

Old Capitol Building  
PO Box 47200  
Olympia, WA 98504-7200

k12.wa.us



Washington Office of Superintendent of  
**PUBLIC INSTRUCTION**  
Chris Reykdal, Superintendent

April 11, 2025

Justin Bradford, Superintendent  
Prescott School District  
207 South A Street  
PO Box 95  
Prescott, Washington 99348

Re: Financial Oversight Committee

Dear Superintendent Bradford and Board Chair Chabre:

This letter is to notify you that I will be convening a Financial Oversight Committee in accordance with Revised Code of Washington (RCW) 28A.315.221 to review the financial situation of Prescott School District (PSD) and make a recommendation on a path forward for financial stability. In accordance with RCW 28A.315.025, I have determined that the district is financially insolvent because it is reasonably foreseeable that unless action is taken, PSD's financial situation will result in a deficit General Fund balance within three years and the district has been unable to prepare and execute an adequate financial plan.

Prescott School District accepted binding conditions, in accordance with Chapter 392-123 of the Washington Administrative Code in March 2024 based on ending the 2022–23 school year with a negative general fund balance of (\$6,739.58). The district has been meeting with representatives from OSPI and ESD 123 since that time to monitor progress to create a viable financial plan. Despite these efforts, a viable financial plan has not been implemented, and the district faces several imminent fiscal and staffing challenges as follows:

- The district does not currently have the financial resources to repay existing debts coming due before the end of the 2025 calendar year.
- The projected 2024–25 school year ending General Fund balance is projected to be negative.
- The district will be hiring two key positions (one administrative and one fiscal) this summer.
- The district currently has unpaid invoices for insurance coverage.

The Financial Oversight Committee will be made up of two representatives from OSPI, one representative from an ESD outside of ESD 123, and one non-voting representative from ESD 123. Committee members will be named in future correspondence within the next two weeks.

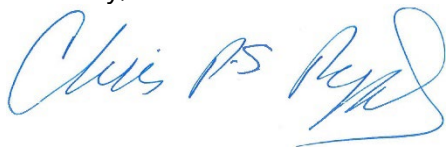
I am tasking the Financial Oversight Committee with reviewing the financial condition of PSD and providing me with recommendations. This review may involve members of the Committee meeting with PSD leadership to go over financial records and ask questions about what would lead to financial stability. In addition, the FOC will be monitoring the performance against the binding conditions in the letter dated October 1, 2024. These conditions may be amended by OSPI as necessary based on new data or information discovered by the FOC. Any amendments to the binding conditions will be provided in writing to the district and PSD will have an opportunity to respond to any changes.

Per RCW 28A.315.221, this review shall involve a public hearing, or multiple public hearings, within PSD in order to receive public comment and discuss financial plans. Following the public hearing, the Financial Oversight Committee will make recommendations on next steps which may include corrective actions, placing the district on enhanced financial oversight, and/or dissolution of the school district.

I am hopeful that convening the Financial Oversight Committee will lead to a solution that brings the district back into financial stability in a manner that represents the needs of the students and the values of the community. I ask that you and members of the community work with the Committee to assist them in gaining a full understanding of the situation and help them come to a workable solution.

Should you have any questions, please contact T.J. Kelly, OSPI Chief Financial Officer, at [thomas.kelly@k12.wa.us](mailto:thomas.kelly@k12.wa.us).

Sincerely,



Chris Reykdal  
Superintendent of  
Public Instruction

cc: Steve McCullough, Superintendent, ESD 123