

MOODY'S

INVESTORS SERVICE

Rachel Cortez
Vice President/Senior Credit Officer/Manager
Public Finance Group

100 N. Riverside Plaza
Suite 2220
Chicago, IL 60606
312.706.9956 tel
312.706.9999 fax
rachel.cortez@moodys.com

May 10, 2016

MR. Dave Blackburn
LEE & OGLE COUNTIES SCHOOL DISTRICT 170 (DIXON), IL
1335 Franklin Grove Road
Dixon, IL 61021

Dear MR. Blackburn :

We wish to inform you that on April 21, 2016, Moody's Investors Service reviewed and assigned a rating of

- A1 to LEE & OGLE COUNTIES SCHOOL DISTRICT 170 (DIXON), IL, General Obligation School Bonds, Series 2016

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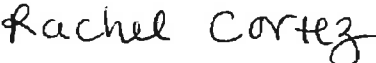
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If there is a conflict between the terms of this rating letter and any related Moody's rating application, the terms of the executed rating application will govern and supercede this rating letter.

Should you have any questions regarding the above, please do not hesitate to contact me or the analyst assigned to this transaction, David Levett at 312-706-9990.

Sincerely,



Rachel Cortez
VP-Sr Credit Officer/Manager

CC:

MS. RAPHALIATA MCKENZIE
Speer Financial, INC.



Rating Action: Moody's Assigns A1 to SD 170 (Dixon), IL's \$2.3M GO Bonds, Ser. 2016

Global Credit Research - 21 Apr 2016

New York, April 21, 2016 -- Issue: General Obligation School Bonds, Series 2016; Rating: A1; Rating Type: Underlying LT; Sale Amount: \$2,265,000; Expected Sale Date: 05/11/2016; Rating Description: General Obligation;

Summary Rating Rationale

Moody's Investors Service has assigned an A1 rating to Lee & Ogle Counties School District 170 (Dixon), IL's \$2.3 million General Obligation (GO) School Bonds, Series 2016. Concurrently, Moody's has affirmed the A1 rating on the district outstanding GO bonds. Post-sale, the district will have \$6.8 million in Moody's rated debt.

The A1 rating reflects the district's moderately sized tax base, healthy financial position despite recent operating deficits and modest debt burden.

Rating Outlook

Outlooks are usually not assigned to local government credits with this amount of debt.

Factors that Could Lead to an Upgrade

Expansion of the tax base and economic profile

Improved financial performance

Factors that Could Lead to a Downgrade

Significant increase in the district's debt burden or increase in its pension liability resulting from cost shifting from the state

Continued operating deficits leading to material decline in reserves

Legal Security

Debt service on the Series 2016 bonds is secured by the district's GO unlimited tax pledge, with the authority to levy a property tax without limitation as to rate or amount.

Use of Proceeds

The Series 2016 bonds will finance life safety improvements at district facilities.

Obligor Profile

Located approximately 95 miles west of Chicago (Ba1 negative), the pre-kindergarten through high school district encompasses a large area of 117 square miles in north central Illinois. The district's current student headcount is estimated at 2,741. Resident population within the district was estimated at 23,163 as of the 2010 Census.

Methodology

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Ratings Methodologies page on www.moody's.com for a copy of this methodology.

Regulatory Disclosures

For ratings issued on a program, series or category/class of debt, this announcement provides certain

regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

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David Levett
Lead Analyst
Regional PFG Chicago
Moody's Investors Service, Inc.
100 N Riverside Plaza
Suite 2220
Chicago 60606
US
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

Coley Anderson
Additional Contact
Regional PFG Chicago
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

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