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CHANGES IN ELIGIBILE CREDITS

In the month of March, there was one change to the Treasurer's approved eligibility list:

The following was removed from the CP/ MTN Eligibility list:

1) The E.W. Scripps Co.

Please see the attached report detailing the reasons the above action was taken by the Treasurer.

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To: Treasury Investment Committee **From:** John Byerly, Financial Analyst

Date: March 20, 2006

Subject: The E.W. Scripps Co.

Ratings: Was: A-1/P-1 /NR A/A2 /NR

Now: A-1 /P-1*-/NR A/ A2*-/NR

Exposure: County/Schools/XFund/JWA – None

Recommendation: Remove from CP/MTN eligibility list

Rationale: Issuer placed on credit watch negative

Summary:

On March 16, 2006, Moody's placed the short-term and long-term ratings of The E.W. Scripps Company (Scripps) on credit watch negative. This action was in response to Scripps announcement of its \$366 million uSwitch.com acquisition.

Because Scripps intends to fund the acquisition with commercial paper, Moody's will be reviewing, among other things, the company's liquidity position including the level of backup for commercial paper, debt maturities and other potential cash obligations.

With regard to Investment Policy Statement restrictions, I have removed Scripps from the CP/MTN eligibility list.

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To: Treasury Investment Committee **From:** John Byerly, Financial Analyst

Date: March 20, 2006

Subject: L'Oreal USA Inc.

Ratings: NR/P-1/F1+ NR///

Exposure: County: \$31MM

Schools: \$33MM X-Fund: None JWA: \$2MM

Recommendation: Keep L'Oreal USA on CP/MTN eligibility list

Update:

On March 19, 2006, L'Oreal announced its acquisition of The Body Shop International, plc. The offer of over \$1 billion represents a 34% premium to the February 21, 2006 market price. The Body Shop is a profitable company, with growth potential, and benefits from growing US sales. L'Oreal may also benefit from the Body Shop's reputation of social awareness.

Concerns of L'Oreal's ability to maintain its financial flexibility are somewhat mitigated by its \$1.4 billion annual free cash flow and \$890 million in cash, near cash, and marketable securities. L'Oreal's commercial paper programs are backed up by a number of committed facilities and on balance sheet cash such that, at all times, they exceed CP outstanding amounts.

Fitch affirmed L'Oreal's ratings today commenting that this type of "external growth" complements their expected organic growth from existing products.

Considering the present available information, I recommend keeping L'Oreal on our CP/MTN eligibility list.

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