

**Charter School Facilities Program
Succession Financial Soundness Review
Staff Summary Report – October 2026
Item 8 Resolution 26-35**

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 St, Venice, CA 90291
Type of Apportionment:	Succession of CSFP Facility
County:	Los Angeles County
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. This determination is based on GICS's currently authorized TK-8 operations and the two-campus configuration reflected in the submitted financial projections; it does not evaluate or rely upon the proposed future expansion to grades 9-12.

Application Highlights: The table below highlights key criteria evaluated when conducting the financial soundness review for GICS. Detailed information is contained in the body of the report.

Criteria	Comments
Demographic Information	In 2025-26, GICS had 525 students schoolwide in grades TK-8, including 185 students in grades 6-8; the schoolwide ADA rate was 94.8%, and Unduplicated Pupil Percentage (UPP) was 34.14%. The successor proposal relocates only grades 6-8 to 820 Broadway; the RFP reports 194 students in grades 6-8 for 2026-27, while TK-5 remains at the current Proposition 39 site. Schoolwide enrollment should not be interpreted as project-site enrollment.
Debt Service Coverage	GICS's debt service coverage from adjusted net income is projected to average 114.4% over the first three repayment years.
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 July 1, 2027, occupancy by grades 6-8 and budgets \$125,000 for furniture/equipment, technology/security systems, and signage. No elementary conversion is required; other repairs and compliance work will be determined through a facility condition assessment. The RFP also describes a future phase-in of grades 9-12; however, that expansion requires a charter material revision and is not reflected in the enrollment, revenue, staffing, or expenditure projections reviewed by staff.

GICS currently operates under a Proposition 39 Facilities Use Agreement at Marina Del Rey Middle School, 12500 Braddock Drive, Los Angeles, CA 90066. Under this proposal, TK-5 will remain at that site while grades 6-8 relocate to 820 Broadway. Effective June 30,

2027, GICS will release nine middle-school classrooms and associated support space to Los Angeles Unified. GICS proposes to add grades 9-12 over time, but those grades are not currently authorized and require a charter material revision.

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, Goethe International Charter School, authorized by Los Angeles Unified. 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 as an authorized International Baccalaureate World School, with the Primary Years Programme in TK-5 and Middle Years Programme in grades 6-8. 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 presents schoolwide TK-8 enrollment and ADA for GICS from FY 2022-23 through FY 2030-31; it is not a projection of enrollment at 820 Broadway. GICS anticipates relocating grades 6-8 to the project facility in FY 2027-28 while TK-5 remains at the Proposition 39 site. The RFP reports 194 students in grades 6-8 for 2026-27.

GICS Schoolwide Student Enrollment and Average Daily Attendance (TK-8)

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 beginning in FY 2027-28 by GICS students in grades 6-8; (2) continued operation of grades TK-5 at GICS's existing Proposition 39 co-location; (3) repayment of GICS's CSFP matching share loan beginning in FY 2028-29; and (4) schoolwide TK-8 enrollment and ADA projections as provided under Enrollment Trends and Projections. The financial analysis does not assume or rely upon enrollment or revenue associated with grades 9-12.

Long-Term Liabilities: GICS has no facility debt before assumption of the CSFP obligation and projects no other new debt. FY 2024-25 audited information reflects approximately \$95,186 of long-term lease liability. Under this configuration, GICS retains the TK-5

Proposition 39 facility cost while assuming rent and CSFP debt service at 820 Broadway. Any incremental staffing, program, facility, or other costs associated with a future grades 9-12 expansion are outside the projections reviewed by staff and are not reflected in this financial soundness determination.

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. All benchmark calculations are based on GICS's schoolwide TK-8 financials under the modeled two-campus configuration and do not represent a financial evaluation of a future 6-12 program.

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	383	440	479	525	540	570	610	610	610	531	
Average Daily Attendance (ADA)	391	421	458	498	513	542	580	580	580	506	< 94.0%
Average Daily Attendance (%)	96.9%	95.8%	95.5%	94.8%	95.0%	95.0%	95.0%	95.0%	95.0%	95.3%	
FTE Teachers	22	26	24	30	31	31	31	31	31	29	> 25.0
Pupil-Teacher Ratio	17.9	16.9	20.0	17.5	17.4	18.4	19.7	19.7	19.7	18.6	
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%	5.8%	
Operating Revenues/ADA	\$ 15,518	\$ 15,001	\$ 14,974	\$ 15,843	\$ 16,608	\$ 16,919	\$ 16,983	\$ 17,259	\$ 17,688	\$ 16,310	
% Change		-3.3%	-0.2%	5.8%	4.8%	1.9%	0.4%	1.6%	2.5%	1.7%	
Operating Expenses plus CSFP Loan/ADA	\$ 14,088	\$ 13,968	\$ 14,924	\$ 15,334	\$ 16,580	\$ 16,852	\$ 16,963	\$ 17,234	\$ 17,524	\$ 15,942	
% Change		-0.9%	6.8%	2.8%	8.1%	1.6%	0.7%	1.6%	1.7%	2.8%	
Free Cash Flow/ADA	\$ 1,430	\$ 1,034	\$ 50	\$ 508	\$ 28	\$ 67	\$ 20	\$ 25	\$ 164	\$ 370	< 0
DEBT SERVICE COVERAGE											
Total Operating Revenues	\$ 5,906,936	\$ 6,320,589	\$ 6,853,259	\$ 7,888,225	\$ 8,519,987	\$ 9,161,654	\$ 9,841,556	\$10,001,483	\$10,250,217		
Total Operating Expenses	\$ 5,362,543	\$ 5,885,084	\$ 6,850,174	\$ 7,635,083	\$ 8,505,491	\$ 9,125,422	\$ 9,405,849	\$ 9,560,728	\$ 9,728,933		
Total Other Sources/Uses	-	-	-	\$ (5,563)	-	-	-	-	-	-	
Net Income Available for CSFP Loan Payment	\$ 544,393	\$ 435,505	\$ 23,085	\$ 247,579	\$ 14,496	\$ 36,232	\$ 437,707	\$ 440,757	\$ 521,284		
Add Back Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Add Back Depreciation	3,880	5,174	6,154	7,273	7,276	23,151	22,225	21,586	19,035		
Adjusted Net Income Available for CSFP Loan Payment	\$ 548,273	\$ 440,679	\$ 29,239	\$ 254,852	\$ 21,772	\$ 59,383	\$ 459,932	\$ 462,343	\$ 540,319		
CSFP Loan Payments	-	-	-	-	-	-	\$ 426,283	\$ 426,283	\$ 426,283		
Free Cash Flow	\$ 548,273	\$ 440,679	\$ 29,239	\$ 254,852	\$ 21,772	\$ 59,383	\$ 33,649	\$ 36,060	\$ 114,036	\$ 170,880	< 0
DSC from Adj. Net Income							107.9%	108.5%	126.8%	114.4%	< 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%	4.3%	4.3%	4.2%	4.3%	> 15.0%
FUNDRAISING											
Fundraising for Operations	\$ 458,666	\$ 39,832	\$ 64,958	\$ 381,397	\$ 352,402	\$ 350,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 216,373	
Fundraising/Oper. Revenues	7.8%	0.6%	0.9%	4.8%	4.1%	3.8%	4.1%	4.0%	3.9%	3.8%	> 15.0%
DSC without Fundraising							14.1%	14.6%	32.9%	20.5%	< 100.0%
% of Fundraising Required for 100% DSC			55.0%	33.2%	93.8%	83.0%	91.6%	91.0%	71.5%	74.2%	> 50.0%
LIQUIDITY											
Current Assets	\$ 3,904,435	\$ 3,997,327	\$ 3,588,010								
Current Liabilities	1,789,795	1,449,630	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	\$ 2,741,235	\$ 2,680,757	**							
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 projects positive free cash flow in every projected year, averaging approximately \$370 per ADA, although margins are narrow in several years.
- Debt Service Coverage from Adj. Net Income - Average coverage is 114.4%, above the 110% benchmark; coverage is 107.9% and 108.5% in the first two repayment years before increasing to 126.8%.
- CSFP Loan Payment relative to Operational Revenues - Projected CSFP payments average 4.3% of operating revenues, below the 15% benchmark.
- 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 of the 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.