

**Charter School Facilities Program
Succession Financial Soundness Review
Staff Summary Report – October 2026
Item #7 - Resolution 26-34**

Executive Summary

Applicant/Obligor:	Goethe International Charter School
Project School:	Goethe International Charter School
CDS (County – District – School) Code:	19-64733-0117978
Project Address:	820 Broadway Street, Venice, CA 90291
Type of Apportionment:	Succession of CSFP Facility
County:	Los Angeles
District in which Project is Located:	Los Angeles Unified
Charter Authorizer:	Los Angeles Unified
Total Remaining CSFP Financed Amount:	\$4,362,135.00
Remaining Funding Agreement Term:	12 years
Assumed Interest Rate:	2.54%
Estimated Annual CSFP Payment:	\$426,283.00
First Year of Occupancy of New Project:	2027-28

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that Goethe International Charter School (GICS), is financially sound for Charter School Facilities Program (Program or CSFP) Final Conversion as a Successor assuming the Program matching share loan. This determination shall remain in effect for twelve months and assumes no material financial, operational, or legal findings within this period. This recommendation is contingent upon GICS electing to have its CSFP payments intercepted at the state-level, under sections 17199.4 and 17078.57(a)(1)(A) of the Education Code. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction (OPSC) and the State Allocation Board (SAB) regarding this determination.

Application Highlights: The table below highlights key criteria evaluated when conducting the financial soundness review for GICS.

Criteria	Comments
Demographic Information	In 2025-26, GICS had a total enrollment of 525 students in grades TK-8; the average daily attendance (ADA) rate was 94.8%, and the Unduplicated Pupil Percentage (UPP) of ADA was 34.14%.
Debt Service Coverage	GICS's debt service coverage from adjusted net income on this CSFP loan is projected to average 130.8% over the first three years that payments are due.
Eligibility Criteria	GICS has met all eligibility criteria: (1) GICS commenced operations in September 2009; (2) GICS's charter is in place through June 2032; (3) LAUSD confirmed on October 6, 2026, that GICS is in good standing with its chartering authority and in compliance with the terms of its charter.
Student Performance	GICS students' performance consistently met or exceeded that of peers in their local district during the period examined, based on California standardized testing (CAASPP).

Program Eligibility: The Los Angeles Unified School District (LAUSD or District) approved GICS's charter renewal through June 30, 2032. The Request for Proposal (RFP) application also states that GICS is current on its Proposition 39 obligations and has received no notice of default or non-compliance from the District.

Legal Status Questionnaire: Staff reviewed the applicant's Legal Status Questionnaire dated August 27, 2026. GICS disclosed three special education due process matters before the Office of Administrative Hearings; all were resolved by settlement and closed, none resulted in a finding of wrongdoing, and none remains pending. No information disclosed would lead staff to question the financial or legal integrity of the applicant.

Project Description and Background: GICS proposes to assume the financing obligations of the CSFP property located at 820 Broadway St., Venice, CA 90291. The facility was constructed under a CSFP preliminary apportionment in 2005 for use by Animo Venice Charter High School, which closed on June 30, 2026. The RFP identifies the property as an as-is former high school facility, permitted for TK-12 use and rated for approximately 500 to 648 students. GICS proposes to occupy the facility on July 1, 2027. It has budgeted \$395,000 in 2027-28 for the TK-8 conversion, furniture and equipment, technology/security systems, and signage. The scope and cost of additional as-is repairs and any code, fire-life-safety, or accessibility work will be determined through an independent facility condition assessment.

GICS is currently operating on the campus of Marina Del Rey Middle School located at 12500 Braddock Drive, Los Angeles, CA 90066, pursuant to a Proposition 39 Facilities Use Agreement. Under this proposal, GICS will vacate the co-location in full effective June 30, 2027, returning all classrooms, support spaces, and administrative spaces currently allocated to it to the district.

School Organizational Information: Goethe International Charter Schools is a California nonprofit public benefit corporation recognized as tax-exempt under Internal Revenue Code

Section 501(c)(3). It operates a single directly funded, independent charter school. GICS was authorized in 2008, opened in September 2009, and its current charter term runs from July 1, 2026, through June 30, 2032. The organization has no parent company, charter management organization, or affiliated schools.

GICS serves grades TK-8 and is an authorized International Baccalaureate World School, providing the Primary Years Programme in TK-5 and the Middle Years Programme in grades 6-8, integrated with German dual-language immersion in TK-5. The school also provides special education services through the LAUSD SELPA, designated and integrated English Language Development, targeted literacy and mathematics intervention, expanded learning opportunities, athletics, and visual arts. The seven-member Board of Trustees governs the corporation, and Rasheed Khan serves as Executive Director.

2026-27 Goethe International Charter School Board of Trustees

Name	Position	Term Expiration
Yasir Julian Eftekar	President	Annual reappointment
Frank Beuthin	Treasurer	Annual reappointment
Pete Goldschmidt, Ph.D.	Secretary	Annual reappointment
Bettina Traverso-Marini, M.B.A.	Trustee	Annual reappointment
Denise Pyeatt	Trustee / Parent Representative	June 2027
Aixle Aman Rivera, Ed.D.	Trustee	Annual reappointment
Maggie Cenán	Trustee / Parent Representative	June 2028

School Academic Performance: The following tables represent the recent academic performance of GICS; two similar local schools, Ocean Charter and Citizens of the World Charter Hollywood (CWC Hollywood); and LAUSD. Results are provided through the California Department of Education’s CAASPP Smarter Balanced testing data. Percentages represent students who met or exceeded performance standards.

English Language Arts Achievement

	FY22	FY23	FY24	FY25
GICS	69.54%	69.10%	64.95%	61.42%
Ocean Charter	70.79%	67.51%	59.95%	64.49%
CWC Hollywood	68.02%	59.90%	50.49%	43.88%
LAUSD	41.70%	41.17%	43.06%	46.46%

Mathematics Achievement

	FY22	FY23	FY24	FY25
GICS	65.30%	63.29%	57.93%	49.68%
Ocean Charter	49.26%	51.13%	50.66%	47.96%
CWC Hollywood	53.85%	50.75%	50.00%	50.72%
LAUSD	28.49%	30.50%	32.83%	36.76%

Enrollment Trends and Projections: The table below reflects enrollment and average daily attendance information for GICS from FY 2022-23 through FY 2030-31. GICS administration anticipates occupying the proposed project facility at the start of FY 2027-28. The assumptions made in the projected years are considered reasonable by staff and consistent with historical data.

GICS Student Enrollment and Average Daily Attendance

Year (FY)	2023	2024	2025	2026	2027	2028	2029	2030	2031
Enrollment	393	440	479	525	540	570	610	610	610
ADA (%)	96.9%	95.8%	95.5%	94.8%	95.0%	95.0%	95.0%	95.0%	95.0%

Financial Analysis

Financial Data Sources: This financial analysis is based on the consideration and review of the following for GICS: (1) audited financial statements for FYs 2022-23 through 2024-25; (2) unaudited actuals for FY 2025-26; and (3) budget projections for FYs 2026-27 through 2030-31, including supporting assumptions.

Assumptions: Staff's financial analysis of GICS is based upon the following assumptions: (1) occupancy of the project facility in FY 2027-28; (2) repayment of GICS's CSFP matching share loan in the amount of \$4,362,135 at 2.54% interest, with annual payments of approximately \$426,283 commencing in FY 2028-29; and (3) school enrollment and ADA projections as provided above under Enrollment Trends and Projections.

Long-Term Liabilities: Based on available data, GICS carries no facility debt prior to assumption of the CSFP obligation and projects no new debt other than the CSFP loan. The FY 2024-25 audited financial information reflects approximately \$95,186 of long-term lease liability. Staff did not identify an existing long-term debt obligation expected to impair repayment capacity. Additionally, obligors are required to notify the Authority before taking on additional debt that exceeds applicable thresholds.

Benchmark Summary and Analysis: The following table and summary listing set forth the results of staff's analysis regarding GICS's financial soundness. Where a threshold has been established based on industry standards or practice, the listing indicates whether or not the threshold was met.

OPERATIONAL, FINANCIAL & STUDENT PERFORMANCE M											
	Actual FY 2023	Actual FY 2024	Actual FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031	AVERAGE	THRESHOLD LEVEL
OPERATIONAL & FINANCIAL											
Enrollment	393	440	479	525	540	570	610	610	610	531	
Average Daily Attendance (ADA)	381	421	458	498	513	542	580	580	580	506	
Average Daily Attendance (%)	96.9%	95.8%	95.5%	94.8%	95.0%	95.0%	95.0%	95.0%	95.0%	93.3%	< 94.0%
FTE Teachers	22	26	24	30	31	31	31	31	31	29	
Pupil-Teacher Ratio	17.9	16.9	20.0	17.5	17.4	18.4	19.7	19.7	19.7	18.6	> 25.0
LCFF Sources/ADA	\$ 10,510	\$ 11,472	\$ 11,458	\$ 12,075	\$ 12,395	\$ 12,953	\$ 13,356	\$ 13,772	\$ 14,201	\$ 12,466	
% Change		9.2%	-0.1%	5.4%	2.6%	4.5%	3.1%	3.1%	3.1%	3.9%	
Operating Revenues/ADA	\$ 15,518	\$ 15,001	\$ 14,974	\$ 15,843	\$ 16,608	\$ 16,827	\$ 16,810	\$ 17,071	\$ 17,508	\$ 16,240	
% Change		-3.3%	-0.2%	5.8%	4.8%	1.3%	-0.1%	1.5%	2.6%	1.6%	
Operating Expenses plus CSFP Loan/ADA	\$ 14,088	\$ 13,968	\$ 14,924	\$ 15,334	\$ 16,580	\$ 16,262	\$ 16,620	\$ 16,962	\$ 17,385	\$ 15,791	
% Change		-0.9%	6.8%	2.8%	8.1%	-1.9%	2.2%	2.1%	2.5%	2.7%	
Free Cash Flow/ADA	\$ 1,430	\$ 1,034	\$ 50	\$ 508	\$ 28	\$ 565	\$ 190	\$ 109	\$ 123	\$ 449	< 0
DEBT SERVICE COVERAGE											
Total Operating Revenues	\$ 5,906,936	\$ 6,320,589	\$ 6,853,259	\$ 7,888,225	\$ 8,519,987	\$ 9,111,654	\$ 9,741,556	\$ 9,892,513	\$10,145,929		
Total Operating Expenses	5,362,543	5,885,084	6,830,174	7,635,083	8,505,491	8,805,655	9,204,904	9,403,058	9,648,509		
Total Other Sources/Uses	-	-	-	(5,563)	-	-	-	-	-	-	
Net Income Available for CSFP Loan Payment	\$ 544,393	\$ 435,505	\$ 23,085	\$ 247,579	\$ 14,496	\$ 305,999	\$ 536,652	\$ 489,455	\$ 497,420		
Add Back Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Add Back Depreciation	3,880	5,174	6,154	7,273	7,276	51,982	51,057	50,417	47,866		
Adjusted Net Income Available for CSFP Loan Payment	\$ 548,273	\$ 440,679	\$ 29,239	\$ 254,852	\$ 21,772	\$ 357,981	\$ 587,709	\$ 539,872	\$ 545,286		
CSFP Loan Payments	-	-	-	-	-	-	426,283	426,283	426,283		
Free Cash Flow	\$ 548,273	\$ 440,679	\$ 29,239	\$ 254,852	\$ 21,772	\$ 357,981	\$ 161,426	\$ 113,589	\$ 119,003	\$ 227,424	< 0
DSC from Adj. Net Income							137.9%	126.6%	127.9%	130.8%	< 110.0%
DSC from LCFF Sources subject to CSFA Intercept							1224.2%	1280.7%	1339.0%	1281.3%	> 15.0%
CSFP Loan Payments/Oper. Revenues	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.4%	4.3%	4.2%	4.3%	
FUNDRAISING											
Fundraising for Operations	\$ 458,666	\$ 39,932	\$ 64,958	\$ 381,397	\$ 352,402	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 277,484	
Fundraising/Oper. Revenues	7.8%	0.6%	0.9%	4.8%	4.1%	3.3%	3.1%	3.0%	3.0%	3.4%	> 15.0%
DSC without Fundraising							67.5%	56.3%	57.5%	60.4%	< 100.0%
% of Fundraising Required for 100% DSC			55.0%	33.2%	93.8%		46.2%	62.1%	60.3%	58.4%	> 50.0%
LIQUIDITY											
Current Assets	\$ 3,904,435	\$ 3,997,327	\$ 3,588,010								
Current Liabilities	1,789,795	1,448,630	1,018,981								
Net Working Capital	\$ 2,114,640	\$ 2,547,697	\$ 2,569,029								
Net Working Capital/Oper. Expenses	39.4%	43.3%	37.6%							40.1%	< 5.0%
Unrestricted Cash & Cash Equivalents	\$ 2,571,235	\$ 2,741,285	\$ 2,630,767	**							
Unrest. Cash & CE/Oper. Expenses (Days)	175	170	141								
Unrest. Cash & CE/All Expenses (Days)	175	170	141							162	< 90

Benchmark Summary:

- Enrollment - Average ADA rate is 95.3%, above the 94% benchmark.
- Free Cash Flow and/or per ADA - GICS is projected to operate with positive free cash flow in every projected year; average free cash flow is approximately \$449 per ADA over the period examined.
- Debt Service Coverage from Adj. Net Income - Estimated 130.8% average debt service coverage is above the 110% benchmark.
- CSFP Loan Payment relative to Operational Revenues - Representing an estimated 4.3% of annual operating revenues, projected CSFP loan payments are unlikely to create financial hardship.
- Net Working Capital relative to Operating Expenses - GICS liquidity metrics are positive, with average Net Working Capital to Operating Expenses of 40.1%.

- Operating Days of Unrestricted Cash and Equivalents relative to All Expenses - GICS averaged 162 operating days of unrestricted cash and equivalents for FY 2022-23 through FY 2024-25, surpassing the recommended threshold of 90 days.

Staff Recommendation: Staff recommends that the California School Finance Authority (CSFA) Board determine that Goethe International Charter School (GICS) is financially sound for the purposes the of Charter School Facilities Program (CSFP) to assume the facility at 820 Broadway Street, Venice, CA 90291 as a successor charter school.

This determination shall remain in effect for twelve months and assumes no material financial, operational, or legal findings within this period. This recommendation is contingent upon Goethe International Charter School (GICS) electing to have its CSFP payments intercepted at the state-level, pursuant to sections 17199.4 and 17078.57(a)(1)(A) of the Education Code.

Staff recommends that the CSFA Board direct staff to immediately notify the Los Angeles Unified School District, the Office of Public School Construction, and the State Allocation Board regarding this determination.