 22, 2024	52,257	51,963
115,000	Bank of America Corp. Notes, 5.00%, due January 21, 2044	124,560	125,936
5,000	Bank of America Corp. Notes, 4.75%, due April 21, 2045	5,015	5,070
10,000	Bank of America Corp. Notes, 5.70%, due January 24, 2022	11,429	11,232
150,000	Bank of America Corp. Notes, 4.00, due January 22, 2025	149,025	150,188
95,000	Beam Inc. Notes, 3.25%, due June 15, 2023	92,920	92,921
40,000	Berkshire Hathaway Energy Co., Notes, 3.5%, due February 1, 2025	41,797	40,793

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2016

Corporate Bonds:

Par		Cost	Fair Value
$ 35,000	Berkshire Hathaway Energy Co., Notes, 2.20%, due March 15, 2021	$ 34,926	$ 34,927
45,000	Biogen Inc., Notes, 2.90%, due September 15, 2020	44,906	45,574
105,000	BNP Paribas Notes, 4.375%, due September 28, 2025	104,003	104,396
10,000	BNP Paribas Notes, 2.375%, due May 21, 2020	9,974	9,951
40,000	Boardwalk Notes, 5.95%, due June 1, 2026	39,544	43,449
85,000	BP Capital Markets PLC Notes, 1.375%, due November 6, 2017	84,775	84,952
85,000	BP Capital Markets PLC Notes, 3.017%, due November 6, 2027	85,000	82,030
115,000	BP Capital Markets PLC Notes, 3.535%, due November 4, 2024	115,000	116,719
45,000	Bunge LTD Financial Corp. Notes, 8.50%, due June 15, 2019	56,032	51,554
50,000	Burlington Northern Inc., Notes, 3.05%, due March 15, 2022	52,969	51,223
70,000	Burlington Northern Inc., Notes, 4.55%, due September 1, 2044	70,515	74,427
45,000	Burlington Northern Inc., Notes, 3.65%, due Setember 1, 2025	44,902	47,106
150,000	Canadian National RES LTD Notes, 6.75%, due February, 1, 2039	171,893	175,032
70,000	Candian Pac Ry LTD., Notes, 4.80%, due September 15, 2035	69,816	75,559
225,000	Capital Finaicail Corp., Notes, 4.20%, due October 29, 2025	226,895	225,748

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2016

Corporate Bonds:

Par		Cost	Fair Value
$ 85,000	Cardinal Health Inc., Notes, 1.70%, due March 15, 2018	$ 85,021	$ 84,915
175,000	Cardinal Health Inc., Notes, 4.50%, due November 15, 2044	180,752	173,478
80,000	Celgene Corp. Notes, 5.25%, due August 15, 2043	85,835	84,390
80,000	Charter Notes, 4.464%, due July 23, 2022	83,461	83,602
115,000	Charter Notes, 6.484%, due October 23, 2045	127,852	132,949
575,000	Citibank Credit Card Notes, 1.75%, due November 19, 2021	574,969	572,467
115,000	Citigroup Notes, 4.125%, due July 25, 2028	117,862	113,600
155,000	Citigroup Notes, 4.60%, due March 9, 2026	160,137	160,205
120,000	Citigroup Notes, 6.675%, due September 13, 2043	150,754	152,101
90,000	Citigroup Notes, 4.05%, due July 30, 2022	94,325	93,149
125,000	Citigroup Notes, 3.875%, due March 26, 2025	122,983	124,175
150,000	Citigroup Notes, 4.45%, due September 29, 2027	149,784	152,377
130,000	Citigroup Notes, 2.90%, due December 8, 2021	129,778	129,649
90,000	Citigroup Notes, 3.407%, due May 1, 2026	89,988	87,449
95,000	Citigroup Notes, 1.987%, due April 10, 2046	95,384	95,337
40,000	CMS Energy Corp. Notes, 8.75%, due June 15, 2019	48,485	46,188

WASHINGTON SUBURBAN SANITARY COMMISSION
EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
DECEMBER 31, 2016

Corporate Bonds:

Par		Cost	Fair Value
$ 494,402	CMO Comercial Mortgage Trust Notes, 3.055%, due July 10, 2045	$ 509,223	$ 501,917
50,000	CMO Comercial Mortgage Trust Notes, 2.84%, due April 10, 2047	51,453	50,969
20,000	CMO Comercial Mortgage Trust Notes, 3.042%, due April 10, 2047	20,759	20,446
200,000	CNH Equipment Notes, 1.44%, due December 15, 2021	199,960	198,022
100,000	Comcast Corp. Notes, 6.30%, due November 15, 2017	113,371	104,143
65,000	Comcast Corp. Notes, 6.40%, due May 15, 2038	83,619	83,233
150,000	Comcast Corp. Notes, 3.375%, due February 15, 2025	160,292	151,582
170,000	Commonwealth Bank Notes, 1.75%, due November 7, 2019	169,777	168,583
165,000	Conoco Phillips Notes, 5.75%, due February 1, 2019	164,575	177,270
270,000	Conoco Phillips Co., Notes, 4.95%, due March 15, 2026	302,430	298,081
40,000	CR Suisse AG Notes, 3.00%, due October 29, 2021	40,845	40,382
95,000	CR Suisse AG Notes, 5.40%, due January 14, 2020	107,258	101,853
75,000	CSX Corp., Notes, 4.75%, die <ay 30, 2042	74,681	78,068
65,000	CSX Corp., Notes, 3.95%, due May 1, 2050	63,765	58,454
95,000	CVS Health Corp. Notes, 2.75%, due December 1, 2022	95,885	93,587
60,000	CVS Health Corp. Notes, 5.125%, due July 20, 2045	75,438	66,867

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Corporate Bonds:

Par	Description	Cost	Fair Value
$ 82,000	CVS Health Corp. Notes, 2.25%, due August 12, 2019	$ 82,259	$ 82,450
115,000	Danone NT Notes, 2.589%, due November 2, 2023	115,000	110,810
40,000	Delphi Corp DEL Notes, 4.15%, due March 15, 2024	42,536	41,229
80,000	Diageo Investment Corp. Notes, 2.875%, due May 11, 2022	83,293	80,480
420,000	Discover Card Notes, 1.39%, due March 15, 2022	419,964	415,206
60,000	Dominion Gas Holdings Notes, 4.60%, due December 15, 2044	58,547	59,698
70,000	Dominion Res Inc. Notes, 2.50%, due December 1, 2019	69,895	70,748
45,000	Duke Energy FLA Notes, 3.40%, due October 1, 2046	44,747	40,040
3,000	Eastman Chemical Co. Notes, 3.60%, due August 15, 2022	3,110	3,076
100,000	Eastman Chemical Co. Notes, 4.65%, due October 15, 2044	97,810	99,175
34,000	Eastman Chemical Co. Notes, 3.80%, due March 15, 2025	33,832	34,289
90,000	Ecolab Inc., Notes, 3.70%, due November 1, 2046	86,585	81,834
110,000	Ecolab Inc., Notes, 1.45%, due December 8, 2017	110,145	109,891
120,000	Emerson Electric Co. Notes, 4.875%, due October 15, 2019	119,543	129,460
65,000	Energy Transfer Notes, 3.60%, due February 1, 2023	63,425	63,928

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Corporate Bonds:

Par		Cost	Fair Value
$ 70,000	EQT Midstream Notes, 4.125%, due December 1, 2026	$ 69,434	$ 68,232
100,000	EPR Properties Notes, 4.50%, due April 1, 2025	99,638	98,785
110,000	ERAC USA Finance Co. Notes, 7.00%, due October 15, 2037	136,439	139,376
55,000	ERAC USA Finance LLC Notes, 3.85%, due November 15, 2024	55,653	55,894
20,000	ERAC USA Finance LLC Notes, 4.50%, due February 15, 2045	19,770	19,072
55,000	Enterprise Products Notes, 6.30%, due September 15, 2017	57,691	56,725
110,000	Exelon Generation Notes, 4.00%, due October 1, 2020	117,377	114,320
50,000	Exelon Generation Notes, 2.95%, due January 15, 2020	49,991	50,594
29,000	Exelon Corp. Notes, 5.625%, due June 15, 2035	31,657	32,089
190,000	FED EX Corp., Notes, 4.75%, due November 15, 2045	188,250	196,778
65,000	Ford Motor Co. Del Notes, 7.45%, due July 16, 2031	85,336	81,578
200,000	Ford Motor Credit Co. Notes, 1.6847%, due September 8, 2017	199,958	199,676
80,000	Ford Motor Credit Co. Notes, 3.096%, due May 4, 2023	80,422	77,258
200,000	Ford Motor Credit Co. Notes, 3.644%, due September 8, 2024	200,010	195,151
35,000	Fortive Corp. Notes, 3.15%, due June 15, 2026	35,557	34,491
5,000	General Motor Financial Co., Notes, 4.875%, due October 2, 2023	5,286	5,241

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Corporate Bonds:

Par	Description	Cost	Fair Value
$ 150,000	General Motor Financial Co., Notes, 4.25%, due May 15, 2023	$ 152,972	$ 151,802
75,000	General Motor Financial Co., Notes, 3.20%, due July 6, 2021	74,863	74,374
115,000	General Motor Financial Co., Notes, 3.20%, due July 13, 2020	114,968	115,346
155,000	General Motor Financial Co., Notes, 3.70%, due November 24, 2020	154,888	157,674
75,000	Gilead Sciences Notes, 5.65%, due December 1, 2041	86,241	86,687
75,000	Gilead Sciences Notes, 4.40%, due December 1, 2021	74,828	80,688
155,000	Goldman Sachs Notes, 4.80%, due July 8, 2044	166,589	162,723
125,000	Goldman Sachs Notes, 6.75%, due October 1, 2037	151,728	154,356
100,000	Goldman Sachs Notes, 5.75%, due January 24, 2022	114,856	112,422
120,000	Goldman Sachs Notes, 4.00%, due March 3, 2024	125,570	124,490
85,000	Goldman Sachs Notes, 6.45%, due May 1, 2036	100,759	101,301
110,000	Goldman Sachs Notes, 3.75%, due February 25, 2026	111,828	110,323
105,000	Goldman Sachs Notes, 3.75%, due May 22, 2025	108,739	105,273
40,000	Grainger W W Inc., Notes, 4.60%, due June 15, 2045	39,968	42,825
50,000	HCP Inc., Notes, 3.875%, due August 15, 2024	49,266	49,975
210,000	HSBC Holdings PLC., Notes, 5.25%, due March 14, 2044	216,246	224,882

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Corporate Bonds:

Par		Cost	Fair Value
$ 40,000	Halliburton Co., Notes, 3.80%, due November 15, 2025	$ 39,888	$ 40,636
160,000	Home Depot Inc. Notes, 2.00%, die April 1, 2021	159,430	158,728
35,000	Host Hotels & Resort Notes, 4.00%, due June 15, 2025	34,943	34,472
55,000	Humana Inc., Notes, 4.625%, due December 1, 2042	58,991	52,767
55,000	Humana Inc., Notes, 3.85%, due October 1, 2024	58,093	56,304
48,000	Ingersoll Rand Notes, 6.875%, due August 15, 2018	55,416	51,853
100,000	International Business Notes, 1.8%, due May 17, 2019	99,959	100,043
145,000	International Paper Notes, 4.40%, due August 15, 2047	133,087	137,027
70,000	JP Morgan Chase Notes, 5.30%, due December 26, 2049	70,000	71,439
185,000	JP Morgan Chase Notes, 3.90%, due July 15, 2025	192,611	190,232
90,000	JP Morgan Chase Notes, 7.90%, due April 29, 2049	96,327	93,195
15,000	JP Morgan Chase Notes, 4.95%, due June 1, 2045	15,802	15,995
105,000	JP Morgan Chase Notes, 4.25%, due October 1, 2027	111,992	107,880
10,000	JP Morgan Chase Notes, 2.7%, due May 18, 2023	9,996	9,784
110,000	JP Morgan Chase Notes, 5.0%, due December 29, 2049	108,614	109,725

Corporate Bonds:

Par		Cost	Fair Value
$ 435,000	JP Morgan Chase Notes, 3.0456%, due April 15, 2047	$ 452,665	$ 445,326
270,000	JP Morgan Chase Notes, 0.00%, due August 15, 2046	281,815	275,675
60,000	KLA-Tencor Corp Notes, 4.125%, due November 1, 2021	59,990	62,569
40,000	KLA-Tencor Corp Notes, 5.65%, due November 1, 2034	39,906	41,787
30,000	Kerr McGee Corp. Notes, 6.95%, due July 1, 2024	37,746	35,394
75,000	Kinder Morgan Notes, 5.95%, due February 15, 2018	84,100	78,234
70,000	Kinder Morgan Notes, 5.05%, due February 15, 2046	66,186	69,293
35,000	LAB Corp., Notes, 2.625%, due February 1, 2020	34,961	34,966
35,000	LYB International Financial Notes, 4.0%, due July 15, 2023	36,496	36,568
15,000	LYB International Financial Notes, 4.875%, due March 15, 2044	15,359	15,534
65,000	Lincoln National Corp., Notes, 8.75%, due July 1, 2019	85,191	74,788
35,000	Lloyds Bank Notes, 5.30%, due December 1, 2045	35,352	36,144
100,000	Lloyds Bank Notes, 6.50%, due September 14, 2020	116,801	110,603
50,000	Lockheed Martin Notes, 3.80%, due March 1, 2045	49,460	47,351
45,000	Lockheed Martin Notes, 2.50%, due November 23, 2020	45,747	45,380
10,000	Lockheed Martin Notes, 3.10%, due January 15, 2023	10,265	10,109

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Corporate Bonds:

Par		Cost	Fair Value
$ 95,000	Lorillard TOB Co. Notes, 8.125%, due June 23, 2019	$ 116,744	$ 108,379
50,000	Lyondellbasell Notes, 5.00%, due April 15, 2019	52,789	52,833
85,000	McDonalds Corp. Notes, 0.00%, due December 7, 2018	85,488	85,505
20,000	McDonalds Corp. Notes, 2.75%, due December 9, 2020	20,806	20,223
65,000	McDonalds Corp. Notes, 4.70%, due December 9, 2035	64,791	68,765
120,000	McKesson Corp. Notes, 4.883%, due March 15, 2044	142,673	122,071
115,000	Merrill Lynch & Co., Notes, 6.11%, due January 29, 2037	144,249	134,814
29,000	Met Life Inc., Notes, 6.40%, due December 15, 2036	31,683	31,320
220,000	Met Life Inc., Notes, 7.717%, due February 15, 2019	275,323	246,101
110,000	Mid-American Energy Notes, 6.125%, due April 1, 2036	112,662	137,377
65,000	Molson Coors Notes, 5.00%, due May 1, 2042	76,330	67,948
75,000	Morgan Stanley Notes, 2.375%, due July 23, 2019	75,266	75,214
78,000	Morgan Stanley Notes, 4.30%, due January 27, 2045	76,511	77,732
110,000	Morgan Stanley Notes, 3.875%, due January 27, 2026	110,778	111,112
55,000	Morgan Stanley Notes, 2.625%, due November 17, 2021	54,719	54,338
45,000	Morgan Stanley Notes, 2.916%, due January 15, 2047	46,498	45,854

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			Cost	Fair Value
Corporate Bonds:				
	Par			
$	100,000	Morgan Stanley Notes, 2.849%, due June 15, 2047	$ 103,355	$ 101,912
	125,000	Morgan Stanley Notes, 3.101%, due December 15, 2047	130,337	128,217
	60,000	Morgan Stanley Dean Witter & Co. Notes, 5.00%, due November 24, 2025	63,868	64,097
	130,000	Morgan Stanley Dean Witter & Co. Notes, 2.50%, due January 24, 2019	131,374	131,367
	105,000	NBC Universal Enterprise Inc., Notes, 5.25%, due December 31, 2049	111,300	110,250
	85,000	Nextera Energy Cap. Notes, 2.40%, due September 15, 2019	85,045	85,481
	80,000	Nissan Motor Acceptance Notes, 2.35%, due March 4, 2019	80,820	80,400
	100,000	Nordea Bank AG Notes, 5.50%, due September 29, 2049	100,240	99,390
	45,000	Norththrop Grumman Notes, 3.25%, due August 1, 2023	46,393	45,875
	85,000	Omega Healthcare Notes, 5.25%, due January 15, 2026	86,991	87,326
	100,000	Oracle Corp., Notes, 2.40%, due September 15, 2023	99,983	96,880
	80,000	Parker Hannifin Fixed Notes, 4.20%, due November 21, 2034	79,914	81,745
	30,000	Pepsico Inc., Notes, 3.60%, due March 1, 2024	32,909	31,289
	95,000	Petro-CDA Notes, 6.05%, due May 15, 2018	108,972	100,396
	105,000	Phillips 66 Notes, 4.65%, due November 15, 2034	103,681	109,297

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Par		Cost	Fair Value
Corporate Bonds:			
$ 190,000	Plains All American Notes, 4.5%, due December 15, 2026	$ 189,784	$ 192,745
145,000	PNC Financial Services Notes, 4.85%, due May 29, 2049	138,451	139,229
50,000	PNC Financial Services Notes, 2.7%, due November 1, 2022	50,746	49,221
70,000	PPG Inds Inc., Notes, 2.30%, due November 15, 2019	69,714	70,341
30,000	Potash Corp. Notes, 3.25%, due December 1, 2017	31,669	30,391
65,000	Protective Life Notes, 8.45%, due October 15, 2039	95,710	86,108
80,000	Prudential Financial Inc., Notes, 2.35%, due August 15, 2019	80,744	80,772
37,000	Reins Group American Notes, 4.7%, due September 15, 2023	39,540	39,232
85,000	Reynolds American Inc., Notes, 5.85%, due August 15, 2045	87,610	100,651
30,555	Residential Funding Mortgage Securities Notes, 5.31%, due February 25, 2036	30,245	29,973
30,000	Reynolds American Inc., Notes, 4.45%, due June 12, 2025	29,909	31,674
145,000	Roche Holdings Inc., Notes, 1.75%, due January 28, 2022	144,469	139,350
25,000	Roper Industries Notes, 6.25%, due September 1, 2019	28,014	27,499
145,000	Roper Technologies Notes, 3.00%, due December 15, 2020	144,945	146,886
105,000	Roper Technologies Notes, 3.85%, due December 15, 2025	109,748	106,290
100,000	Royal Bank of Canada Notes, 4.65%, due January 27, 2026	99,786	106,533

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			Cost	Fair Value
Corporate Bonds:				
	Par			
$	65,000	Shell International Notes, 2.125%, due May 11, 2020	$ 64,862	$ 64,922
	150,000	Siemens Notes, 1.7% due September 15, 2021	149,864	144,104
	125,000	Siemens Notes, 2.00%, due September 15, 2023	124,295	117,943
	95,000	Simon PPTY Group Notes, 2.35% due January 30, 2022	94,688	93,724
	125,000	Southern Power Co. Notes, 4.95%, due December 15, 2046	121,115	121,805
	130,000	Stanley Black & Steps CPN Notes, 1.622%, due November 17, 2018	130,000	129,200
	85,000	Suncor Energy Inc., Notes, 3.60%, due December 1, 2024	84,350	87,102
	35,000	Sunoco Logistics Notes, 4.25% due April 1, 2024	35,620	35,270
	130,000	Sunoco Logistics Notes, 3.9% due July 15, 2026	125,537	125,832
	200,000	Suntory Holdings LTD., Notes, 2.55%, due September 29, 2019	203,466	201,177
	20,000	Sysco Corp. Notes, 3.3%, due July 15, 2026	20,726	19,627
	235,000	TD Ameritrade Holdings Notes, 5.6%, due December 1, 2019	236,194	258,166
	220,000	TD Ameritrade Holdings Notes, 2.95%, due April 1, 2022	222,174	222,739
	115,000	Teva Pharmaceutical Indust LTD Notes, 4.1%, due October 1, 2046	117,701	98,539
	85,000	TJX Cos Inc., Notes, 2.25%, due September 15, 2026	84,364	78,284
	70,000	Time Warner Inc., Notes, 4.85%, due July 15, 2045	80,213	70,076

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Corporate Bonds:

Par		Description	Cost		Fair Value	
$	70,000	Toronto Dominion Notes, 3.625%, due September 15, 2031	$	69,878	$	68,378
	50,000	Tyco Electronics Notes, 6.55%, due October 1, 2017		57,155		51,863
	55,000	Tyson Foods Inc., Notes, 2.65%, due August 15, 2019		55,368		55,524
	50,000	Tyson Foods Inc., Notes, 4.875%, due August 15, 2034		52,821		50,952
	70,000	21st Century Fox Notes, 7.25%, due May 18, 2018		81,967		75,038
	60,000	UBS Group Funding Notes, 2.95%, due September 24, 2020		59,897		60,026
	40,000	Union Pacific Corp., Notes, 3.375%, due February 2035		39,879		37,830
	65,000	US Bank Corp., Notes, 3.375% , due April 27, 2026		64,950		63,281
	80,000	United Technologies Notes, 3.75%, due November 1, 2046		78,626		76,135
	65,000	Unitedhealth Group Notes, 3.75%, due July 15, 2025		71,057		67,290
	85,000	Unitedhealth Group Notes, 3.10%, due March 15, 2026		88,415		83,836
	125,000	Vale Overseas LTD Notes, 4.375%, due January 11, 2022		124,688		122,813
	45,000	Ventas Realty LTD., Notes, 5.70%, due September 30, 2043		49,584		50,550
	65,000	Ventas Realty LTD., Notes, 3.25%, due October 15, 2026		64,877		61,671
	70,000	Verizon Notes, 4.15%, due March 15, 2024		76,693		73,149

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Corporate Bonds:

Par		Cost	Fair Value
$ 140,000	Verizon Notes, 3.50%, due November 1, 2021	$ 142,965	$ 144,504
260,000	Verizon Notes, 5.012%, due August 21, 2054	281,359	258,638
160,000	Visa Inc., Notes, 2.8%, due December 14, 2022 5.62%, due September 1, 2024	166,677	160,896
90,000	Wal Mart Stores Inc., Notes, 3.30%, due April 22, 2024	91,149	92,543
110,000	Walgreens Boots Notes, 2.60%, due June 1, 2021	109,938	109,309
55,000	Walgreens Boots Notes, 3.80%, due November 18, 2024	53,970	55,978
100,000	Walgreens Boots Notes, 3.30%, due November 18, 2021	99,720	101,877
110,000	Waste Management Inc., Notes, 3.125%, due March 1, 2025	113,391	110,142
55,000	Wellpoint Inc., Notes, 1.875%, due January 15, 2018	55,579	55,024
55,000	Wellpoint Inc., Notes, 2.25%, due August 15, 2019	55,413	54,889
60,000	Wells Fargo & Co. Notes, 2.5%, due March 4, 2021	59,986	59,555
85,000	Wells Fargo & Co. Notes, 3.0%, due April 22, 2026	84,708	81,110
45,000	Wells Fargo & Co. Notes, 3.50%, due March 8, 2022	48,056	46,298
235,000	Wells Fargo & Co. Notes, 5.375%, due February 7, 2035	219,694	266,996
70,000	Wells Fargo & Co. Notes, 7.98%, due March 29, 2049	77,280	73,150
75,000	Wells Fargo & Co. Notes, 3.90%, due May 1, 2045	74,520	71,138

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		Cost	Fair Value
Corporate Bonds:			
Par			
$ 25,000	Wells Fargo & Co. Notes, 4.3%, due July 22, 2027	$ 24,941	$ 25,714
140,000	Wells Fargo & Co. Notes, 4.75%, Due December 7, 2046	139,734	142,080
110,000	Wells Fargo & Co. Notes, 2.15%, Due December 6, 2019	109,848	109,932
65,000	Wells Fargo & Co. Notes, 3.036%, Due May 15, 2047	66,917	66,556
600,000	Wells Fargo & Co. Notes, 2.00%, Due March 15, 2046	617,999	611,455
90,000	Welltower Inc., Notes, 4.25%, due April 1, 2026	93,427	93,293
20,000	Westlake Chemical Corp., Notes, 3.6%, due July 15, 2022	20,087	19,994
65,000	Zimmer Biomet Notes, 3.55%, due April 1, 2025	64,847	63,309
80,000	Zoetis Inc., Notes, 4.7%, due February 1, 2043	85,717	77,860
	TOTAL CORPORATE BONDS	**26,863,136**	**26,594,320**
Common Stock :			
Shares			
8,300	Abiomed Inc.	887,522	935,244
11,160	Adove Sustem Inc.	1,020,390	1,148,922
1,310	Alphabet Inc.	921,431	1,011,084
930	Amazon Inc.	547,441	697,379
4,790	Apple Inc.	491,803	554,778
32,200	Aplied Materials Inc.	958,879	1,039,094
2,630	Biogen Inc.	749,899	745,815
18,700	CBRE Group Inc.	522,585	588,863
7,220	CME Group Inc.	646,549	832,827
23,340	Coach Inc.	856,411	817,367
14,500	Continental Res. Inc.	414,365	747,330
3,540	Costco Wholesale Corp.,	548,780	566,789
2,100	Deere & Co.	215,628	216,384

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		Cost	Fair Value
Common Stock :			
Shares			
12,100	Delphi Automotive Plc.	$ 860,463	$ 814,935
22,200	Devon Energy Corp.,	576,762	1,013,874
9,800	Dicks Sporting Goods Inc.	550,193	520,380
8,190	Edwards Lifesciences Corp.	619,428	767,403
6,380	Electra Arts	520,511	502,489
10,760	EOG Resources Inc.	885,370	1,087,836
5,580	Facebook Inc.,	474,510	641,979
3,650	FedEx Corp.,	620,770	679,630
2,000	Fleetcor Technologies Inc.	348,408	283,040
38,600	General Electric Co.	1,141,916	1,219,760
10,960	Home Depot Inc.	1,088,676	1,469,517
6,190	J. B. Hunt Transport Services Inc	518,409	600,863
14,630	Medtronic Plc.	1,200,438	1,042,095
16,800	Microchip Technology Inc.	915,250	1,077,720
23,000	Microsoft Corp.	1,349,106	1,429,220
5,150	Middleby Corp.	649,297	663,372
16,960	Mobileye NV Euro.	777,680	646,515
10,150	Monster Beverage Corp.	469,584	450,051
19,600	Morgan Stanley Common Stock	801,882	828,100
3,020	Netflix Inc.	342,659	373,876
1,080	NXP Semiconductors N V	80,784	105,851
7,540	Palo Alto Networks Inc.	812,406	942,877
3,000	Panera Bread Co.	631,777	615,270
4,770	Parker-Hannifin Corp.	666,976	667,800
8,210	Red Hat Inc.	538,141	572,237
30,380	Schwab Charles Inc.	970,186	1,199,099
1,860	Splunk Inc.	107,714	95,139
4,330	Starbucks Corp.,	225,344	240,402
1,190	Transdigm Group Inc.	268,448	296,262
3,290	Ulta Salon Cosmetics & Fragrance Inc.	608,323	838,753
8,190	UnitedHealth Group Inc.	1,092,911	1,310,728
14,200	Veeva System Inc.	584,062	577,940
8,880	Visa Inc.	637,263	692,816
	TOTAL COMMON STOCK	**30,717,330**	**34,169,705**
Investment Contracts with Insurance Company:			
Par			
$ 31,152,108	Investment Contract with Prudential Financial	31,152,108	31,937,671
	TOTAL INVESTMENT CONTRACTS	**31,152,108**	**31,937,671**
Other Holdings:			
Units			
402,000	Lehman Brothers	-	23,115
400	Peachtree Cable Association Ltd., Limited Partnership Units	4,000	20,000
		4,000	**43,115**
	Cash collateral received under securities lending agreements	35,924,584	35,924,584
	TOTAL OTHER HOLDINGS	**35,932,584**	**35,967,699**
	TOTAL INVESTMENTS	**$ 627,936,269**	**$ 767,849,299**