Contra Costa County Employees' Retirement Association

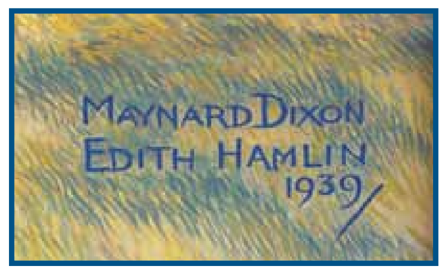
Comprehensive Annual Financial Report

For The Years Ended December 31, 2010 and 2009

A Pension Trust Fund of the County of Contra Costa, California and Participating Employers

On the cover:

A western art treasure graces the wall of the WPA-constructed post office in Martinez. Muralists Edith Hamlin and Maynard Dixon collaborated on "The Road To El Dorado," in 1939, combining California modernism and historic context to create a masterpiece for the public to enjoy. (Dixon's paintings now sell for over the million dollar mark.)



U.S. Bank in Martinez features the mural "John Muir Sitting On A Rock," by painter Wolfgang Heingitz. The 1986 artwork is rendered in muted pastels that evoke the golden light of a Contra Costa County afternoon.

Comprehensive Annual Financial Report

For The Years Ended December 31, 2010 and 2009

Issued by:

Marilyn Leedom, CEBS — Retirement Chief Executive Officer

Rick Koehler, CPA, CGFM — Retirement Accounting Manager

Contra Costa County Employees' Retirement Association
A Pension Trust Fund of the County of Contra Costa, California and Participating Employers
1355 Willow Way, Suite 221
Concord, California 94520-5728

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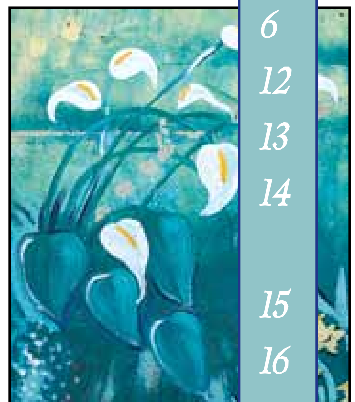

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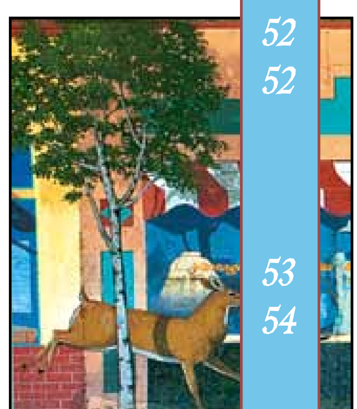

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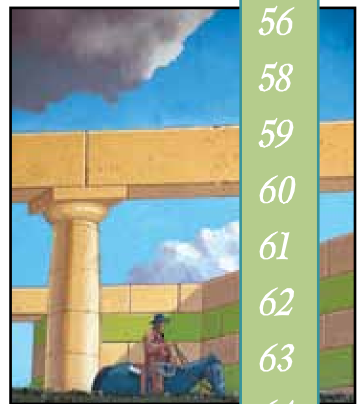

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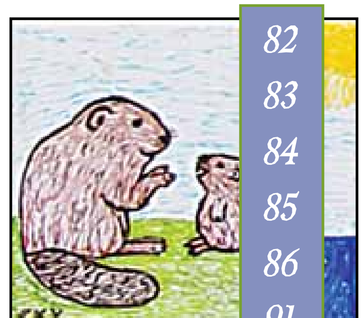
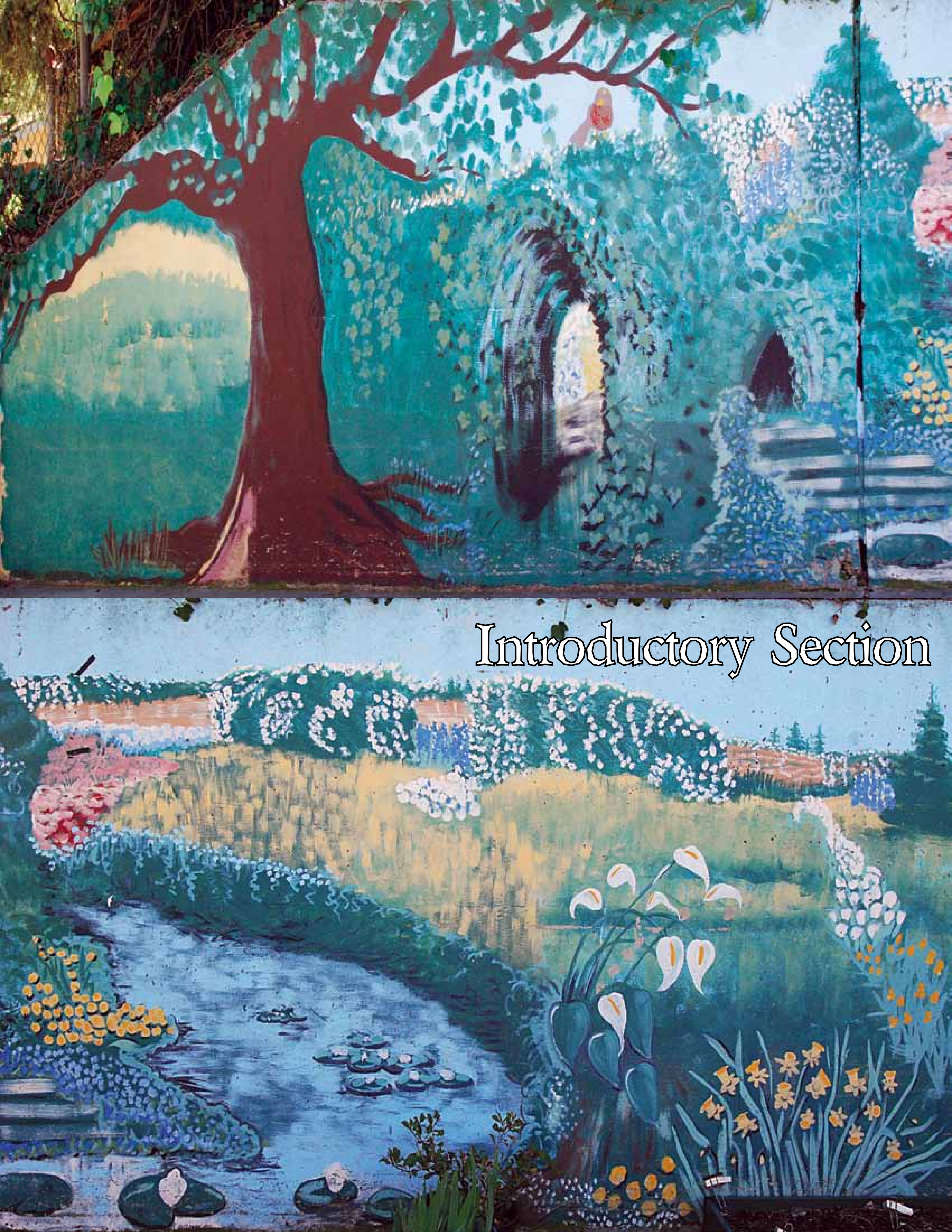




Introductory Section

contra costa county
Employees' Retirement Association
1355 willow way suite 221 concord ca 94520
925.521.3960 fax: 925.646.5747

Letter of Transmittal

June 30, 2011

Board of Retirement
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520-5728

Dear Board Members:

I am pleased to present the Contra Costa County Employees' Retirement Association's (CCCERA) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2010, our 65th year of operation.

The Contra Costa County Employees' Retirement Association is a public employee retirement system that was established by the County of Contra Costa on July 1, 1945, and is administered by the Board of Retirement (Board) to provide service retirement, disability, death, and survivor benefits for County employees and 16 other participating agencies under the California State Government Code, Section 31450, et.seq. (County Employees Retirement Law of 1937).

REPORT CONTENTS

CCCERA management is responsible for both the accuracy of the data and the completeness and fairness of the presentation of financial information within this CAFR, including all disclosures. The Comprehensive Annual Financial Report is divided into five sections:

The INTRODUCTORY SECTION describes CCCERA's management and organizational structure, a letter of transmittal, a listing of the members of The Board of Retirement, and a listing of professional consultants.

The FINANCIAL SECTION presents the financial condition and funding status of CCCERA. This section contains the opinion of the independent certified public accountants, Brown Armstrong CPAs, Management's Discussion and Analysis of CCCERA's financial activities, the financial statements, and the related supplementary financial information.

The INVESTMENT SECTION provides an overview of CCCERA's investment program. This section contains reports on investment activity, investment policies, investment results, and various investment schedules and charts/graphs.

The ACTUARIAL SECTION communicates CCCERA's funding status and presents other actuarial related information. This section contains the certification of the consulting actuary, The Segal Company, actuarial statistics, and general plan provisions.

The STATISTICAL SECTION presents information on CCCERA's operations on a multi-year basis.

CCCERA AND ITS SERVICES

CCCERA was established on July 1, 1945, to provide retirement allowances and other benefits to the safety and general members employed by Contra Costa County. Currently, Contra Costa County and 16 other participating agencies are members of CCCERA. The participating agencies include:

Bethel Island Municipal Improvement District	E
Byron, Brentwood, Knightsen Union Cemetery District	
Central Contra Costa Sanitary District	E
Contra Costa County Employees' Retirement Association	E
Contra Costa Housing Authority	E
Contra Costa Mosquito and Vector Control District	E
First 5 - Children & Families Commission	E
In-Home Supportive Services Authority (IHSS)	E
Local Agency Formation Commission (LAFCO)	E
Rodeo Sanitary District	
Superior Courts of Contra Costa County	E
Contra Costa Fire Protection District	E
East Contra Costa Fire Protection District	E
Moraga-Orinda Fire Protection District	E
Rodeo-Hercules Fire Protection District	
San Ramon Valley Fire Protection District	E

E - Adopted Enhanced Benefits (2% at 55 for General Members; 3% at 50 for Safety Members)

In addition, CCCERA administers retirement, disability, or survivor benefits to retirees or beneficiaries of the following former participating agencies:

Alamo-Lafayette Cemetery District
City of Pittsburg
Delta Diablo Sanitation District
Diablo Water District
Ironhouse Sanitary District
Kensington Fire Protection District
Superintendent of Schools - Contra Costa County Office of Education
Stege Sanitary District

CCCERA is governed by the California Constitution, the County Employees Retirement Law of 1937, and the regulations, procedures, and policies adopted by CCCERA's Board of Retirement. The Contra Costa County Board of Supervisors may also adopt resolutions, as permitted by the County Employees Retirement Law of 1937, which may affect benefits of CCCERA members.

The 12 member Board of Retirement is responsible for the general management of CCCERA. Of the twelve members, three are alternates, one for the appointed members, one for safety, and one for retirees. Five Board members are appointed by the Contra Costa County Board of Supervisors, one as an alternate. Four Board members, including the safety alternate, are elected by CCCERA's active membership. Two Board members are elected by the retirees, one as an alternate. The County Treasurer serves as an ex-officio member. Board members, with the exception of the County Treasurer, serve three year terms in office, with no term limits. County Treasurer William Pollacek retired effective January 4, 2011 and was replaced by Russell V. Watts, who was elected in the 2010 election.

FINANCIAL INFORMATION

The accompanying financial statements are prepared using the accrual basis of accounting. Contributions from employers and members are recognized as revenue when earned. Expenses are recorded when corresponding liabilities are incurred, regardless of when payment is due or made.

An overview of CCCERA's fiscal operations for the year ended December 31, 2010, is presented in the Management's Discussion and Analysis (MD&A), located in the financial section of the CAFR. This transmittal letter, together with the MD&A, provides an expanded view of the activities of CCCERA.

Brown Armstrong CPAs, CCCERA's independent auditor, has audited the accompanying financial statements. Management believes an adequate system of internal control is in place and the accompanying statements, schedules, and tables are fairly presented and free from material misstatement.

ACTUARIAL FUNDING STATUS

CCCERA's funding objective is to meet long-term benefit promises by maintaining a well-funded plan status and obtaining optimum investment returns. Pursuant to provisions in the County Employees Retirement Law of 1937, CCCERA engages an independent actuarial firm to perform an actuarial valuation of the system annually. Every 3 years, a triennial experience study of the members of CCCERA is completed. Both the economic and non-economic assumptions are reviewed and updated, if needed, at the time each triennial experience study is performed. The most recent triennial experience study, which was completed by The Segal Company, was performed as of December 31, 2009. The Segal Company's actuarial valuation as of December

31, 2009, determined the funding status (the ratio of system assets to system liabilities) to be 83.8%, using approved assumptions. A more detailed discussion of funding is provided in the Actuarial Section of this report.

INVESTMENTS

The Board has exclusive control of all retirement system investments and is responsible for establishing investment objectives, strategies, and policies. The California Constitution and Government Code Sections 31594 and 31595 authorize the Board to invest in any investment deemed prudent in the Board's opinion.

The Board has adopted an Investment Policy, which provides the framework for the management of CCCERA's investments. This policy establishes CCCERA's investment objectives and defines the principal duties of the Board, custodian bank, and investment managers. The asset allocation is an integral part of the Investment Policy and is designed to provide an optimum mix of asset classes with return expectations that reflect expected liabilities. A summary of the asset allocation can be found in the Investment Section of this report.

On a market value basis, the total net assets held in trust increased from $4.5 billion at December 31, 2009, to $5.0 billion at December 31, 2010. For the year ended December 31, 2010, CCCERA's investment portfolio returned 14.0%, before investment management fees, reflecting market conditions throughout the year. CCCERA's annualized rate of return was 0.7% over the last three years, 4.8% over the last five years, and 5.7% over the last 10 years, gross of fees.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CCCERA for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which meet or exceed program standards. The CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for evaluation.

CCCERA was also awarded the Public Pension Coordinating Council's (PPCC) Public Pension Standards Award for 2010. The Public Pension Standards are intended to reflect minimum expectations for public retirement system management and administration, and to serve as a benchmark by which all defined benefit public plans should be measured. CCCERA has met these standards.

SERVICE EFFORTS AND ACCOMPLISHMENTS

Benefits Division - The Pension System project is continuing with intensive data verification and cleansing. Legacy payroll and subledger systems contained decades of valuable data that required conversion to electronic and paperless formats. During this process, the Board of Retirement voted to depool employer assets and liabilities, so analysis of member records became imperative to report accurate demographic information to our actuaries. Employers are now reporting all data electronically into our system.

The Benefits Division also cross-trained support staff to increase service delivery capacity: tasks included certifications, terminations, new hires, and refunds. Active and retiree counselors have also trained on each specialty. The Benefits Coordinator visited several employers on-site to provide information tailored to each agency. CCCERA held eight Group Counseling sessions for 157 members nearing retirement.

Legal Division - The Legal Division worked with CCCERA's tax attorneys to prepare an application to the IRS for a letter of determination that the plan is "tax-qualified" under IRS rules. Tax qualification means that plan participants are not taxed when contributions are made to the plan, but rather upon receipt of benefits at retirement. This process involved the Legal Division's research and compilation of all plan documents, including Board of Retirement, Board of Supervisors, and special district board's resolutions. Additionally, the Legal Division developed and published a CCCERA specific compilation of the County Employees Retirement Law of 1937 (CERL) by reseraching all sections of the law that apply to the plan, and documenting the adoption of the permissible sections of the law. General Counsel has provided updates to the Board and staff regarding pending legislation affecting the system, and analysis of new laws and regulations impacting CCCERA.

Communications Division - CCCERA published our first Popular Annual Financial Report (PAFR), in conjunction with the Accounting Division. This six page document was distributed to over 16,000 members. The Safety Members' Handbook was completed and posted to our web site, as was specific disability retirement information. Board meeting agendas have been available on line for a number of years. However, background material on discussion items is now linked to buttons on the agenda posting, allowing for immediate access. Member handbooks and web site content have undergone revision in 2010 to reflect policy changes. Many agency forms are now available on the web site; these forms can be filled out on line, then printed and signed for submission to the Retirement Office.

<u>Accounting Division</u> – The implementation and integration of the MultiView accounting system continued throughout 2010 with an emphasis on moving from paper to electronic workflow and the integration of the system with the custodial bank and operating bank. After considerable design and testing in 2010 and early 2011, the electronic workflow for Accounts Payable was activated on March 14, 2011. Additional work and testing are scheduled to be completed in 2011 for the integration components.

ACKNOWLEDGEMENT

The compilation of this report reflects the combined and dedicated effort of many people on CCCERA's staff. It is intended to provide complete and reliable information as the basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the funds of CCCERA.

I would like to take this opportunity to express my thanks to the Board of Retirement, the consultants, and staff for their commitment to CCCERA and for their diligent work to assure the continued successful operation of CCCERA.

Respectfully submitted,

Marilyn Leedom

Marilyn Leedom, CEBS
Retirement Chief Executive Officer

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Members of The Retirement Board

As of December 31, 2010

List of Professional Consultants

As of December 31, 2010

Actuary

The Segal Company

Actuarial Audit

Milliman USA

Benefit Statement Consultant

The Segal Company

Data Processing

Contra Costa County Department of Information Technology

Auditor

Brown Armstrong CPAs

Legal Counsel

County Counsel of Contra Costa County
Reed Smith LLP
Ice Miller LLP

Investment Consultant

Milliman USA

Master Custodian

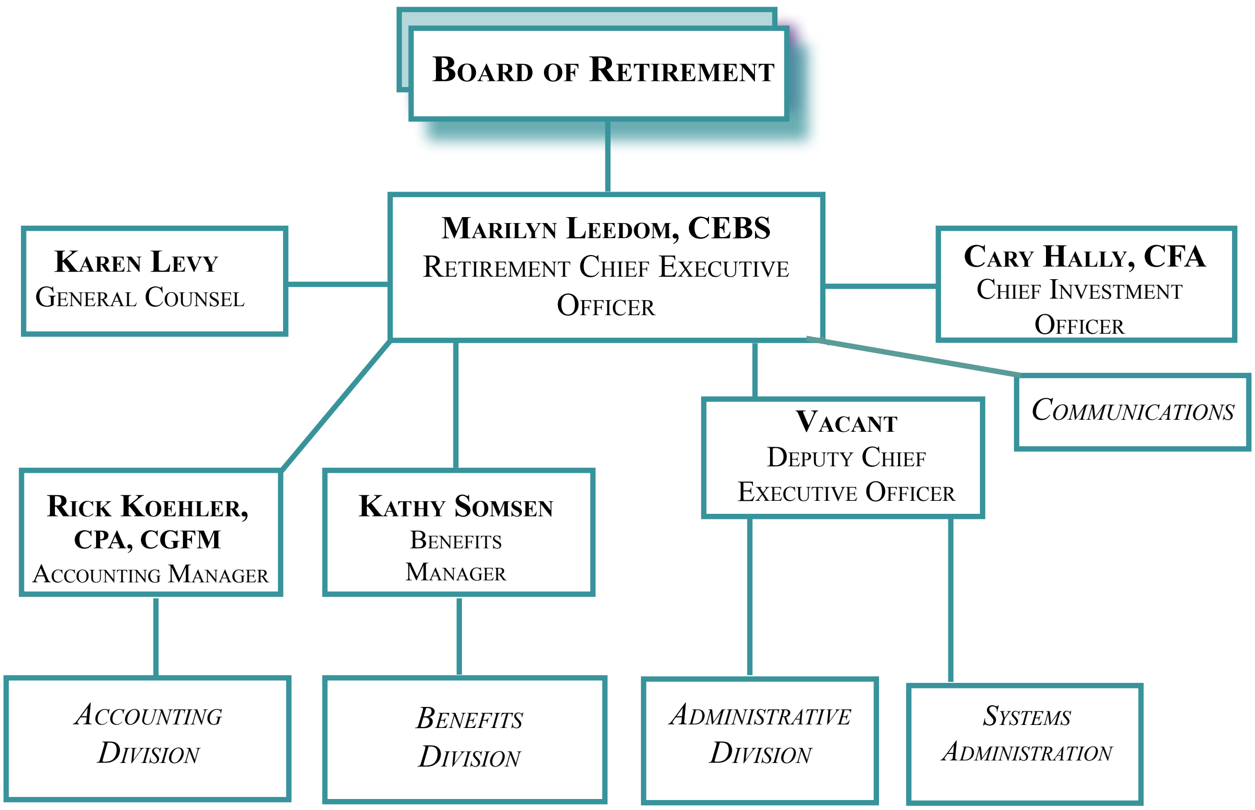
State Street Bank & Trust

Proxy Guideline Voting Agent Service

Risk Metrics Group

Note: List of Investment Professionals is located on page 64 of the Investment Section of this report.

Administrative Organization Chart



GFOA Certificate of Achievement Award

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Contra Costa County
Employees' Retirement Association
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Public Pension Coordinating Council

Public Pension Standards Award for Funding and Administration 2010

Presented to

Contra Costa County Employees' Retirement Association

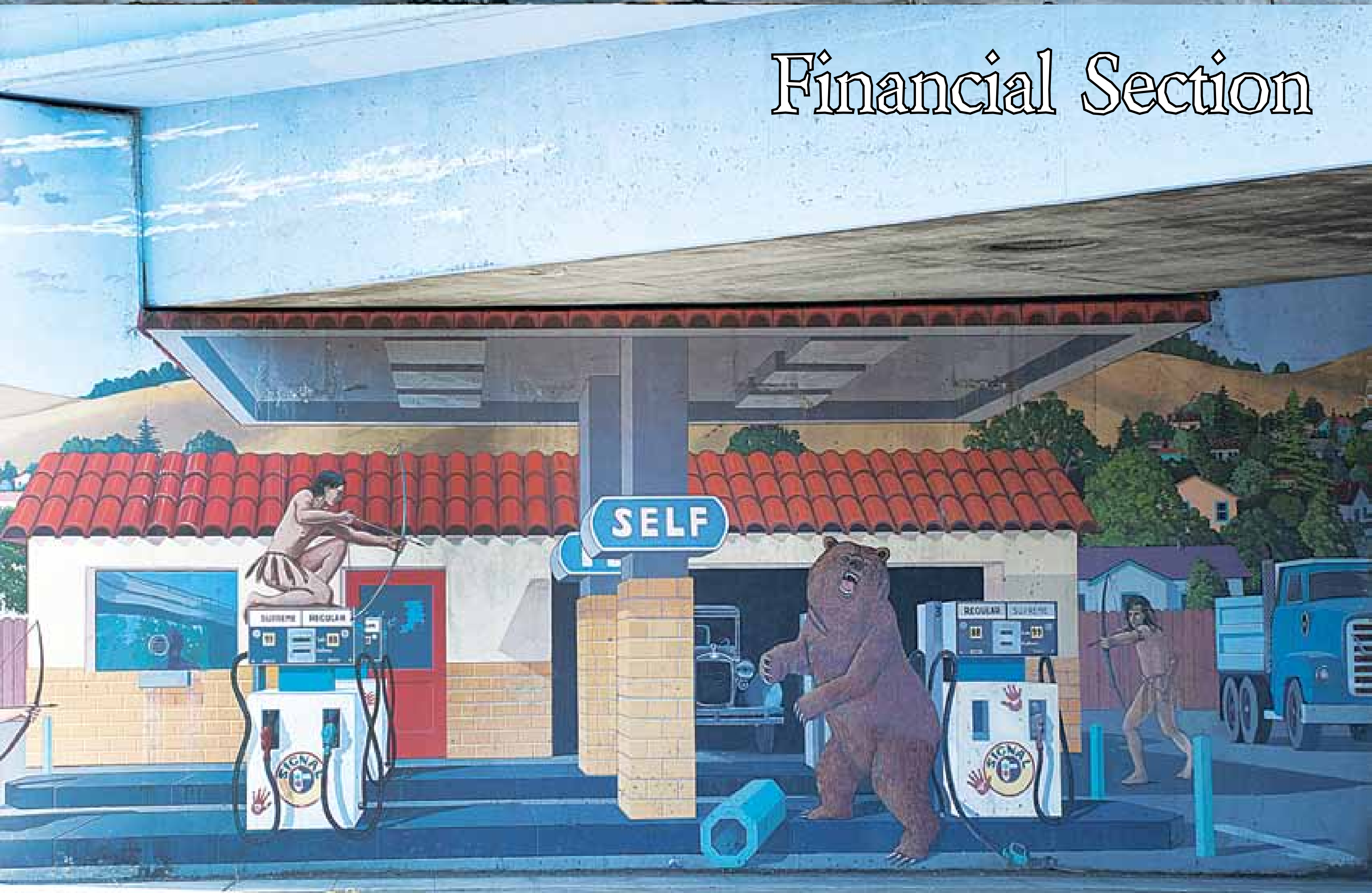
In recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Program Administrator

Financial Section



BROWN
ARMSTRONG

CERTIFIED
PUBLIC
ACCOUNTANTS

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FAX 661.324.4997
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SUITE 300
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BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Retirement of the
Contra Costa County Employees' Retirement Association

We have audited the accompanying statement of plan net assets of the Contra Costa County Employees' Retirement Association (CCCERA), a component unit of the County of Contra Costa, California, as of December 31, 2010 and 2009, and the related statement of changes in plan net assets for the years then ended. These basic financial statements are the responsibility of management of CCCERA. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2 to the financial statements, in 2010 CCCERA adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments.*

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the plan net assets of the Contra Costa County Employees' Retirement Association as of December 31, 2010 and 2009, and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules of funding progress and employer contributions be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the GASB, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to this 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 financial statements, and other knowledge we obtained during our audits of the 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.

The Other Supplementary Information as listed in the table of contents, and the Investment, Actuarial and Statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements of CCCERA. The Other Supplementary Information as listed in the table of contents has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. We did not audit the information contained in the Investment, Actuarial and Statistical sections and express no opinion or provide any assurances on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011, on our consideration of CCCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Bakersfield, California
June 30, 2011

Management's Discussion and Analysis

We are pleased to provide this overview and analysis of the financial activities of Contra Costa County Employees' Retirement Association (CCCERA) for the year ended December 31, 2010. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our Letter of Transmittal, as well as the Financial Statements.

Financial Highlights

‡ The net assets of CCCERA at the close of 2010 total $5.0 billion (net assets held in trust for pension benefits), an increase of $.5 billion, or 12.3% from 2009, primarily as a result of the net appreciation in the Fair Value of Investments. December 31, 2009 net assets of $4.5 billion represented an increase of $.8 billion over the $3.7 billion balance as of December 31, 2008.

‡ Total Additions, as reflected in the Statement of Changes in Plan Net Assets, for the year ended December 31, 2010 were $855 million, which includes employer and employee contributions of $248.3 million, an investment gain of $605.7 million and net securities lending income of $1.1 million. 2009 investment income and gains were up from 2008 because investment gains were significant compared to the large losses in 2008. These gains totaled $748.9 million for the year ended December 31, 2009 compared to a -$1.5 billion loss in 2008.

‡ Employer contributions decreased from $195.6 million in 2009 to $184.0 million in 2010 primarily as the result of a decrease in contribution rates attributed to investment gains prior to 2008 that were reflected in the December 31, 2007 actuarial valuation. Contribution rates are applied on a July through June fiscal year basis and increased as of July 1, 2010. This increase has been reflected in the last six months of 2010 but was not enough to offset the decrease for the first six months of 2010. Also included in the 2010 employer contribution total is $2.14 million paid by County departments as a result of employees converting prior Tier 2 service to Tier 3 service. Employer contributions in 2008 totaled $206.5 million.

‡ Employee contributions decreased slightly for 2010 when compared to 2009, attributed to investment gains prior to 2008 that were reflected in the December 31, 2007 actuarial valuation. For 2010, 2009, and 2008, employee contributions were $64.3 million, $66.5 million, and $76.6 million respectively.

‡ Total Deductions, as reflected in the Statement of Changes in Plan Net Assets, increased from $286.4 million to $304.6 million over the prior year, or approximately 6.4%, mainly attributed to the Pension payroll. Benefits paid to retirees and beneficiaries increased from $266.9 million in 2009 to $289.0 million in 2010, or approximately 8.3%. This increase can be attributed to an increase in the number of new retirees and an annual cost-of-living increase. The increase in the Pension Benefit for 2009 over 2008 was approximately 6.6%, primarily attributed to new retirees and the cost-of-living increase which only applied to those with an accumulated carry-over of unused COLAs from prior years.

‡ CCCERA's funding objective is to meet long-term benefit obligations through contributions and investment income. As of December 31, 2009, the date of CCCERA's last actuarial valuation, the funded ratio for CCCERA was 83.5%. In general, this indicates that for every dollar of benefits due we have approximately $0.84 to cover it.

‡ Market conditions improved significantly in 2009 over 2008, which led to an increase in the value of investments for CCCERA as of December 31, 2009. CCCERA had an investment return of 14.0% in 2009, on the heels of a 21.9% return for 2008, mitigating much of the 2008 downturn. CCCERA continues to maintain its long-term funding objectives.

Overview of the Financial Statements

This Management's Discussion and Analysis is intended to serve as an introduction to CCCERA's financial statements, which are comprised of these components:

1. Statement of Plan Net Assets
2. Statement of Changes in Plan Net Assets
3. Notes to the Financial Statements
4. Required Supplementary Information
5. Other Supplementary Information

The Statement of Plan Net Assets is a snapshot of account balances at year-end. It indicates the assets available for future payments to retirees and their beneficiaries and any current liabilities that are owed as of year-end. The net assets, which are the assets less the liabilities, reflect the funds available for future use.

The Statement of Changes in Plan Net Assets, on the other hand, provides a view of current year additions to and deductions from the plan. The trend of additions versus deductions to the plan will indicate whether CCCERA's financial position is improving or deteriorating over time.

Both financial statements and the required disclosures are in compliance with the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board (GASB), using the accrual basis of accounting. CCCERA complies with all material requirements of these principles and guidelines.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All investment gains and losses are shown at trade date, not settlement date. In addition, both realized and unrealized gains and losses are shown on investments, and all Property and Equipment (capital assets) are depreciated over their useful lives.

Other factors, such as market conditions, should be considered in measuring CCCERA's overall financial strength.

The Notes to the Financial Statements are an integral part of the financial report and provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes provide detailed discussion of key policies, programs, and activities that occurred during the year.

Required Supplementary Information. In addition to the financial statements and accompanying notes, this report presents certain required supplementary information concerning CCCERA's progress in funding its obligations to provide pension benefits to members. The Schedule of Funding Progress, a required supplementary schedule, includes historical trend information for the past six years about the actuarially funded status of the plan, and the progress made in accumulating sufficient assets to pay benefits when due. The other required supplementary schedule, the Schedule of Employer Contributions, presents historical trend information about annual required contributions of the employer and the actual contributions made. These schedules provide information to help promote understanding of the changes in the funded status of the plan over time.

Other Supplementary Information. The schedules of administrative expenses and investment expenses are presented following the required supplementary information.

Financial Analysis

Assets and Funding Ratio

As of December 31, 2010, CCCERA has $5.0 billion in net assets, which means that total assets of $5.85 billion exceed total liabilities of $855 million. At December 31, 2009 and 2008, CCCERA's net assets totaled $4.5 billion and $3.7 billion, respectively. The net assets represent funds available for future payments. Of importance and unlike private pension funds, public pension funds are not currently required to disclose the future liability of obligations owed to retirees. Only current liabilities are reported on the Statement of Plan Net Assets.

As of December 31, 2010, net assets increased by 12.3% over 2009, and increased by 34.19% over 2008, primarily due to the changes in the fair market value of investments. Current assets and current liabilities also change by offsetting amounts due to the recording of the security lending cash collateral.

Capital Assets

CCCERA's investment in capital assets decreased from $1.4 million to $1.2 million (net of accumulated depreciation and amortization). The investment in capital assets includes servers, equipment, furniture, and leasehold improvements. The total decrease in CCCERA's investment in capital assets for the current year is -15.6% over 2009. The decrease of -12.8% for 2009 over 2008 is primarily because of the normal amortization of assets held by CCCERA. CCCERA has updated its technology infrastructure and purchased computer servers and equipment for its imaging project. CCCERA also started the design phase of a Pension Benefit System in early 2006, and this project was substantially completed in 2010. Starting in 2008, CCCERA follows Government Code Section 31580.3, which allows expensing of software, hardware, and computer technology consulting services in support of the software or hardware used in the administration of the retirement system. During 2010, 2009, and 2008, CCCERA expensed $78,707, $1,015,672, and $238,000 of software, hardware, and computer technology consulting services, respectively.

PLAN NET ASSETS (Dollars in Thousands)

	2010	2009	2008	% Change 2009-2010	% Change 2009-2008
Current Assets	$1,003,309	$ 902,124	$ 861,358	11.2%	4.7%
Investments	4,851,225	4,323,164	3,745,283	12.2%	15.4%
Capital Assets	1,161	1,376	1,578	-15.6%	-12.8%
Total Assets	5,855,695	5,226,664	4,608,219	12.0%	13.4%
Total Liabilities	828,538	749,935	858,520	10.5%	-12.6%
Total Plan Net Assets	**$5,027,157**	**$4,476,729**	**$ 3,749,699**	**12.3%**	**19.4%**

CCCERA has annual valuations performed by its independent actuary, The Segal Company. The purpose of the valuation is to determine what future contributions by the members and employers are needed to pay all the expected future benefits. Despite variations in the stock market, CCCERA's management and actuary concur that CCCERA remains in a financial position to meet its obligations to the plan participants and beneficiaries. The current financial position is the result of recent market changes and volatility while long-term results are from a strong and successful investment program.

CCCERA's Activities

CHANGES IN CCCERA NET ASSETS (Dollars in Thousands)

Additions	2010	2009	2008	% Change 2010-2009	% Change 2009-2008
Employer Contributions	$183,951	$ 195,614	$ 206,519	-6.0%	-5.3%
Employee Contributions	64,330	66,536	76,452	-3.3%	-13.0%
Net Investment Income/(Loss)	605,672	748,861	-1,467,872	-19.1%	151.0%
Net Security Lending Income	1,097	2,436	3,392	-55.0%	-28.2%
Total	**$855,050**	**$1,013,447**	**-$1,181,509**	**-15.6%**	**185.8%**

Deductions	2010	2009	2008	% Change 2010-2009	% Change 2009-2008
Pension Benefits	$ 288,969	$ 266,866	$ 250,445	8.3%	6.6%
Refunds	2,647	4,628	3,730	-42.8%	24.1%
Administrative	5,283	7,359	5,601	-28.2%	31.4%
Other Expenses	7,723	7,563	8,132	2.1%	-7.0%
Total	**$ 304,622**	**$ 286,416**	**$ 267,908**	**6.4%**	**6.9%**
Increase/(Decrease) in Net Assets Held in Trust for Pension Benefits	**$ 550,428**	**$ 727,031**	**-$1,449,417**	**-24.3%**	**150.2%**

Additions to Plan Net Assets
The primary sources to finance the benefits that CCCERA provides to its members are accumulated through the collection of member (employee) and employer contributions and through the earnings on investments (net of investment expenses). The Net Investment income/-loss for the years ended December 31, 2010, 2009, and 2008 totaled $605.7 million, $748.9 million, and -$1.47 billion, respectively.

By year-end, overall additions had decreased by $158 million over 2009, or -15.6%, due primarily to investment gains being lower than in the previous year. For 2009, investment gains had increased significantly by $2.2 billion over 2008, or 185.8%, due primarily to positive investment returns vs. large 2008 losses. The Investment Section of this report reviews the result of investment activity for the year ended December 31, 2010.

Deductions from Plan Net Assets
The primary uses of CCCERA's assets include the payment of benefits to retirees and their beneficiaries, refund of contributions to terminated employees, and the cost of administering the system. Deductions in the year ended December 31, 2010 totaled $304.6 million, an increase of 6.4% over December 31, 2009. 2009 had an increase of $18.5 million or a 6.9% change from December 31, 2008. The increases are attributed to the additional benefit payments for retirees as well as the growth in the number and average amount of benefits paid to retirees year over year as well as expensing computer related equipment and software.

The Board of Retirement approves the annual budget for CCCERA. The California Government Code Section 31580.2 limits the annual administrative expense to eighteen one hundredths of one percent (0.18%) of the total assets of the retirement system. Beginning in 2008, CCCERA follows Government Code section 31580.3 which allows computer software, hardware, and technology to be expensed each year within the administrative expense limit of 18 basis points, plus one million dollars ($1,000,000). CCCERA has consistently met its administrative expense budget for the current year and prior years.

CCCERA's Fiduciary Responsibilities

CCCERA's Board and management staff are fiduciaries of the pension trust fund. Under the California Constitution, the assets can only be used for the exclusive benefit of plan participants and their beneficiaries.

Requests for Information

This financial report is designed to provide the Board of Retirement, members, taxpayers, investment managers, and creditors with a general overview of CCCERA's financial condition and to demonstrate CCCERA's accountability for the funds under its stewardship.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

CCCERA
Attn: Accounting Division
1355 Willow Way, Suite 221
Concord, CA 94520-5728

Respectfully submitted,

Rick Koehler, CPA, CGFM
Retirement Accounting Manager
June 30, 2011

Statement of Plan Net Assets

As of December 31, 2010 and 2009
(Dollars in Thousands)

	2010	2009
Assets:		
Cash equivalents	$ 212,131	$ 202,281
Cash collateral - securities lending	269,790	461,576
Total cash & cash equivalents	481,921	663,857
Receivables:		
Contributions	6,930	7,080
Investment trades	477,211	192,270
Investment income	13,355	14,095
Installment contract (see Note 12)	23,036	23,970
Other	90	162
Total receivables	520,622	237,577
Investments at fair value:		
Stocks	2,467,400	2,169,486
Bonds	1,517,912	1,412,261
Real estate	566,633	492,044
Alternative investments	299,280	249,373
Total investments	4,851,225	4,323,164
Other assets:		
Prepaid expenses/deposits	766	690
Capital assets, net of accumulated depreciation/amortization of $1,512 and $1,311 respectively	1,161	1,376
Total assets	5,855,695	5,226,664
Liabilities:		
Investment trades	467,870	192,199
Security lending	269,790	461,577
Employer contributions unearned	77,584	81,695
Retirement allowance payable	5,016	4,963
Accounts payable	5,548	5,172
Contributions refundable	676	460
Other liabilities	2,054	3,869
Total liabilities	828,538	749,935
Net Assets Held In Trust for Pension Benefits	**$5,027,157**	**$4,476,729**

See accompanying notes to the financial statements.

Statement of Changes in Plan Net Assets

For the Years Ended December 31, 2010 and 2009
(Dollars in Thousands)

Additions:	**2010**	**2009**
Contributions:		
Employer	$ 183,951	$ 195,614
Employee	64,330	66,536
Total contributions	248,281	262,150
Investment income:		
Net appreciation in fair value of investments	387,885	626,058
Net appreciation/(depreciation) in fair value of real estate	101,165	(10,108)
Interest	94,984	95,157
Dividends	28,677	35,749
Real estate income, net	19,950	19,832
Investment expense	(30,475)	(26,717)
Other income and expense	3,486	8,890
Net investment income, before securities lending	605,672	748,861
Securities lending income:		
Earnings	1,593	3,428
Rebates	(154)	(273)
Fees	(342)	(719)
Net securities lending income	1,097	2,436
Net investment income	606,769	751,297
Total additions	855,050	1,013,447
Deductions:		
Benefits paid	288,969	266,866
Contribution prepayment discount	6,848	6,982
Administrative	5,283	7,359
Refunds of contributions	2,647	4,628
Other	875	581
Total deductions	304,622	286,416
Net Increase	550,428	727,031
Net Assets Held in Trust for Pension Benefits:		
Balance beginning of year	4,476,729	3,749,698
Balance end of year	**$5,027,157**	**$4,476,729**

See accompanying notes to the financial statements.

Notes To The Financial Statements

For The Year ended December 31, 2010

Note 1. Plan Description

The Contra Costa County Employees' Retirement Association (CCCERA) is governed by the Board of Retirement (Board) under the County Employees' Retirement Law of 1937 (1937 Act), as amended. Members should refer to the 1937 Act for more complete information.

General

CCCERA is a contributory defined benefit plan (the Plan) initially organized under the provisions of the 1937 Act on July 1, 1945. It provides benefits upon retirement, death or disability of members. Prior to 2010, CCCERA operated as a cost-sharing, multiple employer defined benefit pension plan that covers substantially all of the employees of the County of Contra Costa (the County) and 16 other member agencies.

CCCERA's membership as of December 31, 2010 and 2009 is presented below.

	2010	2009
Retirees and Beneficiaries Receiving Benefits	7,559	7,292
Inactive Vested Members Entitled to but not yet Receiving Benefits	2,231	2,209
Current Employees:		
Vested:		
General Employees	5,166	5,218
Safety Employees	1,112	1,184
Non-Vested:		
General Employees	2,160	2,188
Safety Employees	373	348
Total Membership	**18,601**	**18,439**

CCCERA, with its own governing board, is an independent governmental entity, separate and distinct from the County of Contra Costa. CCCERA is presented in the County's basic financial statements as a pension trust fund. Costs of administering the Plan are financed through contributions and investment earnings.

At its October 14, 2009 meeting, the Retirement Board took action to depool CCCERA's Assets, Actuarial Accrued Liability (AAL), and Normal Cost both by tier and employer for determining employer contribution rates. The Board action yielded 12 separate cost groups by employer, with the exception of smaller employers (those with less than 50 active members) who continue to be pooled with the applicable County tier. The depooling action affected employer rates effective July 1, 2011. The Board instructed The Segal Company to calculate the new rates based on separate experience of each employer from December 31, 2002, which is the earliest date for which reliable data was available. The December 31, 2009 valuation was the first to incorporate the new "depooled" employer contribution rates.

Benefit Provisions

The Plan is currently divided into eight benefit levels in accordance with the 1937 Act. These levels are known as General Tier I, enhanced and non-enhanced; Tier II; Tier III ,enhanced and non-enhanced; Safety Tier A; and Safety Tier C, enhanced and Safety non-enhanced. On October 1, 2002, the Contra Costa County Board of Supervisors adopted Resolution No. 2002/608, which provides enhanced benefit changes commonly known as 3% at 50 for safety members and 2% at 55 for general members, effective on July 1, 2002 and January 1, 2003, respectively. Effective January 1, 2005, the enhanced benefits were applied to the bargaining units represented by the California Nurses Association and the nonrepresented employees within similar classifications as employees in bargaining units represented by the California Nurses Association, as well as the supervisors and managers of those employees. Effective July 1, 2005, East Contra Costa Fire Protection District adopted the enhanced benefit structure for its employees. In addition, each Special District that is a participant of CCCERA, and whose staff are not County employees covered by Resolution No. 2002/608, may elect to participate in the enhanced benefits. As of December 31, 2010, nine (9) general member agencies and four (4) safety member agencies have adopted enhanced benefits for their employees. A fifth safety member agency adopted enhanced benefits for its general members in 2003, but not for safety members.

Legislation was signed by the Governor in 2002 which allowed Contra Costa County, effective October 1, 2002, to provide Tier III to all new employees, to move those previously in Tier II to Tier III as of that date, and to apply all future service as Tier III. Tier III was originally created on October 1, 1998, and made available to all members with five or more years of Tier II service who elected to transfer to Tier III coverage.

Tier I includes members not mandated to be in Tier II or Tier III and reciprocal members who elected Tier I membership. As of December 31, 2010, there are no active Tier II member accounts. All members who moved to Tier III with five or more years of service prior to October 1, 2002, or were moved to Tier III effective October 1, 2002, January 1, 2005, or February 1, 2006, continue to have Tier II benefits for service prior to that date unless the service is converted to Tier III.

Safety includes members in active law enforcement, active fire suppression work, or certain other "Safety" classifications as designated by the Retirement Board.

Effective January 1, 2007, Contra Costa County and the Deputy Sheriff's Association agreed to adopt a new Safety Tier C for sworn employees hired by the County after December 31, 2006. A Deputy Sheriff hired on or after January 1, 2007, will have a 3% at 50 benefit formula with a 2% maximum Cost-of-Living-Adjustment (COLA) and a 36 month final average salary period.

Benefits are administered by the Board under the provisions of the 1937 Act. Annual COLAs to retirement benefits may be granted by the Board as provided by State statutes. Service retirements are based on age, length of service, and final average salary. Employees may withdraw contributions plus interest credited or leave them on deposit for a deferred retirement when they terminate or transfer to a reciprocal retirement system.

Pertinent provisions for each section follow:

General - Tier I

Members may elect service retirement at age 70 regardless of service, at age 50 with 10 years of service, or with 30 years of service regardless of age. Disability retirements may be granted as service connected with no minimum service credit required or non-service connected with five years of service credit required. The retirement benefit is based on a one-year final average salary in accordance with Government Code Section 31462.

General - Tier II

Members may elect service retirement at age 70 regardless of service, at age 50 with 10 years of service, or with 30 years of service regardless of age. Disability retirements may be granted as service connected with no minimum service credit required or non-service connected with ten years of service credit required. Those members who elected in 1980 to transfer from General - Tier I to General - Tier II are eligible for non-service connected disability retirement with five years of service. The definition of a disability is stricter under General - Tier II than in the General - Tier I plan. The retirement benefit is based on a three-year final average salary in accordance with Government Code Section 31462.

General - Tier III

Members may elect service retirement at age 70 regardless of service, at age 50 with 10 years of service, or with 30 years of service regardless of age. Disability retirements may be granted as service connected with no minimum service credit or non-service connected with ten years of service credit required. The definition of disability is the same as General -Tier II. The retirement benefit is based on a one-year final average salary in accordance with Government Code Section 31462.

Safety - Tier A

Members may elect service retirement at age 50 with 10 years of service or with 20 years of service regardless of age. Disability retirements may be granted as service connected with no minimum service credit required or non-service connected with five years of service credit required. The retirement benefit is based on a one-year final average salary in accordance with Government Code Section 31462.

Safety - Tier C

Members may elect service retirement at age 50 with 10 years of service or with 20 years of service regardless of age. Disability requirements may be granted as service connected with no minimum service credit required or non-service connected with five years of service credit required. The retirement benefit is based on a three-year final average salary in accordance with Government Code Section 31462.

Cost-of-Living Adjustments (COLA)

The 1937 Act authorizes the Retirement Board to grant annual automatic and ad hoc cost-of-living increases to all eligible retired members. Article 16.5 requires the Board to grant an annual automatic COLA effective April 1st. This benefit is based on the San Francisco-Oakland-San Jose area Consumer Price Index and is limited to the maximum of two percent for Safety Tier C members; three percent for Tier I, Tier III, and Safety Tier A members; and four percent for Tier II members. Government Code Section 31874.3 allows the granting of a supplemental cost-of-living benefit, on a prefunded basis to eligible retirees whose unused Consumer Price Index increase accumulations equal or exceed 20 percent. This supplemental increase is a permanent part of the retirees' monthly benefit and is known as "New Dollar Power."

Terminations

Effective January 1, 2003, a member with less than five years of service may elect to leave accumulated contributions on deposit in the retirement fund indefinitely as a result of the passing of AB2766, which amends Section 31629.5 of the County Employees' Retirement Law of 1937. A member who continues membership under this ruling is granted a deferred non-vested status and is subject to the same age, service, and disability requirements that apply to other members for service or disability retirement.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

CCCERA's financial statements are prepared using the accrual basis of accounting. Investment income is recognized when it is earned and expenses are recognized in the period in which they are incurred. Employee and employer contributions are recognized as revenue when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds of prior contributions are recognized when due and payable in accordance with the terms of the Plan. All investment purchases and sales are recorded on the trade date. The net appreciation/(depreciation) in fair value of investments held by CCCERA is recorded as an increase/(decrease) to investment income based on the valuation of investments at June 30th and December 31st.

Cash Equivalents

Cash equivalents include deposits in the County Treasurer's commingled cash pool and certain investments held by the County Treasurer, custodian bank, and other investment managers. Cash equivalents are highly liquid investments with maturity of three months or less when purchased. Short-term investments with the custodian bank include foreign currencies, cash held in short-term investment funds and other short-term, highly liquid investments. Short-term investments considered cash equivalents are recorded at cost, which approximates fair value.

Methods Used to Value Investments

Investments are reported at fair value. Fair value is the amount that CCCERA can reasonably expect to receive in a current sale between a willing buyer and a willing seller - that is, other than in a forced or liquidation sale. The fair values of equity and fixed income securities are derived from quoted market prices. The fair values of private market investments are estimated from fair values provided by real estate investment funds, generally using periodic independent appraisals, and alternative investment managers. Investments listed as alternative investments are comprised of a U.S. timberland fund, and private equity partnerships which invest in a diversified portfolio of venture capital, buyout and other special situations partnerships, and the U.S. power industry.

Certain alternative investments are reported in CCCERA's financial records on a quarter lag due to reporting constraints at the investment level. Four quarters of activity are recorded in each calendar year. At year-end, investment activity is shown through September 30th of that particular year. In addition, Willows Office Park, a real estate investment, is appraised every three years, with the most recent appraisal being September 30, 2010.

Receivables

Receivables consist primarily of interest, dividends, installment contracts, investments in transition (i.e., traded but not yet settled) and contributions owed by the employing entities as of December 31, 2010 and 2009.

Capital Assets

Capital assets, consisting of software, leasehold improvements, furniture, and office equipment, are presented at historical cost, less accumulated depreciation and amortization. Capital assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year are capitalized and depreciated. Starting in 2008, CCCERA implemented the expensing of certain costs for software, hardware, and computer technology consulting services as allowed in Government Code Section 31580.3. For 2010 and 2009, this amount totaled $78,707 and $1,015,672, respectively. Depreciation is calculated using the straight-line method, with estimated lives of ten years for all leasehold improvements and pension administration system assets purchased prior to December 16, 2010, and ranging from four to five years for office equipment. Depreciation/amortization for the years ended December 31, 2010 and 2009 was $215,062 and $225,525, respectively.

Compensated Absences

The December 31, 2010 and 2009 liability for accumulated annual leave earned by CCCERA employees totaling $239,124 and $241,944, respectively, included in the other liabilities on the Statement of Plan Net Assets, is recorded when earned by the employee. Upon termination of employment, an employee receives compensation for hours of unused annual leave limited by the number of annual leave hours that can be accumulated in two years of employment.

Use of Estimates

The preparation of CCCERA's 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.

Reclassifications

Comparative data for the prior year has been presented in the selected sections of the accompanying Statements of Plan Net Assets and Changes in Plan Net Assets. Also, certain accounts presented in the prior year's data may have been reclassified in order to be consistent with the current year's presentation.

Implementation of New Accounting Pronouncements

In 2010, CCCERA adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments and governmental pension plans. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009.

As of December 31, 2010, CCCERA's derivative instruments are considered investments and not hedges for accounting purposes. CCCERA reported all investments, including derivative instruments, at fair value in prior fiscal years, therefore, the implementation of GASB Statement No. 53 does not have a significant impact on the financial statements for the year ended December 31, 2010. Details for derivative investments can be found in Note 5.

The GASB has issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets. This statement establishes accounting and financial reporting requirements for intangible assets, including easements, water rights, patents, trademarks, and computer software. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009; however, CCCERA early implemented GASB Statement No. 51 for the year ended December 31, 2009.

NOTE 3. DEPOSITS AND INVESTMENT RISK DISCLOSURES

Investment Stewardship

Except as otherwise expressly restricted by the California Constitution and by law, the Board may, at its discretion, invest, or delegate CCCERA to invest the assets of CCCERA through the purchase, holding, or sale of any form or type of instrument, or financial transaction when prudent in the informed opinion of the Board. In addition, the Board has established an investment policy, which places limits on the compositional mix of cash, fixed income and equity securities, alternative investments, and real estate investments. CCCERA currently employs external investment managers to manage its assets subject to the guidelines of the investment policy.

As permitted by the Government Code, CCCERA directs the County Treasurer to make specific investments on behalf of CCCERA. Investments made by the County Treasurer are subject to regulatory oversight by the County's Treasury Oversight Committee, as required by the California Government Code Section 27134.

Investment Risk

Investments are subject to certain types of risks, including interest rate risk, credit risk (including custodial credit risk and concentrations of credit risk), and foreign currency risk. The following describes those risks:

Interest Rate Risk

The fair value of fixed maturity investments fluctuates in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those investments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, and other general market conditions. Certain fixed maturity investments may have call provisions that could result in shorter maturity periods.

CCCERA does not have a general policy to manage interest rate risk. However, to help manage interest rate risk, the Core Plus Fixed Income portfolios that have holdings in Collateralized Mortgage Obligations (CMOs) greater than 15 years or less than negative 15 years in duration (based on a 100 basis point move in rates) are limited to no more than 2% of the fixed income portfolio at cost.

Holdings of Fixed Income Futures are allowed, on an unleveraged basis, such that the market notional value of all long contracts shall be covered by cash, cash receivables, or cash equivalents with one-year or less in duration.

The following schedule is a list of fixed income and short-term investments and the related maturity schedule for CCCERA as of December 31, 2010:

INVESTMENT MATURITIES (IN YEARS)
(DOLLARS IN THOUSANDS)

Investment Type	Less than 1 year	1-5 years	6 -10 years	More than 10 years	Fair Value
Collateralized Mortgage Backed Securities (CMBS)	$ 6,504	$ 74,509	$ 52,264	$ 133,077	$ 266,354
Collateralized Mortgage Obligations (CMO)	-	705	7,511	95,329	103,545
Commercial Paper	45,500	-	-	-	45,500
Corporate Bonds	15,365	197,041	198,895	39,057	450,358
Private Placements	-	175,092	19,082	131,230	325,404
Commingled Fixed	-	-	5,891	-	5,891
Short-Term Investment Fund (STIF) Instruments	-	-	-	137,507	137,507
U.S. Treasury Notes & Bonds	10,028	972	6,729	6,203	23,932
U.S. Agencies (GNMA, FNMA, FHLMC)	22,972	68,323	70,574	174,039	335,908
TOTALS:	**$100,369**	**$516,642**	**$360,946**	**$ 716,442**	**$1,694,399**

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a financial institution's failure, CCCERA would not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. Under California Government Code, a financial institution is required to secure deposits in excess of $250,000 made by state or local government units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure governmental deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits. Such collateral is held by the pledging financial institution's trust department or agent in CCCERA's name.

At year-end, the carrying amount of CCCERA's cash deposits was $846,960 (which are included in cash equivalents) and the bank balance was $938,430. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, $250,000 was covered by federal depository insurance, and $688,430 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, CCCERA would not be able to recover the value of the 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, not registered in CCCERA's name, and held by the counterparty. CCCERA's investment securities are not exposed to custodial credit risk because all securities held by CCCERA's custodial bank are in CCCERA's name. CCCERA has no general policy on custodial credit risk for deposits.

Concentration of Credit Risk

The Board's investment policies and guidelines permit investments in numerous specified asset classes to take advantage of professional investment management advice and a well-diversified portfolio. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented 5% or more of plan net assets.

Credit Risk

CCCERA's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and for the exclusive purposes of providing benefits, minimizing contributions, and defraying reasonable expenses of administering the Plan. Investments should be diversified so as to minimize the risk of loss and to maximize the rate of return unless, under the circumstances, it is clearly prudent not to do so.

Nationally recognized statistical rating organizations provide ratings of debt securities' quality based on a variety of factors. For example, the financial condition of the issuers provides investors with some idea of the issuer's ability to meet its obligations. Fixed-maturity investments may consist of rated or non-rated securities. Ratings can range from AAA (highest quality) to D (default). Debt securities with ratings of BBB or higher are considered investment grade issues, and debt securities with ratings of BB or lower are non-investment grade issues. Debt securities in the non-investment grade category are more speculative and are often referred to as "high-yield." This is due to the fact that lower rated debt securities generally carry a higher interest rate to compensate the buyer for taking on additional risk. To control credit risk, credit quality guidelines have been established.

The Domestic Core Plus Fixed Income Portfolio must meet the following credit qualities:

- Obligations of the U.S. Treasury.
- Obligations guaranteed by an agency of the United States.
- Corporate bonds, asset backed securities or other evidence of debt, rated Baa or better by Moody's Investor Services (Moody's) or rated BBB or better by Standard & Poor's Corporation (Standard & Poor's).
- Commercial paper (including variable rate notes) of issuers rated P-1 by Moody's or A-1 by Standard & Poor's.
- Lower risk planned amortization class (PAC) collateralized mortgage obligations (CMO) and Sequential CMOs. CMOs other than PACs and Sequentials are limited to a maximum of 10% of the fixed income portfolio at cost.
- Other securities as detailed in accordance with the manager's investment agreement with CCCERA.

The Domestic High Yield Bond Portfolio must meet the same credit qualities as the Core Plus Fixed Income Portfolio listed above and/or:

- High yield securities as specified in accordance with the manager's investment agreement with CCCERA.

The International Fixed Income Portfolio must meet the same credit qualities as the Core Plus Fixed Income Portfolio listed on page 35 and/or:

- Government bonds issued in benchmark countries.
- Government bonds issued in non-benchmark countries, up to 10% of the total account, provided each security is rated Baa by Moody's or BBB by Standard & Poor's.
- Corporate and asset-backed securities issued in benchmark countries.
- Corporate and asset-backed securities issued in non-benchmark countries, up to 10% of the total account, provided each security is rated Baa by Moody's or BBB by Standard & Poor's, or better.
- Eligible instruments issued pursuant to SEC Rule 144(a) or Regulation S.
- Other fixed income instruments as specified by the Board.

The following is a schedule of the credit risk ratings of CCCERA's fixed income and short-term investments as of December 31, 2010 as rated by Standard & Poor's **(Dollars in Thousands)**:

Quality Ratings	Fair Value
AAA	$ 716,585
AA+	100,278
AA	25,963
AA-	18.480
A+	30,260
A	66,462
A-	28,196
BBB+	87,565
BBB	36,537
BBB-	49,202
BB+	29,899
BB	11,450
BB-	33,654
B+	44,100
B	38,043
B-	40,046
CCC+	16,095
CCC	31,029
CCC-	306
CC	697
C	323
D	958
NR	290,376
Total Credit Risk Fixed Income Securities	**$1,696,504**

Investment Type	Quality Rating Range
Asset-backed securities*	AAA to CCC
Convertible bonds	Not rated
CMBS	AAA
CMO*	AAA to D
Corporate bonds*	AAA to C
Municipals	AAA to BBB+
Private placements	AA+ to BB
Real estate investment trust*	A- to B-
Short-term	Not rated
U.S. & foreign agencies*	AAA to B
Mutual funds	Not rated

*Investment type contained one or more investments that were not rated.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates may adversely affect the fair value of an investment. CCCERA's external investment managers may invest in international securities and must follow CCCERA's investment guidelines pertaining to these types of investments.

CCCERA's exposure to foreign currency risk in U.S. dollars as of December 31, 2010, is as follows **(Dollars in Thousands)**:

Currency	Fixed Income	Equity	Total
Australian Dollar	$ 8,396	$ 6,986	$ 15,382
Bermudian Dollar	-	591	591
Brazilian Dollar	5,061	12,405	17,466
Canadian Dollar	7,796	18,174	25,970
Swiss Franc	-	37,995	37,995
Chilean Peso	-	970	970
Yuan Renminbi-China	-	6,144	6,144
Columbian Peso	3,886	425	4,311
Danish Krone	3,631	8,229	11,860
Egyptian Pound	3,221	1,048	4,269
Euro	47,318	195,344	242,662
British Pound Sterling	15,266	144,400	159,666
Hong Kong Dollar	-	27,273	27,273
Indonesian Rupiah	2,502	7,787	10,289
Israel Shekel	-	3,047	3,047
Indian Rupee	3,319	4,360	7,679
Japanese Yen	-	126,443	126,443
Republic of Korea Won	2,590	9,989	12,579
Mexican Peso	6,138	2,464	8,602
Ringgit-Malaysia Dollar	-	1,305	1,305
Norwegian Krone	7,456	1,819	9,275
New Zealand Dollar	6,762	1,118	7,880
Polish Zloty	7,715	-	7,715
Swedish Krona	5,737	12,702	18,439
Singapore Dollar	-	18,392	18,392
Thailand Bait	-	1,740	1,740
Turkey Lira	3,671	3,777	7,448
South African Rand	4,953	3,020	7,973
Total Securities Subject to Foreign Currency Risk	**$145,418**	**$657,947**	**$803,365**

NOTE 4. SECURITIES LENDING TRANSACTIONS

The investment policy, adopted by the Board, permits the use of a securities lending program with its principal custodian bank. CCCERA lends domestic bonds and equities, and non-domestic equities to various brokers for collateral that will be returned for the same securities plus a fee in the future. The custodian bank provides loss indemnification to CCCERA if the borrower fails to return the securities.

The custodian bank manages the securities lending program and receives cash and/or securities as collateral. The collateral cash can be invested and is automatically rolled into a Short-Term Investment Fund (STIF). The collateral securities cannot be pledged or sold by CCCERA without borrower default. Securities on loan must be collateralized at 102% and 105% of the fair value of domestic securities and non-domestic securities, respectively, plus accrued interest (in the case of debt securities).

There are no restrictions on the amount of the securities that can be loaned at one time. CCCERA has the right to terminate any loan in whole or in part by providing the custodian bank with written notice (a "Recall Notice"). Because the loans are terminable at will, the term to maturity of the security loans is generally not matched with the term to maturity of the cash collateral. There were no losses associated with securities lending transactions during the year.

At year-end, additional funds of $1.1 million are owed to borrowers for CCCERA's collateral overpayments on CCCERA's securities on loan. This is known as the "calculated mark" and will settle on the first business day of January 2011. CCCERA has no credit risk exposure to borrowers because the collateral exceeds the amount borrowed. The fair value of investments on loan at December 31, 2010, is $264.4 million which was collateralized by cash and securities in the amount of $271.8 million. The fair value of the cash collateral in the amount of $269.8 million has been reported both as an asset and liability in the accompanying Statement of Plan Net Assets.

SECURITIES LENDING

The following securities were on loan and collateral received as of December 31, 2010 **(Dollars in Thousands)**:

Securities on Loan	Market Value of Securities on Loan	Cash Collateral*	Non-Cash Collateral	Calculated Mark*	Collateral Percentage
U.S. Corporate Fixed and Equity	$232,207	$237,638	$1,542	$(1,336)	102.4%
U.S. Government	32,235	32,152	508	240	102.1%
Total	**$264,442**	**$269,790**	**$2,050**	**$(1,096)**	**102.4%**

* Additional funds known as the "calculated mark" are due from/to the borrower to bring collateral to 102% for domestic securities.

NOTE 5. DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2010, the derivative instruments held by CCCERA are considered investments and not hedges for accounting purposes. The term hedging, as it is used elsewhere in the notes to these financial statements, denotes an economic activity and not an accounting method. The gains and losses from this activity are recognized as incurred in the Statement of Changes in Plan Net Assets.

CCCERA currently employs external investment managers to manage its assets as permitted by the California Government Code and CCCERA's investment policy and specific managers hold investments in swaps, options, futures, forward settlement contracts, rights, and warrants and enter into forward foreign currency exchange security contracts within fixed income financial instruments. The fair value of options, futures, rights, and warrants is determined based upon quoted market prices. The fair value of derivative investments that are not exchange traded, such as swaps, and TBA's (To Be Announced) is determined by an external pricing service using various proprietary methods, based upon the type of derivative instrument. Futures contracts are marked to market at the end of each trading day, and the settlement of gains or losses occur on the following business day through variation margins. The fair value of international currency forwards represents the unrealized gain or loss on the related contracts, which is calculated as the difference between the specified contract exchange rate and the exchange rate at the end of the reporting period.

Forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign securities. Due to the level of risk associated with certain derivative investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could affect the amounts reported in the financial statements.

CCCERA could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. CCCERA's investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. CCCERA anticipates that the counterparties will be able to satisfy their obligations under the contracts. The following is a summary of derivative instruments at December 31, 2010 with the net appreciation/(depreciation) that has occurred during the year:

Fair Value as of December 31, 2010 (Dollars in Thousands)

Investment Derivatives by Type	Net Appreciation/ (Depreciation) in Fair Value Amount	Classification	Fair Value	Notional Amount
Credit Default Swaps	$ 165	Debt Securities	$ 58	$ 2,000
Fixed Income Futures - Long	1,562	Debt Securities	-	98,100
Fixed Income Futures - Short	(1,897)	Debt Securities	-	(258,800)
Fixed Income Options - Bought	15	Debt Securities	25	3,800
Fixed Income Options - Written and Swaptions	(385)	Debt Securities	(477)	(55,400)
Foreign Currency Options - Written	23	Contracts	-	-
Foreign Options Written	31	Contracts	-	(79)
Foreign Exchange Forwards	1,592	Contracts	208	186,316
Index Futures - Long	29,209	Various	-	167
Index Futures - Short	74	Various	-	-
Interest Rate Swaps	(1,295)	Debt Securities	1,140	100,330
Rights	81	Equities	-	-
Total	**$29,175**		**$954**	

Valuation methods are more fully described in Note 2 to the basic financial statements. CCCERA's derivative instruments that are not exchange traded, including the swaps disclosed above, are valued using methods employed for debt securities. CCCERA's investments policy does not require collateral to be held for derivative investments.

Futures contracts are instruments that derive their value from underlying indices or reference rates and are marked to market daily. Settlement of gains or losses occur the following business day. As a result, those instruments and other similar instruments do not have a fair value at December 31, 2010, or any other trading day. Daily settlement of gains and losses enhances internal controls as it limits counterparty credit risk. Futures variation margin accounts are also settled daily and recognized in the financial statements under net appreciation/(depreciation) in fair value as they are incurred.

Foreign currency contracts are obligations to buy or sell a currency at a contractual exchange rate and quantity on a specific date in the future. The fair value of the foreign currency forwards is the unrealized gain or loss calculated as the difference between the contractual exchange rate and the closing exchange rate as of December 31, 2010.

Counterparty Credit Risk

Counterparty credit ratings of CCCERA's non-exchange traded investment derivative instruments (approximately $4.9 million) and subject to loss as of December 31, 2010 ranged from A to AA in various decrements by the various rating agencies. No instruments that were non-exchange traded lacked ratings. In a case where a wholly owned broker-dealer does not engage the rating companies for a standalone rating, the subsidiary is assigned the parent company rating as the broker-dealer is an integral part of their business model(s). With the exception of forward trade commitments, CCCERA has a policy of requiring collateral posting provisions in non-exchange traded derivative instruments where it is market practice. As of December 31, 2010, CCCERA doesn't hold any collateral related to its non-exchange traded derivative instruments. The approximate $4.9 million represents the maximum loss that would be recognized at December 31, 2010 should the counterparties fail to perform. While no netting arrangements are used by CCCERA, the amount represents a net position of exposure for similar instruments.

Derivative Instruments Subject to Credit Risk

As of December 31, 2010, the following is a table of investment providers that are subject to credit risk, percentage of net exposure, and ratings:

Investment Provider Exposure to Credit Risk at December 31, 2010

Counterparty	Percentage of Net Exposure	S&P
Deutsche Bank AG - Frankfurt	32%	A+
HSBC Bank USA	21%	AA
CitiBank	19%	A+
JP Morgan Chase	5%	AA-
Barclays Bank PLC	4%	AA-
Credit Suisse Financial Products	4%	A+
Bank of America	2%	A+
Westpac Banking Corporation	2%	AA
Morgan Stanley Co	2%	A
Royal Bank of Scotland	2%	A+
Deutsche Bank AG - London	1%	A+
Royal Bank of Canada	1%	AA-
HSBC Bank PLC	1%	AA
Credit Suisse First Boston	1%	A+
Royal Bank of Canada UK	1%	AA-
9 others	2%	Not rated to AA-
Total	**100%**	

Custodial Credit Risk

The custodial credit risk for exchange traded derivative instruments is made in accordance with custodial credit risk disclosure requirements outlined in Generally Accepted Accounting Principles (GAAP). As of December 31, 2010, all of CCCERA's investments are held in CCCERA's name and are not subject to custodial credit risk.

Interest Rate Risk

As of December 31, 2010, CCCERA is exposed to interest rate risk on its swaps. Since CCCERA's investment managers can buy and sell the swaps on a daily basis, the investment managers actively manage the portfolio to minimize interest rate risk and it is unlikely that the swaps will be held to maturity. The total fair value subject to interest rate risk as of December 31, 2010 and maturities is as follows **(Dollars in Thousands)**:

Investment Derivatives by Type	Fair Value	1-5 Years	6-10 Years	More than 10 Years
Credit Default Swaps	$ 58	$ 58	-	-
Interest Rate Swaps	1,140	478	$243	$419
Total	**$1,198**	**$ 536**	**$243**	**$419**

The interest rate swaps are highly sensitive to interest rate changes. As of the December 31, 2010, they had a fair value of approximately $1.1 million and an approximate notional value of $100.3 million.

Foreign Currency Risk in International Investment Securities

CCCERA is exposed to foreign currency risk on its various investments denominated in foreign currencies. As of December 31, 2010, the following currencies were either in a receivable position (purchased) or payable position (sold) with net exposure, denominated in United States Dollars:

FAIR VALUE IN UNITED STATES DOLLARS AS OF DECEMBER 31, 2010 (DOLLARS IN THOUSANDS)

Currency Name	Net Receivable (Purchased)	Net Payable (Sold)	Exposure
Australian Dollar	$ 6,808	$ (12,343)	$ (5,535)
Brazilian Real	305	(2,711)	(2,406)
Canadian Dollar	2,199	(3,273)	(1,074)
Columbian Peso	383	(4,263)	(3,880)
Danish Krona	-	(1,787)	(1,787)
Euro	23,823	(26,337)	(2,514)
Hong Kong Dollar	3,931	-	3,931
Indian Rupee	2,383	(685)	1,698
Indonesian Rupiahs	-	(2,543)	(2,543)
Japanese Yen	33,091	(7,405)	25,686
Mexican Peso	83	(4,031)	(3,948)
New Taiwan Dollar	871	(435)	436
New Zealand Dollar	725	(6,806)	(6,081)
Norwegian Krone	623	(3,797)	(3,174)
Polish Zloty	-	(7,558)	(7,558)
Pound Sterling	1,233	(5,695)	(4,462)
Singapore Dollar	2,310	-	2,310
South African Rand	-	(4,617)	(4,617)
South Korean Won	3,195	(748)	2,447
Swedish Krona	622	(5,062)	(4,440)
Swiss Franc	1,150	(1,836)	(686)
Turkish Lira	-	(3,652)	(3,652)
Yuan Renminbi	6,798	-	6,798
Total	**$90,533**	**$(105,584)**	**$(15,051)**

Contingent Features

As of December 31, 2010, CCCERA held no investments with contingent features.

Note 6. Contributions

Employer and member basic and COLA contributions are based on statute and rates recommended by an independent actuary and adopted by the Retirement Board. Covered employees are required by statute to contribute toward their pensions. The rates are set to provide a retirement benefit equal to a fractional part of the highest year(s) salary, based on membership and tier. CCCERA members are required to contribute between 2.79% and 20.71% of their annual covered salary, depending on their employer, tier, and benefit. Certain County Safety and all Moraga-Orinda Fire Protection District Safety members contribute an additional 9.0% of the employer's increase in contributions attributed to the adoption of the enhanced benefit package commonly known as 3% at 50. Effective October 1, 2006, Contra Costa County and the Deputy Sheriff's Association agreed to modify the employee subvention of the employer rate from 9% to 3% for the Safety Tier A group only. Safety Tier C members pay or subvent 2.1% of the employer rate. Member contributions are refundable upon termination of employment.

Employers are required to contribute at an actuarially determined rate calculated on the alternate funding method permitted by Government Code Section 31453.5. Pursuant to provisions of the 1937 Act, the Retirement Board recommends annual contribution rates for adoption by the Board of Supervisors. The "Entry Age Normal" funding method is used to calculate the rate required to provide benefits to members.

During the year ended December 31, 2010, contributions totaled approximately $248.3 million which included $184 million in employer contributions and $64.3 million in employee contributions. The contribution figures also include employee and employer purchase, redeposit, and conversion amounts.

Government Code Section 31582(b) allows the Board of Supervisors to authorize the County auditor to make an advance payment of all or part of the County's estimated annual contribution to the retirement fund. Government Code Section 31585 makes the same appropriations and transfers available to districts. Contra Costa County and 10 participating employers "prepay" or make advance payments of all of the employer's estimated annual contributions discounted by the assumed interest rate in effect on July 1. At the end of the fiscal year, a "true-up" is completed and employers are either billed for an underpayment or apply their overpayment towards the following year contributions.

Six-year historical trend information, designed to provide information about CCCERA's progress in accumulating sufficient assets to pay benefits when due, is presented as required supplementary information on page 52.

On August 14, 1997, the Supreme Court of the State of California issued a decision in a case entitled *Ventura County Deputy Sheriff's Association vs. Board of Retirement of Ventura County Employees' Retirement Association* (Ventura Decision). On October 1, 1997, the Ventura Decision became final. The Supreme Court held that a County Retirement System operating under provisions of the County Employees' Retirement Law of 1937 must include certain types of cash incentive payments and additional pay elements received by an employee, within the employee's "compensation earnable" and "final" compensation when calculating the employee's retirement benefits. The Board voted to implement the changes to the retirement benefits as of October 1, 1997, the date the decision became final. See Note 14, Subsequent Events, regarding contribution changes for new hires on or after January 1, 2011.

NOTE 7. FUNDED STATUS

CCCERA's funded status based on the most recent actuarial valuation performed by The Segal Company as of December 31, 2009, is as follows:

SCHEDULE OF FUNDED STATUS (DOLLARS IN THOUSANDS)

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	$5,290,114	$6,314,787	$1,024,673	83.8%	$694,444	147.6%

*Excludes Accounts Payable. Restated to exclude non-valuation reserves.

<u>Disclosure of Information about Actuarial Methods and Assumptions</u>

The required Schedule of Funding Progress immediately following the Notes to the Financial Statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employers and plan members to that point.

The projection of benefits for financial reporting does not explicitly incorporate the potential effect of legal or contractual funding limitations on the pattern of cost-sharing between the employer and the plan members in the future.

Actuarial calculations reflect a long-term prospective. Actuarial methods and assumptions used include techniques to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

LATEST ACTUARIAL VALUATION METHODS AND ASSUMPTIONS

Valuation Date	December 31, 2009
Actuarial Cost Method	Entry Age Normal Funding Method
Amortization Method	Level Percent of payroll for total unfunded liability (4.25% payroll growth assumed)
Remaining Amortization Period	Remaining balance of December 31, 2007 UAAL is amortized over a fixed (decreasing or closed) period with 13 years remaining as of December 31, 2009. Any changes in UAAL after December 31, 2007 will be separately amortized over a fixed 18-year period effective with that specific valuation.
Asset Valuation Method	5 year Smoothed Market, excluding non-valuation reserves and designations*

Actuarial Assumptions:

Investment Rate of Return	7.75%
Inflation Rate	3.50%
Real Across-the-Board Salary Increases	.75%
Projected Salary Increases - General	5.00% to 13.25%**
Projected Salary Increases - Safety	5.00% to 13.75%

Post Retirement Cost-of-Living Adjustments Contingent upon Consumer Price Index Increases

Tier 1 Service and Disability	3% maximum
Tier 2 Service and Disability	4% maximum (valued at 3.50%)
Tier 3 Service	3% maximum
Tier 3 Disability	4% maximum (valued at 3.50%)
Safety Tier A	3% maximum
Safety Tier C	2% maximum

*Market value of assets less unrecognized returns in each of the last nine semi-annual accounting periods. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized semi-annually over a five-year period. The Actuarial Value of Assets is reduced by the value of the non-valuation reserves and designations.

**Includes inflation at 3.50% plus "across-the-board" salary increases of 0.75%, plus merit and promotional increases.

NOTE 8. RESERVES AND DESIGNATIONS

Reserves are established from member and employer contributions and the accumulations of investment income after satisfying investment and administrative expenses. The reserves are not fully funded to satisfy retirement and other benefits as they become due, as noted in the Schedule of Funding Progress. Following are brief explanations of the major classes of reserves and designations used by CCCERA:

Member Deposits Reserve represents the balance of member contributions. Additions include member contributions and related earnings; deductions include refunds of member contributions and transfers to Retired Member Reserve.

Employer Advance Reserve represents the balance of employer contributions for future retirement payments to current active members. Additions include contributions from the employer and related earnings; deductions include transfers to Retired Member Reserve, lump sum death benefits, and supplemental disability payments under legislated rehabilitation programs.

Retired Member Reserve represents the balance of transfers from Member Deposits Reserve and Employer Advance Reserve and related earnings, less payments to retired members. Included in the Retired Member Reserve is the Retirement Board Reserve for the New Dollar Power cost-of-living supplement for Retirees.

Smoothed Market Value Valuation represents the accumulated difference between the Actuarial Value of Assets for valuation and the accumulated balances in the valuation reserves. This was a one-time adjustment to increase the valuation reserves as a result of implementing GASB Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans.

Contra Tracking Account (CTA) represents the amount of interest credited to the reserve accounts that has not been paid for out of current or excess earnings. A balance in this account is the result of applying the full interest crediting policy of the Board and will be replenished in subsequent periods when there are sufficient earnings.

Statutory Contingency Reserve represents investment earnings accumulated for future earnings deficiencies, investment losses, and other contingencies. Additions include investment income and other revenues; deductions include investment expenses, administrative expenses, interest allocated to other reserves, funding of Supplemental COLA, and transfers of excess earnings to other Reserves and other Designations. The Statutory Contingency Reserve is used to satisfy the California Government Code requirement that CCCERA reserve one percent of its assets against deficiencies in interest earnings in other years, losses on investments, and other contingencies. As of December 31, 2003, the Statutory Contingency Reserve was completely used to pay interest to the reserve accounts. This acccount will be replenished in subsequent periods when there are sufficient earnings according to the interest crediting policy for CCCERA.

Market Stabilization Account represents the deferred return developed by the smoothing of realized and unrealized gains and losses based on a five-year smoothing. This method smoothes only the semi-annual deviation of total market return (net of expenses) from the return target, 7.8 percent per annum.

Reserved and designated net assets as of December 31, 2010 and 2009 are as follows
(Dollars in Thousands):

	2010	**2009**
Valuation Reserves:		
Member Deposits	$ 553,112	$ 503,690
Member Cost-of-Living	250,439	215,727
Employer Advance	1,777,531	1,616,871
Employer Cost-of-Living	1,144,168	1,046,753
Retired Member	1,634,131	1,615,284
Retired Cost-of-Living	739,891	708,063
New Dollar Power Cost-of-Living Supplement and Pre-Fund	14,605	18,779
Smoothed Market Value Valuation	231,983	214,894
Contra Tracking Account	(1,004,038)	(649,947)
Total Valuation Reserves	5,341,822	5,290,114
Supplemental Reserves:		
Post Retirement Death Benefit	14,149	14,148
Other Reserves/Designations:		
Statutory Contingency Reserve (one percent)	-	-
Total Allocated Reserves/Designations	5,355,971	5,304,262
Market Stabilization Account	(328,814)	(827,532)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	**$ 5,027,157**	**$ 4,476,730**

NOTE 9. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

Contra Costa County is the plan sponsor and administers a single-employer defined benefit health care plan. The plan provides post employment medical and dental insurance benefit to eligible retired employees and their dependents (County of Contra Costa Post Retirement Health Benefit Plan). Contra Costa County contracts with Contra Costa Health Plan (CCHP), Kaiser Permanente, Health Net and the California Public Employees' Retirement System (CalPERS) to provide medical benefits, and Delta Dental and PMI Deltacare for dental benefits. The insurers charge the same premium for active and retired members. Benefit provisions are established and may be amended through negotiations between Contra Costa County and the respective bargaining units.

In calendar year 2008, the Contra Costa County Board of Supervisors adopted for both safety and non-safety unrepresented employees, appointed and elected officials, and for persons who retired from classifications that were unrepresented at the time of retirement, appointment, or election, the following changes:

- Beginning on January 1, 2010, the County health care premium subsidy, including CalPERS, is set at the calendar year 2009 dollar amount.
- Beginning on January 1, 2010, the County dental care premium subsidy, including CalPERS, is set at the calendar year 2009 dollar amount.
- After December 31, 2008, employees and retirees, and dependents of employees and retirees, can no longer have dual coverage in two County/district health or dental plans, including CalPERS plans. This provision will apply to County and district employees and retirees who have spouses or partners who are either County or district employees or who retired either from the County or a Board governed special district such as the Contra Costa County Fire Protection District.
- Individuals who became 65 on or after January 1, 2009, are required to enroll in Medicare Parts A and B.
- A new health care tier was established for employees hired, appointed, or elected after December 31, 2008.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any Unfunded Actuarial Accrued Liability (UAAL) or funding excess. The UAAL is being amortized as a level dollar amount over 30 years on a closed basis. The remaining amortization period at December 31, 2010 is 27 years. CCCERA's personnel are employees of the County.

CCCERA's portion of the total County's ARC is shown in the following table:

Annual required contribution 2010	$	161,000
Interest on Net OPEB obligation		72,189
Adjustment to annual required contribution		-
Annual OPEB cost (expense)		233,189
Contribution made		(89,671)
Increase in Net OPEB obligation		143,518
Net OPEB obligation - beginning of year		1,142,235
Adjustment to Net OPEB obligation - beginning of year		(143,000)
Net OPEB obligation - end of year	$	1,142,753

Calendar Year-Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2007*	$ 320,500	10.6%	$ 286,448
12/31/2008	$ 544,000	13.1%	$ 472,664
12/31/2009	$ 304,000	21.0%	$ 240,123
12/31/2010	$ 233,189	38.5%	$ 143,518
Totals	$1,401,689	18.5%	$1,142,753

*Six month period

Funded Status and Funding Progress

The following dollar amounts represent the status of the entire program, which is administered by Contra Costa County, not CCCERA. As of January 1, 2010, the most recent actuarial valuation date, the funded status of the plan was as follows **(Dollars in Thousands)**:

Actuarial accrued liability (AAL)	$1,046,000
Actuarial value of plan assets	41,092
Unfunded actuarial accrued liability (UAAL)	$1,004,908
Funded ratio (actuarial value of plan assets)	3.93%
Covered payroll (active plan members)	$ 604,834
UAAL as a percentage of covered payroll	166.15%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements of the County of Contra Costa Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used in the techniques are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2010, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 6.32 percent investment rate of return (net of administrative expenses), which is the expected long-term investment return of the County's own investments calculated, and an annual health care cost trend rate of 10% initially, reduced by 1 percent decrements to an ultimate rate of 5 percent after five years. Both rates include a 3.5 percent inflation assumption. The UAAL is being amortized as a level dollar amount over 30 years on a closed basis. The remaining amortization period at December 31, 2010, is 27 years.

The County began pre-funding benefits at a rate of $20 million per year in fiscal year ended June 30, 2009. The County will pre-fund an additional $20 million in the fiscal year ending June 30, 2011.

Note 10. Lease Obligation

CCCERA owns the Willows Office Park located at 1355 Willow Way, Concord, California and has held this property as a real estate investment since 1984. The property manager for the Willows Office Park is CB Richard Ellis. CCCERA has entered into a fair market lease to occupy a portion of the building. A commitment under an operating lease agreement for office facilities provides for minimum future rental payments through July 31, 2014. These future minimum rental payments as of December 31, 2010, are as follows:

Year ending December 31	Amount
2010	$ 331,026
2011	340,932
2012	350,838
2013	360,744
2014	213,805
Total *	$ 1,597,345

*Lease expires July 31, 2014

Note 11. Risk Management

CCCERA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. CCCERA manages and finances these risks by purchasing commercial insurance. There have been no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded CCCERA's commercial insurance coverage in any of the past three years.

Note 12. Paulson Lawsuit Settlement

During the year ended December 31, 1999, CCCERA settled its litigation, entitled *Vernon D. Paulson, et al. vs. Board of Retirement of the Contra Costa County Employees' Retirement Association, et al*. The lawsuit was brought on behalf of a class of retired members of CCCERA regarding the inclusions and the exclusions from "final" compensation that are used in calculating member's retirement benefits as a result of the Ventura Decision (see Note 6). A settlement agreement was entered into with all parties and each employer was invoiced for their share of the $34.2 million additional liability plus interest up to the date of the payment. All employers except Contra Costa County have paid off their liability. Contra Costa County chose to pay its share of the liability due over 19.5 years and entered into an agreement with CCCERA. These employers entered into contracts with CCCERA. The following summary lists the pertinent details of the County's agreement plus the amounts due at December 31, 2010.

Installment Payments Due from Paulson Final Liability (Dollars In Thousands)

	Contra Costa County
Agreement Details:	
Effective Date of Agreement	December 16, 2003
First Payment Due	August 1, 2004
Last Payment Due	February 1, 2024
Rate of Interest	8%
Annual Principal and Interest Payment	$ 2,760
Original Principal	$ 28,065
Receivable at December 31, 2010:	
Future Principal Payments	$ 22,293
Interest Accrued for 2010	$ 743
	$ 23,036

Note 13. Litigation, Commitments, and Contingencies

CCCERA is subject to legal proceedings and claims arising in the ordinary course of its operations. CCCERA's management and legal counsel estimate that the ultimate outcome of such litigation will not have a material effect on CCCERA's financial statements.

Note 14. Subsequent Events

CCCERA filed an application with the Internal Revenue Service (IRS) for a "Letter of Determination" within Cycle E, which ended on January 31, 2011. A "Letter of Determination" is a favorable ruling from the IRS stating that the terms of the retirement plan comply with applicable provisions of the Internal Revenue Code and IRS rules. The most recent CCCERA "Letter of Determination" had been issued on February 23, 1987.

The Retirement Board (Board) terminated two investment managers for underperformance at its February 23, 2011 meeting. Rothschild, a domestic equity manager, had its assets transitioned to a small cap value fund manager temporarily. Milliman, CCCERA's investment consultant, is conducting a search for a permanent small cap value fund manager. Progress Investment Management, a domestic equity manager, had 50% of its assets moved to Emerald Advisors and the other 50% moved to the small cap value fund manager set up for the Rothschild transition.

In 1997, the Board adopted a policy that determined which pay items are considered compensation for retirement purposes. Under that policy, various types of terminal pay were included in the determination of compensation for retirement purposes. This policy still applies to members with membership dates before January 1, 2011.

In March 2010, the Board adopted a change to this policy for members with membership dates on or after January 1, 2011. Under this amended policy, certain terminal pay elements are no longer included in the determination of compensation for retirement purposes. At its April 13, 2011 meeting, the Board voted to develop terminal pay assumptions by cost group, beginning with the December 31, 2009 valuation. CCCERA's actuary prepared contribution rates that became effective for both employee and employer on July 1, 2011, for those members with membership dates on or after January 1, 2011.

The Retirement Board approved a $40 million capital commitment to Pathway Private Equity Fund Investors 6 (PPEF 6) at its March 30, 2011 meeting, subject to due diligence and legal review. The CEO was authorized to sign the necessary contract, which was done in the third week in May 2011. No funds have been called by PPEF 6 as of May 31, 2011.

CCCERA did not have any other subsequent events through June 30, 2011, which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements for the year ended December 31, 2010.

Required Supplementary Information

Schedule of Funding Progress (Dollars In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/04	$3,673,858	$4,481,243	$ 807,385	82.0%	$619,132	130.4%
12/31/05	4,062,057	4,792,428	730,371	84.8%	627,546	116.4%
12/31/06	4,460,871	5,293,977	833,106	84.3%	653,953	127.4%
12/31/07	5,016,137	5,581,048	564,911	89.9%	671,618	84.1%
12/31/08	5,282,505	5,972,471	689,966	88.5%	704,948	97.9%
12/31/09	$5,290,114	$6,314,787	$1,024,673	83.8%	$694,444	147.6%

*Excludes Accounts Payable. Restated to exclude non-valuation reserves.

Schedule of Employer Contributions (Dollars in Thousands)

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2004	$ 118,245	100.0%
2005	147,165**	100.0%
2006	179,755***	100.0%
2007	196,930	100.0%
2008	206,519	100.0%
2009	$ 195,614	100.0%

** Excludes Consolidated Fire and Moraga-Orinda Fire District's pension obligation bond proceeds of $124,917,000 and $28,217,911, respectively.

*** Excludes City of Pittsburg pension obligation bond proceeds of $11,693,396.

Actuarial valuations of CCCERA are normally carried out as of December 31 of each year and contribution requirements resulting from such valuations become effective on July 1 of the following fiscal year, except as follows: The contribution requirements from the December 31, 2001, valuation became effective on January 1, 2003, per Retirement Board action and remained in effect through June 30, 2004. The contribution requirements resulting from subsequent valuations will become effective 18 months after the valuation date (i.e., December 31, 2008, became effective on July 1, 2010).

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

Other Supplementary Information

Schedule of Administrative Expenses

For the Years Ended December 31, 2010 and 2009
(Dollars in Thousands)

	2010	2009
Personnel Services:		
Salaries and Wages	$ 2,238	$ 2,745
Employee Retirement	1,389	2,122
Total Personnel Services	3,627	4,867
Professional Services:		
Actuary - Benefit Statement	59	65
Computer and Software Services and Support	235	1,097
County Counsel - Disability	82	105
Disability Hearing Officer/Medical Reviews	23	54
External Audit Fees	51	55
Contra Costa Dept of Information Technology	88	92
Newsletters	25	33
Other Professional Services	145	55
Total Professional Services	708	1,556
Office Expenses:		
Office Leases	344	337
Office Supplies	56	50
Minor Equipment and Computer Supplies	1	7
Postage	61	54
Equipment Lease	24	26
Requested Maintenance	2	3
Communications/Telephone	34	31
Printing and Publications	27	19
Total Office Expenses	549	527
Miscellaneous:		
Fiduciary and Staff - Education/Travel	61	60
Fiduciary and Staff - Meetings/Other Travel	2	4
Insurance	104	106
Memberships	17	13
Total Miscellaneous	184	183
Depreciation and Amortization	215	226
Total Administrative Expenses	**$ 5,283**	**$ 7,359**

Schedule of Investment Expenses

For the Years Ended December 31, 2010 and 2009

(Dollars in Thousands)

	2010	2009
Investment Management Fees, by portfolio:		
Stocks	$ 8,216	$ 7,626
Bonds	6,571	6,358
Real Estate	6,692	5,305
Alternative	6,864	5,527
Cash and Short-term	11	7
Total Investment Management Fees	28,354	24,823
Investment Consulting Fees:		
Consulting Services	255	255
Attorney Services	78	104
Actuarial Services	297	282
Total Investment Consulting Fees	630	641
Investment Custodian Fees	784	698
Other Investment Related Expenses	707	555
Total Investment Expenses	**$ 30,475**	**$ 26,717**

Investment Section

Report On Investment Activity

contra costa county
Employees' Retirement Association
1355 willow way suite 221 concord ca 94520
925.521.3960 fax: 925.646.5747

March 31, 2011

Trustees, Board of Retirement
Contra Costa County Employees' Retirement Association

Re: *Chief Investment Officer Review of 2010 Investment Returns*

Members of the Board:

The Contra Costa County Employees' Retirement Association (CCCERA) experienced strong performance for the calendar year ending December 31, 2010, both on an absolute basis versus performance objectives and on a relative basis versus universes of peer funds. Performance for 2010 was a continuation of the strong performance CCCERA experienced in 2009.

Total Fund Performance
CCCERA's Total Fund returned 14.0% for the one-year period ending December 31, 2010, exceeding the 7.75% actuarial interest rate and the 5.6% return for the performance objective of the CPI plus 400 basis points. Relative to peer universe comparisons, CCCERA's 2010 performance exceeded the median total fund return of 12.2% and the median public fund return of 12.2%, ranking in the 22nd percentile in the universe of total funds and in the 25th percentile in the universe of public funds.

Domestic Equity Performance
CCCERA's domestic equities returned 17.8% for 2010, exceeding the 16.9% return of the Russell 3000 Index and the 15.1% return of the S&P 500 Index. CCCERA's domestic equities also exceeded the 17.1% return of the median equity manager for the one-year period ending December 31, 2010, ranking in the 45th percentile in the universe of domestic equity managers.

International Equity Performance
For the calendar year of 2010, CCCERA's international equities returned 8.3%. This performance slightly exceeded the 2010 return of 8.2% for the MSCI EAFE Index, and trailed the 2010 return of 12.0% for the median international equity manager. CCCERA's international equities ranked in the 76th percentile in the universe of international equity portfolios for the one-year period ending December 31, 2010.

Domestic Fixed Income Performance
CCCERA's total domestic fixed income returned 10.6% for the one-year period ending December 31, 2010, significantly above the 6.5% return of the Barclays Aggregate Index and the 7.0% return of the median fixed income manager. For 2010, CCCERA's domestic fixed income performance ranked in the 20th percentile in the universe of fixed income managers.

Trustees, Board of Retirement
March 31, 2011
Page 2

Global Fixed Income Performance
For the calendar year 2010, CCCERA's global fixed income returned 8.8%. This performance is above the 5.5% return of the Barclays Global Aggregate Index and the 6.4% return of the median global fixed income manager. CCCERA's global fixed income portfolio ranked in the 31st percentile in the universe of global fixed income portfolios for the one-year period ending December 31, 2010.

Real Estate Performance
In 2010, CCCERA's combined real estate portfolio experienced outstanding performance, both on an absolute basis and relative basis. The combined real estate portfolio returned 21.0% for the calendar year 2010, outperforming the 13.1% return of the NCREIF Property Index and the 16.0% return of the median real estate portfolio.

Alternative Investment Performance
For the one-year period ending December 31, 2010, CCCERA's combined alternative investment portfolio had good performance. The combined alternative investment portfolio had a 2010 calendar year return of 10.5%. (Several components of the combined alternative investment composite are reported on a lagging quarter basis due to financial data reporting constraints.)

Asset Allocation
As of December 31, 2010, CCCERA's market value of assets is $5.0 billion, an increase of approximately $0.5 billion from the December 31, 2009, market value of $4.5 billion. This is primarily the result of strong investment returns experienced in 2010.

CCCERA assets, as of December 31, 2010, were under-weighted in investment grade fixed income at 25% versus the target of 28%, and alternative investments at 5% versus the target of 7%. CCCERA was over-weighted in global equities at 53% versus the target of 48%. All other asset classes are near their respective targets. (Assets earmarked for alternative investments are temporarily invested in domestic equities.)

Assets have been rebalanced to targets since year-end in accordance with CCCERA's investment policy guidelines.

All return figures mentioned in this review are presented gross of fee and time-weighted, and are calculated by CCCERA's investment consultant, Milliman.

Sincerely,

Cary Hally, CFA
Chief Investment Officer

General Information

CCCERA's investment program objective is to provide CCCERA participants and beneficiaries with benefits as required by the County Employees' Retirement Law of 1937. The plan's main investment objective is for the total fund return to exceed the CPI plus 400 basis points over a market cycle. This is accomplished by the implementation of a carefully planned and executed long-term investment program.

The California Constitution and Government Code Sections 31594 and 31595 authorize the Board to invest in any investment deemed prudent in the Board's opinion. Investment decisions are to be made in the sole interest and for the exclusive purpose of providing benefits, minimizing employer contributions, and defraying reasonable expenses for administering the system. Investments are to be diversified to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

The Board has adopted an Investment Policy, which provides the framework for the management of CCCERA's investments. This policy establishes CCCERA's investment policies and objectives and defines the principal duties of the Board, custodian bank, and investment managers. For the year ended December 31, 2010, the total fund gain was 14.0%, greater than the targeted return of 5.6% (CPI plus 400 basis points), and greater than the median public fund return of 12.2%.

Summary of Proxy Voting Guidelines and Procedures

Voting of proxy ballots shall be in accordance with CCCERA's Proxy Voting Guidelines. CCCERA utilizes the services of Risk Metrics Group to research and vote CCCERA's U.S. proxy ballots in order to protect and enhance returns.

Investment Results Based on Fair Value*

As of December 31, 2010

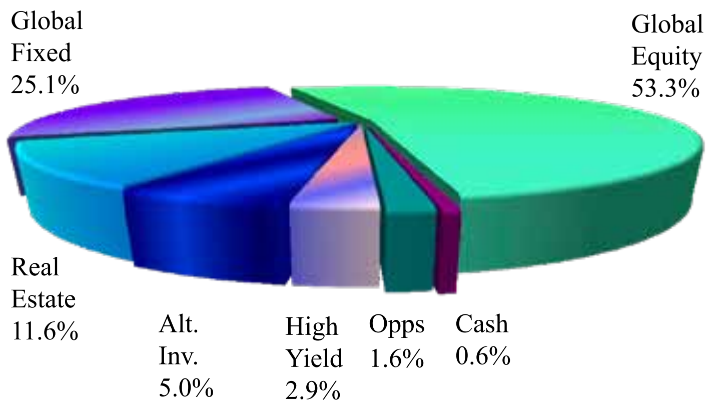
		Current Year	3 Year	Annualized 5 Year	10 Year
Domestic Equity		17.80%	-1.30%	3.10%	2.10%
Benchmarks:	S&P 500	15.10%	-2.90%	2.30%	1.40%
	Russell 2000	26.90%	2.20%	4.50%	6.30%
	Russell 3000	16.90%	-2.00%	2.70%	2.20%
International Equity		8.30%	-9.30%	1.80%	4.30%
Benchmarks:	MSCI EAFE Index	8.20%	-6.60%	2.90%	3.90%
	MSCI ACWI ex-US	11.60%	-4.60%	5.30%	6.00%
Global Equity**		-	-	-	-
Benchmarks:	MSCI World Index	12.70%	-4.20%	3.10%	2.90%
Domestic Fixed Income		10.60%	6.20%	6.40%	6.60%
Benchmarks:	Barclays Aggregate	6.50%	5.90%	5.80%	5.80%
	Barclays Universal	7.20%	6.00%	5.90%	6.00%
	Merrill Lynch HY II	15.20%	10.20%	8.90%	8.60%
	T-Bills	0.10%	0.80%	2.40%	2.40%
Global Fixed Income***		8.80%	6.50%	-	-
Benchmark:	Barclays Global Aggregate	5.50%	5.80%	6.70%	-
Real Estate		21.00%	-7.50%	0.50%	9.20%
Benchmarks:	NCREIF Property Index	13.10%	-4.20%	3.50%	7.40%
	Wilshire REIT	28.60%	0.20%	2.40%	10.50%
Alternative Investments		10.50%	3.50%	11.10%	6.20%
S&P 500 + 400 bps		19.60%	1.10%	6.40%	5.50%
Total Fund		14.00%	0.70%	4.80%	5.70%
CPI + 400 bps		5.60%	5.50%	6.30%	6.90%

* Using time-weighted rate of return based on the market rate of return.
** Global Equity Manager hired in September 2010.
*** Global Fixed Income Manager hired in December 2007.

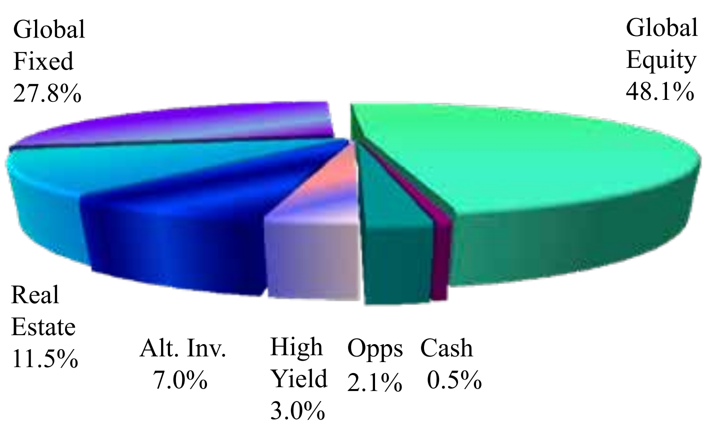
Asset Allocation

The asset allocation is an integral part of the Investment Policy. If a new asset class is implemented or a current asset class is expanded, the plan's policy is modified to reflect the change or revision. The Board implements the asset allocation plan by hiring active investment managers to invest assets on CCCERA's behalf, subject to investment guidelines incorporated into each firm's investment manager contract. CCCERA's Chief Investment Officer and the outside investment consultant (Milliman) assist the Board with the design and implementation of the asset allocation as depicted in the following chart:

As of December 31, 2010



Actual Asset Allocation



Target Asset Allocation

10 Largest Equity Holdings as of 12/31/10

(Dollars in Thousands)

CUSIP	Shares	Security Name	Fair Value
037833100	111,500	APPLE INC	$ 35,965
828806109	326,873	SIMON PROPERTY GROUP INC	32,521
747525103	576,800	QUALCOMM INC	28,546
46625H100	594,260	JPMORGAN CHASE + CO	25,209
29476L107	464,690	EQUITY RESIDENTIAL	24,141
38259P508	37,600	GOOGLE INC CL A	22,333
674599105	227,035	OCCIDENTAL PETROLEUM CORP	22,272
45865V100	184,900	INTERCONTINENTALEXCHANGE INC	22,031
929042109	249,060	VORNADO REALTY TRUST	20,754
101121101	236,005	BOSTON PROPERTIES INC	20,320
		Total Largest Equity Holdings	**$ 294,092**

10 Largest Fixed Holdings as of 12/31/10

(Dollars in Thousands)

CUSIP	Security Name	Cost	Fair Value
722005808	PIMCO FDS PAC INVT MGMT SER	$ 137,892	$ 137,406
722005600	PIMCO FDS PAC INVT MGMT SER	64,614	57,956
722005873	PIMCO FDS PAC INVT MGMT SER	51,578	55,462
722005857	PIMCO FDS PAC INVT MGMT SER	25,694	24,179
02R040615	FHLMC GOLD TBA 30 YR	15,574	15,694
01F042616	FNMA TBA JAN 30 SINGLE FAM	14,266	14,370
99S08B8Z5	IR201189 IRS USD R V 03MLIBOR	14,100	14,345
912828LS7	US TREASURY N/B	12,554	12,691
99S08B8T9	IR201188 IRS USD R F 2.75000	11,800	11,351
01F030413	FNMA TBA 15 YR	9,710	9,789
	Total Largest Fixed Holdings		**$ 353,243**

A complete list of portfolio holdings is available on request.

Schedule of Investment Management Fees

For the year ended December 31, 2010
(Dollars in Thousands)

Investment Activity	
Stock Managers	
Domestic	$ 6,781
International	1,435
Subtotal	8,216
Bond Managers	
Domestic	6,088
International	483
Subtotal	6,571
Real Estate Managers	6,692
Alternative Investment Managers	6,864
Cash & Short-Term with County Treasurer	11
Total Fees from Investment Activity (see page 54)	28,354
Securities Lending Activity	
Management Fee	343
Borrower Rebate	154
Total Fees from Securities Lending Activity	497
Total Investment Management Fees	**$ 28,851**

Investment Summary

As of December 31, 2010

(Dollars in Thousands)

Type of Investment	Fair Value	Percent of Total Fair Value
Deposit	$ 847	0.02%
Short-Term Investments held by Fiscal Agent	478,969	8.98%
Short-Term Investments held by the County	2,105	0.04%
Total Short-Term Investments	**481,921**	**9.04%**
U.S. Government and Agency Instruments	639,450	11.99%
Private Placement Bonds	325,404	6.10%
Domestic Corporate Bonds	312,317	5.86%
International Bonds	240,741	4.51%
Total Bonds	1,517,912	28.46%
Domestic Stocks	1,559,937	29.25%
Global Stocks	272,176	5.11%
International Stocks	635,287	11.91%
Total Stocks	2,467,400	46.27%
Real Estate	566,633	10.62%
Alternative Investments	299,280	5.61%
Long-Term Investments at Fair Value	**$ 4,851,225**	**90.96%**
Total Short and Long-Term Investments	**$ 5,333,146**	**100.00%**

Investment Managers

As of December 31, 2010

Alternative Assets
Adams Street Partners
Bay Area Equity Fund
Carpenter Bancfund
Energy Investors Funds Group (EIF/Liberty)
Hancock PT Timber Investments Inc
Nogales Investors LLC
Paladin Capital Management
Pathway Capital Management

Equity - Domestic
Robeco Boston Partners
Delaware Investment Advisors
Emerald Advisors, Inc
Intech
PIMCO
Progress Investment Management
Rothschild Asset Management
Wentworth, Hauser and Violich

Equity - International
Grantham, Mayo, Van Otterloo & Co. LLC (GMO)
William Blair & Company

Fixed Income - Global
Lazard Asset Management

Global Equity
J.P. Morgan Asset Management

Fixed Income - Domestic
AFL-CIO Housing Investment Trust
Goldman Sachs
Torchlight (formerly ING Clarion)
Lord Abbett
PIMCO

Opportunistic
Goldman Sachs
Oaktree Private Investment Fund

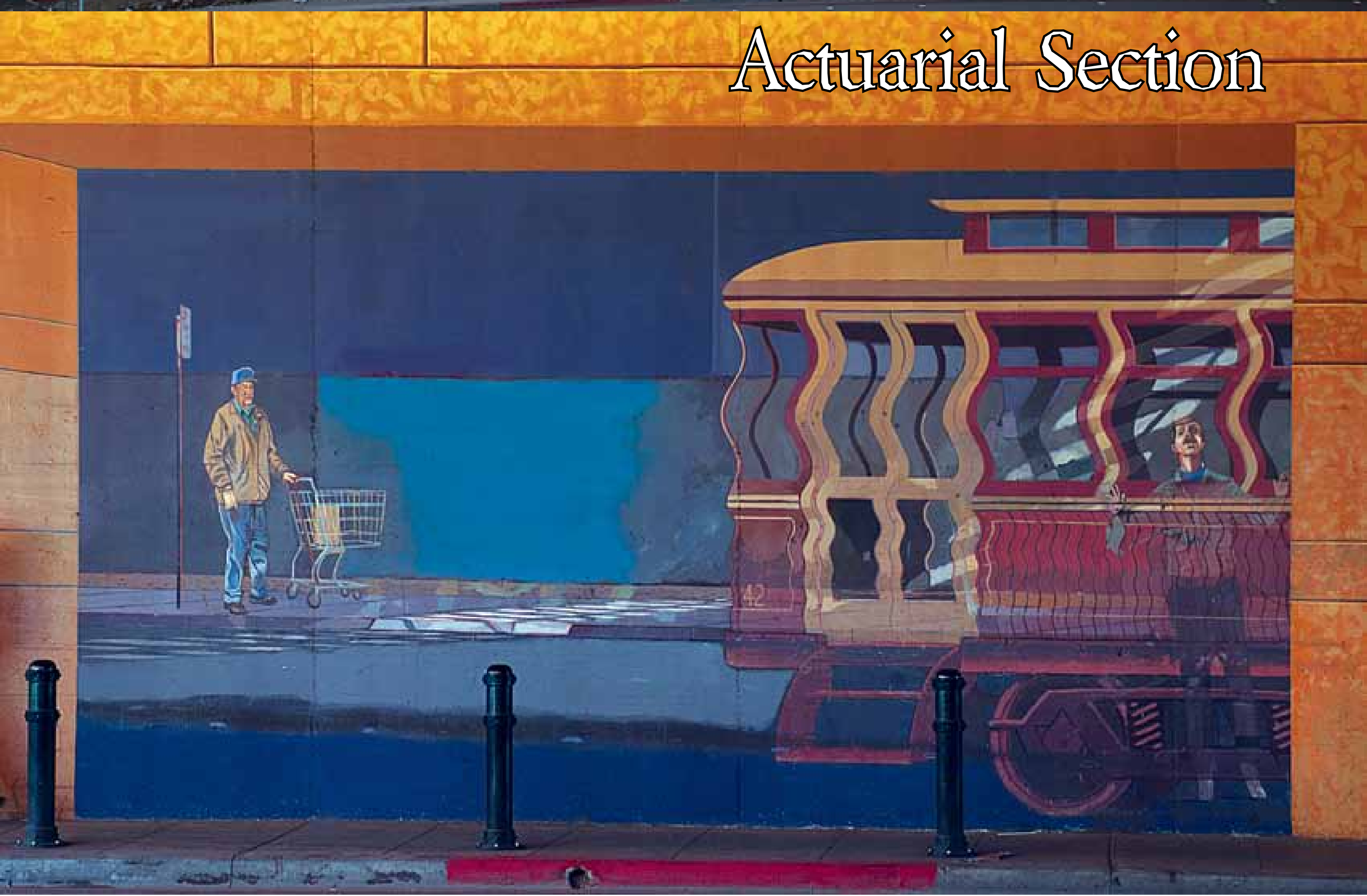
Cash & Short-term
Contra Costa County Treasurer
State Street Corporation

Fixed Income - High Yield
Allianz Global Investors (formerly Nicholas Applegate)

Real Estate
Adelante Capital Management
Blackrock Realty
DLJ Real Estate Capital Partners LP
Fidelity Management Trust Company
Hearthstone Advisors
Invesco Realty Advisors
Prudential Investment Management Service

Securities Lending Program
State Street Corporation

Actuarial Section



Actuary Certification Letter

SEGAL

THE SEGAL COMPANY
100 Montgomery Street Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 F 415.263.8290 www.segalco.com

January 7, 2011

Board of Retirement
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

Re: Contra Costa County Employees' Retirement Association

Dear Members of the Board:

The Segal Company (Segal) prepared the December 31, 2009 actuarial valuation of the Contra Costa County Employees' Retirement Association (CCCERA). We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices. In particular, it is our understanding that the assumptions and methods used for funding purposes meet the parameters of the Governmental Accounting Standards Board Statement No. 25.

Our calculations are based upon member data and financial information provided to us by the Association's staff. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. However, the scope of this examination does not qualify as an audit. Summaries of the employee data used in performing the actuarial valuations over the past several years are included in the Actuarial Section. For actuarial valuation purposes, Plan assets are valued at Actuarial Value. Under this method, the assets used to determine employer contribution rates take into account market value by recognizing the semi-annual differences between the actual and expected market investment return over a five-year period.

One of the general goals of an actuarial valuation is to establish contribution rates that fully fund the Association's liabilities, and that, as a percentage of payroll, remain as level as possible for each generation of active members. Actuarial funding is based on the Entry Age Normal Cost Method. Under this method, the employer contribution rate provides for current (normal) cost plus a level percentage of payroll to amortize any unfunded actuarial accrued liability (UAAL). Actuarial gains and losses are incorporated into the UAAL and are amortized over the same period. Members also contribute to the Plan according to statutory requirements.

Board of Retirement
Contra Costa County Employees' Retirement Association
January 7, 2011
Page 2

The remaining balance of the December 31, 2007 UAAL is amortized over a decreasing period with 13 years remaining as of December 31, 2009. Changes to the UAAL that occur after December 31, 2007 are separately amortized over decreasing 18-year periods. The progress being made towards meeting the funding objective through December 31, 2009 is illustrated in the Actuarial Solvency Test that is included in the Actuarial Section.

For the Financial Section of the Comprehensive Annual Financial Report, Segal provided the trend data shown in the Required Supplementary Information. The schedules presented in the Actuarial Section have also been prepared and/or reviewed by our firm.

The valuation assumptions included in the Actuarial Section are those adopted by the Retirement Board considering recommendations made by us following the December 31, 2009 Experience Analysis. It is our opinion that the assumptions used in the December 31, 2009 valuation produce results which, in the aggregate, reasonably reflect the future experience of the Plan.

In the December 31, 2009 valuation, the ratio of the valuation value of assets to actuarial accrued liabilities decreased from 88.5% to 83.8%, and the aggregate employer contribution rate increased from 25.99% of payroll to 30.49% of payroll.

The actuarial value of assets included $828 million in deferred investment losses, which represented about 19% of the market value of assets. If these deferred losses were recognized immediately in the actuarial value of assets, the funded percentage would have decreased from 83.8% to 70.7% and the aggregate employer contribution rate, expressed as a percent of payroll, would have increased from 30.49% to 39.50%.

Actuarial valuations are performed on an annual basis. An experience analysis is performed every three years. The next experience analysis is due to be performed as of December 31, 2012.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Sincerely,

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice-President & Actuary

John Monroe, ASA, MAAA, EA
Vice President & Associate Actuary

CZI/bgxk

Summary of Assumptions and Funding Methods

The following assumptions have been adopted by the Board for the fiscal year 2009-2010 and were used for the December 31, 2007 valuation. The rates produced by this valuation were implemented on July 1, 2009 and continued to be in effect through June 30, 2010.

Assumptions

Valuation Interest Rate	7.80%
Inflation Assumption	3.75%
Real "Across-the-Board" Salary Increases	0.50%
Merit Salary Increase Assumption	2.41%
Projected Salary Increases	6.66%
Cost-of-Living Adjustments	2% for Safety Tier C 3% for Tiers 1,3 and Safety (Tier A) 4% (valued at 3.75%) for Tier 3 Disability and Tier 2
Interest Rate Credited to Active Member Accounts	7.80%

The following assumptions have been adopted by the Board for the fiscal year 2010-2011 and were used for the December 31, 2008 valuation. The rates produced by this valuation were implemented on July 1, 2010 and will continue to be in effect through June 30, 2011.

Assumptions

Valuation Interest Rate	7.80%
Inflation Assumption	3.75%
Real "Across-the-Board" Salary Increases	0.50%
Merit Salary Increase Assumption	2.41%
Projected Salary Increases	6.66%
Cost-of-Living Adjustments	2% for Safety (Tier C) 3% for Tiers 1,3 and Safety (Tier A) 4% (valued at 3.75%) for Tier 3 Disability and Tier 2
Interest Rate Credited to Active Member Accounts	7.80%

Post Retirement Mortality (Data is from December 31, 2009 valuation.)

A. Healthy:

General Tier 1, Tier 2, and Tier 3	RP-2000 Combined Healthy Mortality Table set back 3 years for males and 2 years for females
Safety Members	RP-2000 Combined Healthy Mortality Table set back 3 years for males and 2 years for females

B. Disabled:

General Tier 1, Tier 2, and Tier 3	RP-2000 Combined Healthy Mortality Table set forward 4 years
Safety Members	RP-2000 Combined Healthy Mortality Table set back 2 years

C. Beneficiaries: Beneficiaries are assumed to have the same mortality as a general member of the opposite sex who has taken a service (non-disability) retirement

D. Employee Contribution Rate: RP-2000 Combined Healthy Mortality Table set back 3 years for males and 2 years for females General Members (weighed 30% male and 70% female)

RP-2000 Combined Healthy Mortality Table set back 3 years for males and 2 years for females Safety Members (weighed 85% male and 15% female)

Pre-Retirement Mortality	Based upon the Experience Analysis as of 12/31/09
Withdrawal Rates	Based upon the Experience Analysis as of 12/31/09
Disability Rates	Based upon the Experience Analysis as of 12/31/09
Service Retirement Rates	Based upon the Experience Analysis as of 12/31/09
Salary Scales	Total increases of 6.00% per year reflecting approximately 3.50% for inflation, .75% for additional real "across-the-board" salary increases and approximately 1.75% for merit and longevity
Marriage Assumption At Retirement	75% for male members 50% for female members
Value of Assets for Contribution Rate Purposes	Actuarial Value as described in Actuarial Valuation Methods Section of Valuation Report

Funding Method and Amortization of Actuarial Gains or Losses

Remaining balance of December 31, 2007, UAAL is amortized over a fixed (decreasing or closed) period with 13 years remaining as of December 31, 2009. Any changes in UAAL after December 31, 2007, are separately amortized over a fixed 18-year period effective with that valuation.

Probability of Occurrence

Termination Rates (%) Before Retirement

Mortality

	General		Safety	
Age	Male	Female	Male	Female
25	0.04	0.02	0.04	0.02
30	0.04	0.02	0.04	0.02
35	0.06	0.04	0.06	0.04
40	0.09	0.06	0.09	0.06
45	0.12	0.09	0.12	0.09
50	0.17	0.14	0.17	0.14
55	0.27	0.22	0.27	0.22
60	0.47	0.39	0.47	0.39
65	0.88	0.76	0.88	0.76

Withdrawal
(<5 years of Service)

Service Years	General	Safety
0	15.00	11.00
1	9.00	7.00
2	9.00	5.00
3	6.00	4.00
4	5.00	4.00

Disability

	General		
Age	Tier 1	Tier 2 & 3	Safety
20	0.02	0.00	0.02
25	0.04	0.02	0.22
30	0.11	0.04	0.42
35	0.18	0.06	0.65
40	0.26	0.09	0.90
45	0.42	0.13	1.15
50	0.56	0.18	2.60
55	0.69	0.23	4.40
60	0.75	0.28	5.00

Withdrawal
(5+ years of Service)

Age	General	Safety
20	5.00	4.00
25	5.00	4.00
30	5.00	4.00
35	5.00	3.14
40	4.73	2.39
45	3.05	1.80
50	2.42	1.24
55	1.68	0.81
60	0.00	0.00

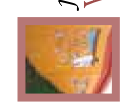
Retirement Rates (%)

Non-Enhanced Benefits

Age	Tier 1	Safety A
50	3.00	1.00
55	10.00	2.00
60	25.00	17.00
65	40.00	100.00
70	100.00	100.00

Enhanced Benefits

Age	Tier 1	Tier 3	Safety A	Safety C
50	4.00	4.00	25.00	15.00
55	15.00	10.00	30.00	20.00
60	20.00	15.00	40.00	30.00
65	35.00	35.00	100.00	100.00
70	100.00	40.00	100.00	100.00



Summary of December 31, 2009 and 2008 Valuation Results

Employer Contribution Rates (County and District combined):	December 31, 2009		December 31, 2008	
General	Total Rate	Estimated Annual Amount*	Total Rate	Estimated Annual Amount**
Cost Group #1 - County and Small Districts (Tier 1)	28.80%	$ 12,568,917	27.35%	$ 13,047,705
Cost Group #2 - County and Small Districts (Tier 3)	26.87%	122,777,258	24.09%	111,383,233
Cost Group #3 - Central Contra Costa Sanitary District (Tier 1)	43.26%	10,901,088	33.88%	8,212,753
Cost Group #4 - Contra Costa Housing Authority (Tier 1)	38.07%	2,036,568	33.88%	1,891,186
Cost Group #5 - Contra Costa County Fire Protection District (Tier 1)	23.35%	986,185	16.84%	744,506
Cost Group #6 - Small Districts (Tier 1 Non-Enhanced)	27.39%	200,831	34.35%	239,440
Safety				
Cost Group #7 - County (Tier A)	56.77%	47,016,777	47.04%	40,641,788
Cost Group #8 - Contra Costa and East County Fire Protection District (Tier A)	43.98%	17,282,119	28.46%	10,870,812
Cost Group #9 - County (Tier C)	50.15%	3,144,144	40.85%	2,175,732
Cost Group #10 - Moraga-Orinda Fire Protection District (Tier A)	37.72%	3,032,815	26.87%	2,127,185
Cost Group #11 - San Ramon Valley Fire Protection District (Tier A)	56.24%	10,958,768	58.55%	11,832,018
Cost Group #12 - Rodeo-Hercules Fire Protection District (Tier A Non-Enhanced)	46.02%	1,125,464	37.41%	847,292
All Employers Combined	**33.41%**	**$ 232,030,934**	**28.94%**	**$ 204,013,650**
Average Member Contribution Rates:				
General				
Cost Group #1 - County and Small Districts (Tier 1)	6.26%	2,729,417	6.48%	3,090,939
Cost Group #2 - County and Small Districts (Tier 3)	6.50%	29,678,870	6.23%	28,792,674
Cost Group #3 - Central Contra Costa Sanitary District (Tier 1)	6.77%	1,705,972	6.48%	1,570,798
Cost Group #4 - Contra Costa Housing Authority (Tier 1)	7.16%	383,027	6.48%	361,714
Cost Group #5 - Contra Costa County Fire Protection District (Tier 1)	6.66%	281,073	6.48%	286,484
Cost Group #6 - Small Districts (Tier 1 Non-Enhanced)	7.37%	54,002	7.59%	52,907
Safety				
Cost Group #7 - County (Tier A)	11.28%	9,342,069	12.50%	10,799,795
Cost Group #8 - Contra Costa and East County Fire Protection District (Tier A)	15.00%	5,893,891	12.50%	4,775,000
Cost Group #9 - County (Tier C)	7.94%	497,797	7.65%	407,450
Cost Group #10 - Moraga-Orinda Fire Protection District (Tier A)	15.58%	1,252,684	12.50%	989,572
Cost Group #11 - San Ramon Valley Fire Protection District (Tier A)	14.93%	2,909,218	12.50%	2,526,050
Cost Group #12 - Rodeo-Hercules Fire Protection District (Tier A Non-Enhanced)	14.00%	342,384	12.92%	292,623
All Categories Combined	**7.93%**	**$ 55,070,404**	**7.65%**	**$ 53,946,006**

KEY ACTUARIAL ASSUMPTIONS:	2009	2008
Annual Interest Rate:	7.75%	7.80%
Annual Inflation Rate:	3.50%	3.75%
Across-the-Board Salary Increase:	0.75%	0.50%
Average Annual Salary Increase:	6.00%	6.66%

* Based on December 31, 2009 projected annual payroll.

** Based on December 31, 2008 projected annual payroll.

Summary of Significant Results

Association Membership	December 31, 2009	December 31, 2008	Increase/ (Decrease)
Active Members			
1. Number of Members	8,938	9,385	-4.8%
2. Average Age	46.4	45.9	1.1%
3. Average Service	11.0	10.5	4.8%
4. Total Active Payroll	$ 694,443,999	$ 704,947,668	-1.5%
5. Average Monthly Salary	$ 6,475	$ 6,260	3.4%
Retired Members			
1. Number of Members:			
Service Retirement	5,219	4,980	4.8%
Disability Retirement	941	922	2.1%
Beneficiaries	1,132	1,110	2.0%
2. Average Age	69.2	69.2	0.0%
3. Actual Retired Payroll	$ 266,866,460	$ 250,444,562	6.6%
4. Average Monthly Pension	$ 3,111	$ 3,075	1.2%
Inactive Vested Members			
1. Number of Members*	2,209	2,153	2.6%
2. Average Age	45.6	45.6	0.0%
Asset Values (Net)			
Market Value	$ 4,476,729,530	$ 3,749,698,812	19.4%
Return on Market Value	19.68%	-28.35%	
Actuarial Value	$ 5,304,261,661	$ 5,295,960,900	0.2%
Return on Actuarial Value	0.34%	4.73%	
Valuation Assets	$ 5,290,114,102	$ 5,282,505,159	0.1%
Return on Valuation Assets	0.32%	4.72%	
Liability Values			
Actuarial Accrued Liability	$ 6,314,787,187	$ 5,972,471,074	5.7%
Unfunded Actuarial Accrued Liability (UAAL)	$ 1,024,673,085	$ 689,965,915	48.5%
Funding Ratio			
GASB No. 25	83.8%	88.5%	-4.7%

*Only includes members who are not active in any other tier.

Schedule of Active Member Valuation Data

Valuation Date	Plan Type	Number	Annual Salary	Average Annual Salary	% Increase in Average Salary
12/31/03	General	7,778	$462,351,361	$59,443	3.90%
	Safety	1,698	137,922,547	81,226	8.90%
	Total	**9,476**	**$600,273,908**	**$63,347**	**4.89%**
12/31/04	General	7,675	$472,100,272	$61,511	3.48%
	Safety	1,683	147,031,946	87,363	7.55%
	Total	**9,358**	**$619,132,218**	**$66,161**	**4.44%**
12/31/05	General	7,594	$480,015,003	$63,210	2.76%
	Safety	1,611	147,531,405	91,578	4.82%
	Total	**9,205**	**$627,546,408**	**$68,175**	**3.04%**
12/31/06	General	7,602	$505,165,640	$66,452	5.13%
	Safety	1,608	148,787,523	92,530	1.04%
	Total	**9,210**	**$653,953,163**	**$71,005**	**4.15%**
12/31/07	General	7,806	$518,874,107	$66,471	0.03%
	Safety	1,615	152,743,825	94,578	2.21%
	Total	**9,421**	**$671,617,932**	**$71,289**	**0.40%**
12/31/08	General	7,781	$544,409,663	$69,967	5.26%
	Safety	1,604	160,538,005	100,086	5.82%
	Total	**9,385**	**$704,947,668**	**$75,114**	**5.37%**
12/31/09	General	7,406	$536,090,505	$72,386	3.46%
	Safety	1,532	158,353,494	103,364	3.28%
	Total	**8,938**	**$694,443,999**	**$77,696**	**3.44%**

Retirants and Beneficiaries Added To and Removed From Retiree Payroll

Year	At Beginning of Year	Added During Year	Allowances Added	Removed During Year	Allowances Removed	At End of Year	Retiree Payroll	% Increase in Retiree Payroll	Average Annual Allowance
2004	5,936	316	$18,212,193	(134)	($3,156,000)	6,118	$178,979,297	9.18%	$29,255
2005	6,118	494	22,298,799	(175)	(5,171,802)	6,437	196,106,294	9.57%	30,465
2006	6,437	357	23,469,814	(148)	(3,518,632)	6,646	216,057,476	10.17%	32,509
2007	6,646	492	24,184,795	(227)	(4,586,247)	6,911	235,656,024	9.07%	34,099
2008	6,911	317	20,853,808	(216)	(6,065,270)	7,012	250,444,562	6.28%	35,717
2009	7,012	505	$22,693,682	(225)	($6,271,784)	7,292	$266,866,460	6.56%	$36,597

Solvency Test

(Dollar Amounts in Thousands)

Valuation Date	Aggregate Accrued Liabilities (AAL) for:			Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets		
	1 Active Member Contributions	2 Retirants and Beneficiaries	3 Active Members Employer Portion		1	2	3
12/31/04	$ 351,578	$ 2,212,082	$ 1,947,583	$ 3,673,858	100%	100%	59%
12/31/05	354,585	2,468,601	1,969,242	4,062,057	100%	100%	63%
12/31/06	399,864	2,820,634	2,073,479	4,460,871	100%	100%	60%
12/31/07	446,284	3,070,770	2,063,994	5,016,137	100%	100%	73%
12/31/08	554,267	3,239,593	2,178,611	5,282,505	100%	100%	68%
12/31/09	$ 598,973	$ 3,523,414	$ 2,192,400	$ 5,290,114	100%	100%	53%

Actuarial Analysis of Financial Experience

For Years Ended December 31

(Dollar Amounts In Thousands)

Type of Activity	2009	2008	2007	2006	2005	2004
Composite Gain (or Loss) During Year	($334,716)	($125,054)	$268,194	($102,735)	$77,014	($204,717)

Summary of Major Pension Plan Provisions

MAJOR PROVISIONS OF THE PRESENT SYSTEM
BENEFIT SECTIONS 31676.11, 31676.16, 31751, 31664 AND 31664.1 OF THE 1937 COUNTY ACT

Briefy summarized below are the major provisions of the County Employees Retirement Law of 1937, as amended through December 31, 2009, and as adopted by Contra Costa County and special district employers.

A. GENERAL MEMBERS -

Tier 1 and Tier 3 Plans (Non-Enhanced Section 31676.11 or Enhanced Section 31676.16)

Coverage

Tier 1:

a. All General Members hired before July 1, 1980, and electing not to transfer to Tier 2 Plan.
b. Participating agencies who have elected Tier 1.

Tier 3:
All County General Members (except CNA employees) hired on or after October 1, 2002, are placed in Tier 3. All CNA employees hired on or after January 1, 2005, are placed in Tier 3. All Contra Costa Mosquito and Vector Control District employees hired on or after February 1, 2006 are placed in Tier 3.

All Tier 2 members for each of the agencies listed above were placed in Tier 3 as of the above respective dates.

Final Average Salary (FAS)

a. One-year final average salary

Service Retirement

a. Requirement

Age 50 and 10 years of service, age 70 regardless of service, or 30 years of service regardless of age.

Tier 2 Plan (Section 31751)

Coverage

Tier 2:

a. All General Members hired on or after July 1, 1980, and all General Members hired before August 1, 1980, electing to transfer to the Tier 2 Plan. Effective October 1, 2002, Tier 2 was eliminated for all County employees (except CNA employees); employees were placed in Tier 3.
CNA employees in Tier 2 were placed in Tier 3 as of January 1, 2005.

One special district's Tier 2 employees were placed in Tier 3 effective February 1, 2006.

Final Average Salary (FAS)

a. Three-year final average salary

Service Retirement

a. Requirement

Age 50 and 10 years of service, age 70 regardless of service, or 30 years of service regardless of age.

b. Non-Enhanced Benefit (Section 31676.11)
Retirement (Tier 1 and Tier 3 plans)

Age	Benefit Formula
50:	(1.24%xFAS-1/3x1.24%x$350)x Yrs
55:	(1.67%xFAS-1/3x1.67%x$350)x Yrs
60:	(2.18%xFAS-1/3x2.18%x$350)x Yrs
62:	(2.35%xFAS-1/3x2.35%x$350)x Yrs
65:	(2.61%xFAS-1/3x2.61%x$350)x Yrs

b. Benefit
Retirement (Tier 2 plan)

Age	Benefit Formula
50:	(0.83%xFASxYrs-0.57%xYrs*xPIA)
55:	(1.13%xFASxYrs -0.87%xYrs*xPIA)
60:	(1.43%xFASxYrs-1.37%xYrs*xPIA)
62:	(1.55%xFASxYrs-1.67%xYrs*xPIA)
65:	(1.73%xFASxYrs-1.67%xYrs*xPIA)

Maximum Benefit 100% of FAS.

* Not greater than 30 years, where PIA is the Social Security Primary Insurance Amount.

c. Tier 1 and 3 Plan Enhanced Benefits (Section 31676.16)

Retirement

Age	Benefit Formula
50:	(1.43%xFAS-1/3x1.43%x $350x12)xYrs
55:	(2.00%xFAS-1/3x2.00%x $350x12)xYrs
60:	(2.26%xFAS-1/3x2.26%x $350x12)xYrs
62:	(2.37%xFAS-1/3x2.37%x $350x12)xYrs
65:	(2.42%xFAS-1/3x2.42%x $350x12)xYrs**

Maximum Benefit - 100% of FAS

** Current Tier 1 and 3 members retiring at age 62½ or older will receive the higher benefits formula under 31676.11. Employees with membership dates on or after the benefit enhancement effective date will retire with benefits computed under 31676.16.

Disability Retirement

Tier 1:

a. Requirements
(1) Service-connected: None
(2) Nonservice-connected: five years of service

b. Benefit
(1) Service-connected: 50% FAS or Service retirement benefit, if greater.
(2) Nonservice-connected: 1.5% x FAS x years of service. Future service years projected to age 65. Generally leads to1/3 FAS benefit.

Tier 2 and Tier 3:

a. Requirements
(1) Service-connected: None
(2) Nonservice-connected: ten years of service
(3) Definition of disability is more strict than in Tier 1 Plan.

b. Benefit
(1) Service-connected or nonservice-connected is 40% FAS plus 10% FAS for each minor child (maximum of three).
(2) Disability benefits are offset by other plans of the County except Workers' Compensation and Social Security.

Death Before Retirement

Tier 1 and 3

a. Prior to disability retirement eligibility (less than five years):
   (1) One month's salary for each year of service
   (2) Return of contributions

b. While eligible to retire (after five years) 60% of Service or Disability Retirement Benefit. Generally the benefit is 20% of FAS.

c. Line of Duty Death - 1/2 FAS

Tier 2

a. Prior to eligibility to retire (less than ten years):
   (1) $2,000 lump sum benefit offset by any Social Security payment
   (2) Return of contributions

b. While eligible to retire (ten years or service-connected death) 60% of Service or Disability Retirement Benefit (minimum benefit is 24% of FAS) plus, for each minor child, 20% of the allowance otherwise paid to the member. Minimum family benefit is 60% of the member's allowance. Maximum family benefit is 100% of member's allowance.

Death After Retirement

Tier 1 and 3 Plans Non-Enhanced (Section 31676.11) and Enhanced (Sec. 31676.16)

a. After Service Retirement or Nonservice-Connected Disability- 60% of the allowance continued to the spouse or to minor children.

OR

b. After Service-Connected Disability- 100% of the allowance continued to the spouse or minor children.

AND

c. Lump sum payment of $5,000.

Tier 2 Plan (Section 31751)

a. After Service or Disability Retirement 60% of allowance continued to spouse plus 20% of allowance to each minor child. Minimum benefit is 60% of allowance. Maximum benefit is 100% of allowance.

AND

b. Lump sum payment of $7,000 less any Social Security lump sum payment.

Withdrawal Benefits

Tier 1 and Tier 3

a. If less than five years of service, return of contributions, but can leave funds to earn interest, or earned benefit at age 70.

b. If greater than five years of service, right to have vested deferred retirement benefit commencing at any time after eligible to retire.

Tier 2

a. If less than five years of service, return of contributions, but can leave funds to earn interest, or earned benefit at age 70.

b. If greater than five years of service, right to have vested deferred retirement benefit commencing at any time after eligible to retire.

Cost-of-Living (COL) Benefit

3% maximum change per year except for Tier 3 disability benefits which can increase 4% per year.

4% maximum change per year.

Employee's Contribution Rates

Non-Enhanced 31676.11

a. Basic: to provide for 1/2 of the Section 31676.11 benefit at age 55.

b. COL: to pay for 1/2 of future COL costs.

a. 40% of the full Section 31676.11 employee contribution rate.

b. COL: to pay for 1/2 of future COL costs.

Enhanced 31676.16

a. Basic: to provide for an average annuity at age 60 equal to 1/120 of FAS.

Employer Contribution Rates

Enough to make up for the balance of the basic and COL contributions needed.

Enough to make up the balance of the basic and COL contributions needed.

Transfers from the Tier 1 Plan to the Tier 2 Plan were made on an individual, voluntary, irrevocable basis. Credit was given under the Tier 2 Plan for future service only. The COL maximum is 4% only for the credit under the Tier 2 Plan. Transferred Tier 2 Plan members keep the five year requirement for nonservice-connected disability. Those who were members before April 1, 1973 will be exempt from paying member contributions after 30 years of service.

B. SAFETY MEMBERS (31664 and 31664.1)

Coverage

a. All Safety members not in Tier C

b. All County Sheriff's Department Safety members hired on or after January 1, 2007, will be placed in Safety Tier C Enhanced

Final Average Salary (FAS)

a. One-year final average salary

b. Three-year FAS for Safety Tier C

Service Retirement

a. Requirement

Age 50 and 10 years of service, or with 20 years of service regardless of age.

b. Non-Enhanced Benefit at Retirement (Section 31664)-(Rodeo-Hercules Fire Protection District)

Age	Benefit Formula
50	2.00% x FAS x Yrs
55	2.62% x FAS x Yrs
60	2.62% x FAS x Yrs

Maximum Benefit: 100% of FAS

c. Enhanced Benefit at Retirement (Section 31664.1)-(All others)

Age	Benefit Formula
50	3.00% x FAS x Yrs
55	3.00% x FAS x Yrs
60	3.00% x FAS x Yrs

Maximum Benefit: 100% of FAS

Disability Retirement

a. Requirements

(1) Service-connected: None

(2) Nonservice-connected: five years of service

b. Benefit

(1) Service-connected: 50% FAS or Service Retirement benefit if greater.

(2) Nonservice-connected: 1.8% x FAS x Yrs of service. Future service years projected to age 55. Generally leads to 1/3 FAS benefit.

Death Before Retirement

a. Prior to retirement eligibility (less than 5 years)

(1) One month's salary for each year of service

(2) Return of contributions

b. While eligible to retire (after five years)

60% of Service or Disability Retirement Benefit. Generally the benefit is 20% of FAS.

c. Line of Duty death - 50% of FAS

Death After Retirement

a. After Service Retirement or Nonservice-Connected Disability -
60% of the allowance continued to the spouse or to minor children
OR

b. After Service-Connected Disability -
100% of the allowance continued to the spouse or to minor children
AND

c. Lump sum payment of $5,000

Withdrawal Benefits

a. If less than five years of service, return of contributions, but can leave funds to earn interest or earned benefit at age 70

b. If greater than five years of service, right to have vested deferred retirement benefit commencing at any time after eligible to retire

Cost-of-Living (COL) Benefit

a. 3% maximum change per year for Safety members not in Tier C

b. 2% maximum change per year for Safety Tier C

Employees' Non-Enhanced (Section 31664) Contribution Rates

a. Basic - to provide for 1/2 of the Section 31664 benefits at age 50

b. COL - to pay for 1/2 of future COL costs

Employees' Enhanced (Section 31664.1) Contribution Rates

a. Basic - to provide for an average annuity at age 50 equal to 1/100 of FAS

b. COL - to provide for 1/2 of future COL costs

Employer Contribution Rate

Enough to make up the balance and COL costs

Statistical Section

Summary of Statistical Data

The objective of the Statistical Section is to provide users with additional detailed information in order to promote a more comprehensive understanding of CCCERA's financial statements, note disclosures, and supplementary information. In addition, the multi-year trend information for the financial and operating segments of CCCERA provided in this section is intended to facilitate understanding of how the financial activities and positions have changed over time. The information is presented in two major categories: Financial Trends Information and Operating Information.

Financial Trends Information is intended to assist readers in understanding how CCCERA's financial activities and positions have changed over time. The Changes in Plan Net Assets for Years 2001 - 2010 presents additions by source, deductions by type, and the total change in net assets for each year. The Schedule of Benefit Expenses by Type for the Last Ten Years presents benefit deductions by type of benefit, such as by Service Retirement and Disability Retirement, as well as by General and Safety benefits.

Operating Information is intended to provide contextual information about CCCERA's operations and membership to assist readers in using financial statement information to comprehend and evaluate CCCERA's fiscal condition. This section includes the Schedule of Retired Members by Type of Benefit, which presents information for the current year. The Schedule of Average Benefit Payment Amounts for the Last Ten Years shows the average monthly benefit, and number of retirees and beneficiaries, organized by five-year increments. Participating Employers and Active Members for Years 2001 - 2010 presents the employers and number of their corresponding covered employees.

Changes in Plan Net Assets For Years 2001 - 2010

(Dollars in Thousands)

Additions	2010	2009	2008	2007	2006
Employer Pension Obligation Bond Proceeds	$ -	$ -	$ -	$ -	$ 11,693
Employer Contributions	183,951	195,614	206,519	196,930	179,755
Employee Contributions	64,330	66,536	76,452	75,591	73,469
Net Investment Income	605,672	748,861	(1,467,872)	306,459	614,913
Security Lending Income	1,097	2,436	3,392	1,208	658
Total Additions	**$ 855,050**	**$1,013,447**	**$(1,181,509)**	**$ 580,188**	**$ 880,488**
Deductions					
Pension Benefits*	$ 288,969	$ 266,866	$ 250,445	$ 235,656	$ 216,057
Refunds	2,647	4,628	3,730	3,113	3,232
Administrative Expense	5,283	7,359	5,601	5,942	4,860
Other Expenses	7,723	7,563	8,133	7,370	7,052
Total Deductions	**$ 304,622**	**$ 286,416**	**$ 267,909**	**$ 252,081**	**$ 231,201**
Change in Plan Net Assets	**$ 550,428**	**$ 727,031**	**$(1,449,418)**	**$ 328,107**	**$ 649,287**

Additions	2005	2004	2003	2002	2001
Employer Pension Obligation Bond Proceeds	$ 153,135	$ -	$ 319,095	$ -	$ -
Employer Contributions	147,165	118,246	108,728	57,474	55,183
Employee Contributions	73,475	65,297	51,603	26,606	18,681
Net Investment Income	341,877	415,669	608,336	(268,163)	(114,846)
Security Lending Income	506	344	238	182	315
Total Additions	**$ 716,158**	**$ 599,556**	**$ 1,088,000**	**$ (183,901)**	**$ (40,667)**
Deductions					
Pension Benefits*	$ 196,106	$ 178,979	$ 163,923	$ 140,097	$ 126,190
Refunds	2,075	910	1,037	643	858
Retiree Health Care Benefit Reimbursement**	-	-	-	4,638	12,343
Administrative Expense	4,896	4,089	4,292	4,269	3,745
Other Expenses	6,440	5,776	5,021	2,541	3,528
Membership Withdrawal	3,535	4,681	-	-	10,791
Total Deductions	**$ 213,052**	**$ 194,435**	**$ 174,273**	**$ 152,188**	**$ 157,455**
Final Paulson Cost Reimbursement	-	-	**$ 34,230**	-	-
Change in Plan Net Assets	**$ 503,106**	**$ 405,121**	**$ 947,957**	**$ (336,089)**	**$ (198,122)**

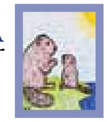
* The benefit amounts do not reflect the benefit payments made as a result of the Paulson settlement previously reported in the 2001 & 2002 CAFR. The total of the prior period adjustments recorded over the three-year period was $50,518,255 and resulted from the recalculation and payment of the "Paulson Benefit" (see Note 12). Payments are attributed to periods back to 1994.

**Direct reimbursements were made for 1/2 year only in 2002 per Retirement Board direction.

Schedule of Benefit Expenses by Type

Annual Benefit Amounts
as of December 31 of Each Year (Dollars in Thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Service Retirement										
Payroll:										
General	$ 131,646	$ 121,929	$ 113,955	$ 104,164	$ 94,018	$ 83,343	$ 83,082	$ 75,541	$ 69,427	$ 57,581
Safety	70,782	66,953	62,705	56,215	49,532	44,668	42,525	32,151	25,535	22,649
Total	202,428	188,882	176,660	160,379	143,550	128,011	125,607	107,692	94,962	80,230
Disability Retirement										
Payroll:										
General	12,134	12,072	11,899	11,910	11,608	11,855	11,718	10,629	9,561	8,053
Safety	26,708	24,845	23,529	21,283	19,867	18,737	17,850	13,853	12,771	10,830
Total	38,842	36,917	35,428	33,193	31,475	30,592	29,568	24,482	22,332	18,883
Beneficiary										
Payroll:										
General	16,144	16,030	15,312	14,449	13,850	13,399	12,795	10,604	9,825	7,600
Safety	9,452	8,616	8,256	8,036	7,231	6,977	6,587	5,149	4,983	3,635
Total	25,596	24,646	23,568	22,485	21,081	20,376	19,382	15,753	14,808	11,235
Total Benefit										
Expense:										
General	159,924	150,031	141,166	130,523	119,476	108,597	107,595	96,774	88,813	73,234
Safety	106,942	100,414	94,490	85,534	76,630	70,382	66,962	51,153	43,289	37,114
Total	$ 266,866	**$ 250,445**	**$ 235,656**	**$ 216,057**	**$ 196,106**	**$ 178,979**	**$174,557**	**$147,927**	**$132,102**	**$110,348**



Schedule of Retired Members by Type of Benefit

Summary of Monthly Allowances Being Paid as of December 31, 2009

Amount of Monthly Benefit General Members	Number of Retirees & Beneficiaries	Service	Disability	Beneficiary
$0 to $749	1,116	869	6	241
$750 to 1,499	1,259	926	76	257
$1,500 to 2,249	990	636	196	158
$2,250 to 2,999	700	495	119	86
$3,000 to 3,749	470	380	44	46
$3,750 to 4,499	286	248	13	25
$4,500 to 5,249	205	179	6	20
$5,250 & Over	570	547	5	18
Totals	**5,596**	**4,280**	**465**	**851**

Safety Members	Number of Retirees & Beneficiaries	Service	Disability	Beneficiary
$0 to $749	61	35	3	23
$750 to 1,499	87	31	3	53
$1,500 to 2,249	109	44	23	42
$2,250 to 2,999	160	40	71	49
$3,000 to 3,749	265	79	141	45
$3,750 to 4,499	170	73	67	30
$4,500 to 5,249	124	81	28	15
$5,250 & Over	720	556	140	24
Totals	**1,696**	**939**	**476**	**281**

Schedule of Average Benefit Payment Amounts

Estimates Based on Years of Credited Service

Years of Credited Service

Retirement Effective Date	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30+	Totals
1/1/2009 - 12/31/2009								
Average monthly benefit	$1039	$1368	$1844	$2697	$4532	$6595	$7046	$3810
Average Final Average Salary*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Number of retired members	17	67	70	73	78	62	62	429
1/1/2008 - 12/31/2008								
Average monthly benefit	$1499	$1454	$2108	$3334	$4426	$5971	$7145	$3738
Average Final Average Salary*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Number of retired members	15	45	38	51	43	42	28	262
1/1/2007 - 12/31/2007								
Average monthly benefit	$ 862	$1044	$1685	$2350	$3044	$6010	$7608	$3287
Average Final Average Salary*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Number of retired members	21	65	71	79	64	66	51	417
1/1/2006 - 12/31/2006								
Average monthly benefit	$ 624	$1066	$1170	$2365	$3981	$5511	$6864	$3684
Average Final Average Salary*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Number of retired members	16	24	50	53	44	48	65	300
1/1/2005 - 12/31/2005								
Average monthly benefit	$ 722	$1143	$1394	$2095	$3611	$5910	$5834	$3418
Average Final Average Salary*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Number of retired members	23	38	82	83	59	62	107	454
1/1/2004 - 12/31/2004								
Average monthly benefit	$ 738	$1089	$1302	$2406	$3065	$5486	$6105	$3431
Average Final Average Salary*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Number of retired members	12	27	40	39	38	40	57	253
1/1/2003 - 12/31/2003								
Average monthly benefit	$ 638	$1306	$1468	$1978	$3538	$5110	$6232	$3639
Average Final Average Salary*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Number of retired members	21	41	76	53	52	86	112	441
1/1/2002 - 12/31/2002								
Average monthly benefit	$ 1215	$ 780	$1066	$1932	$2792	$4561	$6696	$3610
Average Final Average Salary*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Number of retired members	10	23	39	41	36	45	79	273

*Average Final Average Salary is not available on a historical basis due to system constraints. It will be presented starting with the data for 2010 and subsequent years.

Schedule of Average Benefit Payment Amounts

Estimates Based on Annualized Benefit Amounts at December 31 of Each Year

Years Since Retirement

Tier 1	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40+**
2009 Average Monthly Benefit	$3997	$3747	$3003	$2628	$2133	$1748	$1843	$1466	$1402
Number Retirees & Beneficiaries	530	633	580	550	535	461	293	94	26
2008 Average Monthly Benefit	$4135	$3506	$2897	$2490	$2057	$1773	$1830	$1388	$1509
Number Retirees & Beneficiaries	546	632	560	578	564	478	264	79	23
2007 Average Monthly Benefit	$3905	$3326	$2611	$2314	$1874	$1836	$1670	$1295	$1324
Number Retirees & Beneficiaries	632	631	537	607	578	478	241	59	18
2006 Average Monthly Benefit	$3856	$3139	$2575	$2164	$1783	$1660	$1604	$1138	$1376
Number Retirees & Beneficiaries	617	649	584	584	607	480	223	54	14
2005 Average Monthly Benefit	$3679	$2903	$2453	$2077	$1643	$1641	$1496	$1209	$1550
Number Retirees & Beneficiaries	659	619	587	594	628	467	194	48	19
2004 Average Monthly Benefit	$3399	$2698	$2304	$1831	$1563	$1585	$1360	$1092	$ 875
Number Retirees & Beneficiaries	639	609	604	638	621	450	182	45	10
2003 Average Monthly Benefit	$3245	$2553	$2224	$1764	$1548	$1561	$1299	$1152	$ 865
Number Retirees & Beneficiaries	675	583	629	669	620	390	154	35	11
2002 Average Monthly Benefit	$2885	$2381	$2064	$1603	$1497	$1319	$1110	$ 921	$ 560
Number Retirees & Beneficiaries	546	567	671	703	632	388	154	42	10
2001 Average Monthly Benefit	$2271	$1956	$1781	$1459	$1164	$1106	$ 810	$ 823	$ 566
Number Retirees & Beneficiaries	895	817	699	675	533	269	80	15	9
2000 Average Monthly Benefit	$2076	$1727	$1530	$1211	$ 873	$ 664	$ 469	$ 428	$1053
Number Retirees & Beneficiaries	830	822	704	696	505	228	74	12	43

NOTE: Average Final Average Salary is not available on a historical basis due to system constraints for these schedules.

Schedule of Average Benefit Payment Amounts

Estimates Based on Annualized Benefit Amounts at December 31 of Each Year

Years Since Retirement

Tier 2	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40+**
2009 Average Monthly Benefit	$611	$713	$1045	$ 802	$1153	$ 703			
Number Retirees & Beneficiaries	74	126	232	114	27	6			
2008 Average Monthly Benefit	$835	$886	$ 995	$1065	$ 913	$ 617			
Number Retirees & Beneficiaries	82	144	232	101	17	4			
2007 Average Monthly Benefit	$751	$887	$ 967	$1014	$ 906	$ 468			
Number Retirees & Beneficiaries	89	176	210	83	13	2			
2006 Average Monthly Benefit	$731	$956	$ 849	$ 895	$ 829	$ 592			
Number Retirees & Beneficiaries	89	225	176	58	12	1			
2005 Average Monthly Benefit	$749	$978	$ 778	$ 986	$ 726	$ 768			
Number Retirees & Beneficiaries	120	232	155	33	12	8			
2004 Average Monthly Benefit	$840	$676	$ 948	$ 738	$1076	$1,009			
Number Retirees & Beneficiaries	540	122	257	128	25	6			
2003 Average Monthly Benefit	$857	$814	$ 887	$ 855	$ 778				
Number Retirees & Beneficiaries	530	155	242	109	18				
2002 Average Monthly Benefit	$809	$836	$ 829	$ 759	$1134				
Number Retirees & Beneficiaries	157	228	97	20	4				
2001 Average Monthly Benefit	$673	$644	$ 580	$ 480	$ 633				
Number Retirees & Beneficiaries	373	186	58	14	2				
2000 Average Monthly Benefit	$675	$571	$ 550	$ 288					
Number Retirees & Beneficiaries	316	160	32	13					

NOTE: Average Final Average Salary is not available on a historical basis due to system constraints for these schedules.

Schedule of Average Benefit Payment Amounts

Estimates Based on Annualized Benefit Amounts at December 31 of Each Year

Years Since Retirement

Tier 3	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
2009 Average Monthly Benefit	$2347	$1651	$1465	$1213	$1183	$1965			
Number Retirees & Beneficiaries	852	398	54	6	3	1			
2008 Average Monthly Benefit	$2237	$1441	$1154	$1479	$1035				
Number Retirees & Beneficiaries	768	324	2	3	1				
2007 Average Monthly Benefit	$ 2020	$1327	$1115	$1287					
Number Retirees & Beneficiaries	752	224	2	3					
2006 Average Monthly Benefit	$ 1831	$1211							
Number Retirees & Beneficiaries	600	177							
2005 Average Monthly Benefit	$ 1667	$1170							
Number Retirees & Beneficiaries	538	97							
2004 Average Monthly Benefit	$ 1438	$1126							
Number Retirees & Beneficiaries	396	46							
2003 Average Monthly Benefit	$ 1304	$ 429							
Number Retirees & Beneficiaries	346	1							
2002 Average Monthly Benefit	$ 1178								
Number Retirees & Beneficiaries	230								
2001 Average Monthly Benefit	$ 490								
Number Retirees & Beneficiaries	182								
2000 Average Monthly Benefit	$ 388								
Number Retirees & Beneficiaries	92								

NOTE: Average Final Average Salary is not available on a historical basis due to system constraints for these schedules.

Schedule of Average Benefit Payment Amounts

Estimates Based on Annualized Benefit Amounts at December 31 of Each Year

Years Since Retirement

Safety	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
2009 Average Monthly Benefit	$6620	$6093	$5110	$4706	$3929	$3756	$3780	$3178	$2619
Number Retirees & Beneficiaries	426	406	268	222	126	98	88	41	21
2008 Average Monthly Benefit	$6644	$6126	$4800	$4813	$3884	$3903	$3810	$2926	$2453
Number Retirees & Beneficiaries	409	406	236	202	128	101	83	30	16
2007 Average Monthly Benefit	$6517	$5758	$4573	$4438	$3625	$3909	$3397	$2830	$2420
Number Retirees & Beneficiaries	465	362	229	168	128	107	76	22	19
2006 Average Monthly Benefit	$6475	$5143	$4442	$4039	$3451	$3771	$3379	$2508	$2135
Number Retirees & Beneficiaries	467	301	244	150	132	105	62	25	10
2005 Average Monthly Benefit	$5984	$5042	$4171	$3911	$3339	$3684	$3160	$3053	$1635
Number Retirees & Beneficiaries	455	289	243	140	115	103	61	20	9
2004 Average Monthly Benefit	$5550	$4598	$4182	$3298	$3278	$3520	$2731	$2299	$1459
Number Retirees & Beneficiaries	406	272	237	135	135	106	5	18	7
2003 Average Monthly Benefit	$5477	$4214	$4153	$3345	$3381	$3478	$2540	$2044	$1679
Number Retirees & Beneficiaries	431	241	215	133	109	100	42	17	5
2002 Average Monthly Benefit	$5117	$3837	$3982	$3086	$3200	$2688	$1998	$1525	$1287
Number Retirees & Beneficiaries	324	226	214	128	120	100	35	18	5
2001 Average Monthly Benefit	$4004	$3265	$3218	$2944	$2914	$2399	$1609	$1149	
Number Retirees & Beneficiaries	326	278	156	144	100	56	23	5	
2000 Average Monthly Benefit	$3763	$3021	$3061	$2591	$2328	$1554	$1102	$ 704	
Number Retirees & Beneficiaries	307	262	150	130	96	51	17	5	

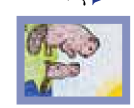
NOTE: Average Final Average Salary is not available on a historical basis due to system constraints for these schedules.

Participating Employers and Active Members For Years 2001-2010

	2010	% of Totals	2009	2008	2007	2006	2005	2004	2003	2002	2001
County of Contra Costa:											
General Members	6,403	72.67%	6,429	6,802	6,871	6,668	6,699	7,082	7,133	6,850	6,610
Safety Members	935	10.61%	956	1,020	1,023	1,025	1,027	1,089	1,104	1,606	1,517
TOTAL:	7,338	83.28%	7,385	7,822	7,894	7,693	7,726	8,171	8,237	8,456	8,127
Participating Agencies:											
Bethel Island Municipal Improvement District	3	0.03%	3	3	3	5	4	3	3	2	2
Byron, Brentwood, Knightsen Union Cemetery District	4	0.05%	3	3	5	5	5	4	4	4	4
Central Contra Costa Sanitary District	252	2.86%	266	266	257	258	249	253	242	244	246
Contra Costa County Employees' Retirement Association	37	0.42%	37	37	35	35	35	34	35	33	30
Contra Costa Housing Authority	92	1.04%	91	90	92	97	98	109	112	113	95
Contra Costa Mosquito and Vector Control District	35	0.40%	35	37	35	35	31	28	29	28	24
Delta Diablo Sanitation District*	-	-	-	-	-	-	-	-	57	57	58
Diablo Water District*	-	-	-	-	-	-	-	13	13	11	11
Local Agency Formation Commission (LAFCO)	2	0.02%	2	2	1	1	1	1	1	1	1
Ironhouse Sanitary District*	-	-	-	-	-	-	-	28	27	24	23
Rodeo Sanitary District	7	0.08%	8	8	7	7	7	7	7	6	7
In-Home Supportive Services Authority (IHSS)	12	0.14%	12	13	16	15	12	11	12	10	6
First 5 - Children & Families Commission	24	0.27%	22	16	14	14	13	10	11	9	6
Contra Costa County Fire Protection District	321	3.64%	349	354	344	354	361	373	367	387	366
East Contra Costa Fire Protection District	49	0.56%	50	50	52	55	55	55	55	55	55
Moraga-Orinda Fire District	73	0.83%	73	71	71	66	73	69	70	69	65
Rodeo-Hercules Fire Protection District	21	0.24%	21	21	21	21	21	21	21	21	21
Superior Court**	360	4.09%	405	407	395	370	342	-	-	-	-
San Ramon Valley Fire District	181	2.05%	180	185	179	179	172	168	169	170	170
TOTAL:	1,473	16.72%	1,557	1,563	1,527	1,517	1,479	1,187	1,235	1,244	1,190
Total Active Membership	8,811	100.00%	8,942	9,385	9,421	9,210	9,205	9,358	9,472	9,700	9,317

* Districts that terminated their membership with CCCERA

** Superior Courts were part of the County prior to January 1, 2005



Photographic Notes

Page 1 — "The Earth Speaks," designed by community artist Eduardo Pineda, was executed as a collaborative effort by the Richmond High School Aqua Team, Friends of El Sobranté Library, Contra Costa Library System, and the San Pablo Watershed Neighbor's Education and Restoration Society. The mural transformed a graffiti scarred wall to public art that evokes nature and conservation.

Page 5 — The dreamlike "Secret Garden" mural adorns a wall at the corner of Susana and Court Streets in Martinez. Painter Dorrie Langley created this fanciful work that blends with the natural foliage growing above the mural. Ms. Langley has several other public art works displayed throughout the city.

Page 17 — Artist John Wehrle created "The Revisionist History of San Pablo Avenue," a surreal mural that integrates centuries of history into one vision. Ohlone natives, Californios, and wildlife mingle in a modern day shopping district. This work adds color and life to a concrete freeway underpass.

Page 51 — The "Pinole Valley Gateway" divides the City of Pinole's old town and residential districts by blending new transportation technology with pioneer methods. John Wehrle was assisted in this project by local artist Herschell West. Over 1200 gallons of paint were used to complete this mural.

Page 61 — A Commission from the City of Richmond Arts and Culture Commission resulted in "Past Perfect," a mural depicting passengers and a trolley from the past materializing under an I-80 freeway overpass. "Trompe l'oiel" painters are featured on the road buttresses, where facts about the City of Richmond are displayed.

Page 77 — Campers from the John Muir Mountain Day Camp commemorated our famous Martinez Beavers by creating hand painted tiles during the 2009 Beaver Festival. The event was sponsored by the "Worth A Dam" organization in cooperation with the City of Martinez. The tiles adorn the Alhambra Creek bridge at Escobar Street.

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