

FirstLine Schools Banking Services
2023 RFP FINAL QUESTIONS & ANSWERS
Posted August 16, 2023

Q1: Reviewing the La legislative auditors site, it seems the audits are completed as if you are acting as a government agency due to receiving public funds, but yall are reported as a 501c3. Is this correct?

A: Yes

Q2: Are the deposits you have currently collateralized as per Louisiana public funds rules?

A: Public funds are. Some private funds are as well, but not all.

Q3: Please confirm FirstLine Schools is operating five schools at this time. Or does FirstLine currently operate four schools and is stating five schools in the RFP as it expects to open a new school during the term of the contract?

A: That was an error, FirstLine currently operates four public, open-admission charter schools: Arthur Ashe Charter School, Samuel J Green Charter School, Langston Hughes Academy and Phillis Wheatley Community School. We do not have any imminent expansion plans.

Q4: What is FirstLine's depository process as it relates to cash/coin?

A: Our financial policies and procedures state that the schools bring any cash to the central office on a weekly basis and we prepare those deposits centrally. We often use night drop boxes for these deposits.

Q5: Reviewing the LA legislative auditors' site, it seems the audits are completed as if you are acting as a government agency due to receiving public funds, but the entity is reported as a 501c3. Is this correct?

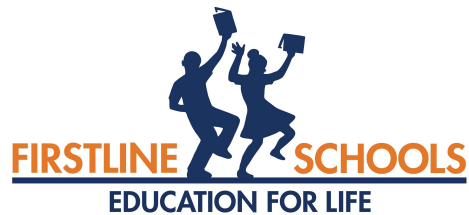
A: See Q1 above

Q6: Are your current deposits collateralized as per Louisiana public funds rules?

A: See Q2 above

Q7: In the event that more than one Proposer is selected, do the Proposers reserve the right to negotiate pricing based on the final award? Assuming the award is considerably smaller in scale, does the Proposer reserve the right to withdraw? Would FirstLine award a line of credit without awarding depository and banking services to the same financial institution?

A: If there is a large change in what is awarded vs. what was proposed, we are open to negotiating pricing. We are unlikely to award line of credit without awarding depository and banking services. We are most likely to award it to one institution.



Q8: Can FirstLine please provide additional context around what would trigger the need for a performance bond.

A: This was an error that it was noted in the RFP - we do not see that as applicable to this RFP.

Q9: What is the length of the contract term?

A: We intend to create a long term banking relationship through this RFP process.

Q10: Is a written contract a requirement of this proposal?

A: no

Q11: The RFP requests “Annualized” pricing, but the volumes include ranges...should we use an “Average” of the range provided to annualize the fees. If not, should we just provide FirstLine with the “monthly or per item fee” and not an “annual” fee? For example: Wire Payments are 1-5 per year...should we just provide the fees related to an Outgoing Wire or do we take an average of 1-5 and then annualize based on the per item fee?

A: Please provide whatever will most accurately represent your pricing structure. If pricing can be annualized that is preferred, but if the cost is on a per item basis you can indicate that.

Q12: Does FirstLine require the bank accounts to be independent of each other? OR would FirstLine consider commingle deposits between schools to a concentration account via a Zero Balance Account (ZBA) structure?

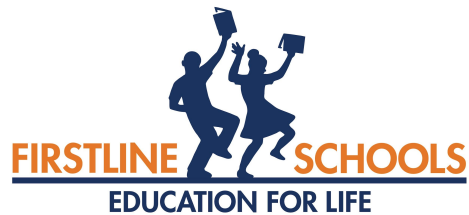
A: FirstLine intends to limit the amount of accounts as much as possible, but there will be a need for several independent accounts to clearly separate activity funds for each school as well as a separate private funds account.

Q13: Does FirstLine use any special account types (i.e., Controlled Disbursement) or just standard Commercial Checking Accounts?

A: FirstLine has traditionally only used checking accounts, but we are open to better options if they are available. We would like to partner with our financial institution to find the best banking options available.

Q14: How many FirstLine accounts issue checks?

A: There is a chance we could need to issue checks from any of the bank accounts. The four school student activity accounts write checks fairly frequently while the other accounts issue checks very infrequently if at all.



Q15: Please clarify if the Reverse Wire Payments that you mention are originated by your vendors for purposes of payroll, payroll taxes, etc.? Capital One refers to these as Wire Drawdowns.

A: Yes, that is correct.

Q16: Of the 75 ACH Payments originated, how many batches are these payments included in?

A: These ACH payments are batches that include multiple payments to vendors, but are combined into one withdrawal to the payment processing company.

Q17: Are Remote Deposits managed at each individual school location? How many Remote Deposit scanners will be used?

A: This will be a new process for us, though we are likely to use one to five remote deposit scanners.

Q18: Does FirstLine use SFTP technology to transmit daily BAI2 files or does FirstLine just access account balance/transaction data via the bank's online banking portal?

A: We currently use the online banking portal but would be open to other technology.

Q19: Regarding the line of credit, is it expected that the bank proposal include: (i) a formal bank commitment or (ii) proposed terms subject to final bank approval.

A: (ii) - proposed terms subject to final approval is what is expected

Q20: Please provide enrollment trends at each school from 2020 - 2023. Also, please include application, waitlist, acceptance, and retention information (where applicable). Can you please provide projected enrollment for the 2023-2024 school year?

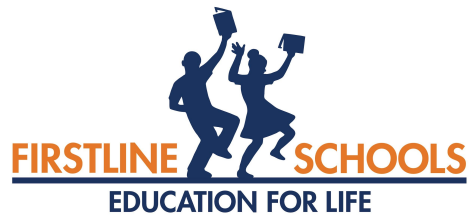
A: All of our schools participate in EnrollNOLA, the centralized enrollment system run by NOLA Public Schools. While our overall enrollment has declined since 2020, we also closed a school in the summer of 2022. We have seen citywide declines in overall enrollment and for the 2023-24 school year we expect to meet or exceed our budgeted enrollment.

Q21: What drove the increase in grant revenues from FY21 to FY22?

A: COVID related federal grant funding.

Q22: What drove the significant increase in contributions? Does the \$5,426,693 amount listed on the statement of activities include \$5,002,013 in PPP loan forgiveness that was noted in the 2021 audit?

A: Yes, this was primarily driven by forgiveness of the PPP loan.



Q23: Expense management - Operating expenses increased by 20% from FY21 to FY22.

A: There were many factors affecting the increase in expenses. Included in this was the increased federal funding that allowed for additional staffing and other expenditures, a return to fully in person learning and inflationary increases along with many other factors.

Q24: Given total enrollment declined from 3,368 to 3,046, was this all-inflationary increases?

A: See Q23 above.

Q25: How have any staffing / turnover issues with teachers impacted the organization since that has been happening more commonly nowadays?

A: As with schools across the nation, we are working hard on teacher retention to ensure the best possible education for our students.

Q26: How was FY23 operating performance and cash position? Do you have non-audited draft FY23 statements available yet? If not, can the most recently available interim be provided (including comparative interim for prior year)?

A: These are not yet available.

Q27: What caused the closing of Live Oak and what will the impact be? Did those students go to the other schools in the system?

A: Live Oak closed due to citywide enrollment trends. There are too many seats in New Orleans for the number of students in our city. We made the decision to close the school to ensure a high quality education for all students we serve. Approximately 50% of the Live Oak students chose to enroll at a different FirstLine school in the 2022-23 school year.

Q28: What is line of credit usage projections?

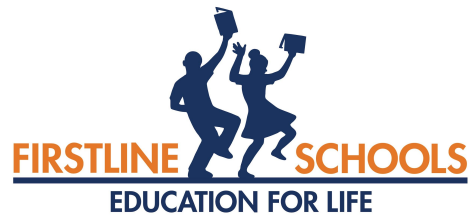
A: At this point it is not expected that Firstline would need to use the line of credit, but we would like to have it available in case a need arises. Our expectation would be that the main need would be a short term cash flow buffer before the monthly per pupil state/local payment is received on the 25th of each month.

Q29: What are the Lease Agreement renewal terms and risks to non-renewal for each school?

A: Our leases for the buildings tie into our charter renewal dates.

Q30: When are each school's charters up for renewal?

A: Wheatley & Green are up for renewal in the 2023-24 school year. Langston Hughes was renewed for a three year term starting on July 1, 2023. Ashe is up for renewal in the 2025-26 school year.



Q31: Are performance metrics required, and how is compliance with these projected to be?

A: Yes, we do have performance metrics and we believe we will meet and/or exceed the bar.

Q32: Will FirstLine accept a link to our financial information?

A: yes