



## FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

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### MEMORANDUM

To: Tony Cordo, Project Manager, Convention and Visitors Bureau

Cc: Carolyn Messersmith, Senior Purchasing Agent, Purchasing Division

From: Darren Portner, Investment & Finance Coordinator  
Finance and Administrative Services Department

Date: August 19, 2019

Re: **GEN2116476P1 – CVB Advertising Agency Services**

 Digitally signed by DARREN  
PORTNER  
Date: 2019.09.04 08:34:37 -04'00'

This memorandum provides a review of the financial statements for the respondents of the above referenced RFP.

The RFP specifies that the respondents will provide two years of financial statements. At a minimum, financial statements are generally defined as balance sheets and statements of operations (income statements) and may include tax returns which include this data. This review is not intended to express an opinion on the financial statements, but to determine whether the proposer has met the element of responsibility. Our review is intended to disclose to the committee whether the respondent submitted all of the required financial documents as specified in the RFP and to make the committee aware of any reportable condition and/or apparent issues in the financial statements which would indicate that the firm is not capable of performing the services specified in the RFP.

Reportable conditions include negative equity, net loss in its latest fiscal year and current ratios less than 1.0. The current ratio is calculated by dividing current assets by current liabilities, with a ratio of 1.0 or higher generally indicates a firm can meet its financial obligations in a timely manner. Debt to Equity is a measure of a company's financial leverage calculated by dividing its total liabilities by stockholders' equity. This ratio provides the relative proportion of the firm's equity and debt used to finance assets. A reportable condition is not necessarily indicative of a firm's inability to perform but may be one of many factors the Committee considers in its evaluation.

There were sixteen respondents to the RFP and noted below, for the attention of the committee, is each firm's compliance with providing financial statements along with any reportable conditions:

**&Barr**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2018 and 2017. The financial statements did not break out current liabilities; therefore, the current ratio could not be calculated for either year.

**Aqua**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2018 and 2017 with no reportable conditions.

**Birdsall, Voss, & Associates, Inc. D/B/A BVK**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending October 2017 and 2016 with no reportable conditions.

**Cactus Marketing Communications, Inc.**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2018 and 2017 with no reportable conditions.

**Fuseideas**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2017 and 2016 with no reportable conditions.

**Lightship Studios**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2018 and 2017. The financial Information showed a current ratio under 1.0 for both years.

**Joint Venture Metropolitan Public Strategies and Spark Branding House.**

**Metropolitan Public Strategies, Inc.** complied with the financial requirements of the RFP by providing tax returns for the fiscal years ending December 2017 and 2016.

**Spark Branding House, Inc.** complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2018 and 2017. The financial Information for Spark Branding House showed a current ratio under 1.0 for the fiscal year 2017.

**MMGY Global**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2017 and 2016 with a current ratio less than 1.0 for both years.

**ModOp, LLC**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2018 and 2017 with a current ratio less than 1.0 for both years.

**Nobox Marketing**, complied with the financial requirements of the RFP by providing Tax Returns for the years 2017 and 2016 with no reportable conditions.

**Pace Communications Group, Inc.**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2017 and 2016 with a current ratio below 1.0 for both years.

**Paradise Advertising and Marketing, Inc.**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2018 and 2017 with no reportable conditions.

**PP+K**, complied with the financial requirements of the RFP by providing Tax Returns and Balance Sheets for the fiscal years ending December 2017 and 2016 with no reportable conditions.

**Relavant Brands, Inc. DBA Relabrand**, complied with the financial requirements of the RFP providing confidential financial statements for 2018, and tax return for 2017. The Current Ratio was less than 1.0 for both years.

**Starmark**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2017 and 2016 with a current ratio below 1.0 for the most recent year.

**Zimmerman Agency**, complied with the financial requirements of the RFP by providing financial statements for the fiscal years ending December 2018 and 2017 with no reportable conditions.

Attached is a spreadsheet showing selected financial data.

RFP/RLI#: GEN2116476P1  
 Title: CVB Advertising Agency Services  
 Agency: Greater Fort Lauderdale Convention and Visitors Bureau  
 PM: Tony Cordo  
 # of Responders: 16  
 Due Date: 9/4/2019  
 Initial Evaluation: TBD



Responder Name: & Barr  
 Confidentiality Claim: N  
 Publicly Traded: N

	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2018	Financial Statements	N	38,556,888	231,772	645,387	6,913,841	-	7,863,151	7,217,764	11.18	See memo
FY Ending Dec. 31, 2017	Financial Statements	N	39,804,771	233,939	532,076	9,276,372	-	10,320,410	9,788,334	18.40	See memo

Comment: Current Liabilities were not broken out, so a Current Ratio could not be calculated

Responder Name: Aqua  
 Confidentiality Claim: N  
 Publicly Traded: N

	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2018	Financial Statements	N	1,775,482	102,077	604,670	896,495	300,051	910,760	306,090	0.51	2.99
FY Ending Dec. 31, 2017	Financial Statements	N	1,838,232	632,707	566,721	853,055	294,887	873,631	306,910	0.54	2.89

Comment:

Responder Name: Birdsell, Voss, & Associates, Inc. D/B/A BVK  
 Confidentiality Claim: Y  
 Publicly Traded: N

	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Oct. 31, 2017	Financial Statements	N	CONFIDENTIAL							13.09	1.09
FY Ending Oct. 31, 2016	Financial Statements	N								16.24	1.05

Comment:

Responder Name: Cactus Marketing Communications, Inc.  
 Confidentiality Claim: N  
 Publicly Traded: N

	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2018	Financial Statements	Y	6,390,381	604,350	2,334,013	4,047,247	1,829,966	4,171,023	1,837,010	0.79	2.21
FY Ending Dec. 31, 2017	Financial Statements	Y	7,762,396	802,378	2,060,755	6,320,421	4,376,465	6,453,989	4,393,234	2.13	1.44

Comment:

Responder Name: Fuseideas  
 Confidentiality Claim: N  
 Publicly Traded: N

	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2017	Financial Statements	N	16,915,512	1,420,620	1,640,821	3,816,844	2,865,026	4,505,847	2,865,026	1.75	1.33
FY Ending Dec. 31, 2016	Financial Statements	N	12,412,687	1,004,007	1,248,746	2,525,611	1,989,272	3,238,018	1,989,272	1.59	1.27

Comment:

Responder Name: Lightship Studios  
 Confidentiality Claim: N  
 Publicly Traded: N

	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2018	Financial Statements		228,625	41,507	88,333	10,491	(58,255)	30,078	(58,255)	(0.66)	(0.18)
FY Ending Dec. 31, 2017	Financial Statements		119,677	(17,850)	(14,345)	16,933	53,484	39,139	53,484	(3.73)	0.32

Comment: Current Ratio is below 1 for 2017

Responder Name: Metropolitan Public Strategies, Inc  
 Confidentiality Claim: Y  
 Publicly Traded: N

	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2017	Tax Return	N	CONFIDENTIAL							1.54	1.62
FY Ending Dec. 31, 2016	Tax Return	N								0.02	>1

Comment:

<b>Responder Name:</b> Spark Branding House, Inc. <b>Confidentiality Claim:</b> Y <b>Publicly Traded:</b> N
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	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2018	Financial Statements	N	CONFIDENTIAL							0.17	6.61
FY Ending Dec. 31, 2017	Financial Statements	N								(3.21)	0.60

Comment: Spark Branding House, Inc. had a Current ratio below 1.0 for the Fiscal Year 2017

<b>Responder Name:</b> MMGY Global <b>Confidentiality Claim:</b> Y <b>Publicly Traded:</b> N
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	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2017	Financial Statements	Y	CONFIDENTIAL							5.66	0.78
FY Ending Dec. 31, 2016	Financial Statements	Y								3.74	0.78

Comment: Current Ratio below 1 for both years

<b>Responder Name:</b> Modop, LLC <b>Confidentiality Claim:</b> Y <b>Publicly Traded:</b> N
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	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2018	Financial Statements	N	CONFIDENTIAL							7.61	0.67
FY Ending Dec. 31, 2017	Financial Statements	N								(6.82)	0.63

Comment: Current Ratio below 1 for both years

<b>Responder Name:</b> Nobox Marketing <b>Confidentiality Claim:</b> N <b>Publicly Traded:</b> N
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	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2017	Tax Return	N	4,541,875	857,754	790,230	5,291,883	4,581,847	5,462,967	4,672,737	5.91	1.15
FY Ending Dec. 31, 2016	Tax Return	N	3,794,067	281,082	264,366	1,443,748	1,137,790	1,647,953	1,383,587	5.23	1.27

Comment:

<b>Responder Name:</b> Pace Communications Group, Inc <b>Confidentiality Claim:</b> N <b>Publicly Traded:</b> Y
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	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2017	Consolidated Financials	Y	19,703,200,000	2,506,800,000	13,461,650,600	20,489,356,510	20,964,743,850	45,496,514,310	32,034,863,710	2.38	0.98
FY Ending Dec. 31, 2016	Consolidated Financials	Y	19,379,300,000	1,943,800,000	12,053,218,400	19,056,662,000	20,688,256,800	42,657,282,200	30,604,063,800	2.54	0.92

Comment: Pace Communications Group, Inc was a subsidiary of WPP, PLC through December 2018 and their financial information is not broken out. Current ratio Below 1.0

<b>Responder Name:</b> Paradise Advertising <b>Confidentiality Claim:</b> Y <b>Publicly Traded:</b> N
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	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2018	Financial Statements	N	CONFIDENTIAL							2.31	1.96
FY Ending Dec. 31, 2017	Financial Statements	N								2.22	1.43

Comment:

<b>Responder Name:</b> PP+K <b>Confidentiality Claim:</b> N <b>Publicly Traded:</b> N
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	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Current Assets (CA)	Current Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E) <sup>1</sup>	Current Ratio (CA/CL) <sup>2</sup>
FY Ending Dec. 31, 2017	Financial Statements	N	44,390,034	1,276,045	2,368,987	9,681,809	7,767,117	10,136,104	7,767,117	3.28	1.25
FY Ending Dec. 31, 2016	Financial Statements	N	14,158,440	(713,820)	1,507,909	1,926,276	471,550	1,979,459	471,550	0.31	4.08

Comment:

<b>Responder Name:</b> Relavant Brands, Inc. DBA Relabrand
<b>Confidentiality Claim:</b> Y
<b>Publicly Traded:</b> N

	<i>Financials Provided</i>	<i>Audited?</i>	<i>Revenue</i>	<i>Net Profit/(Loss)</i>	<i>Equity (E)</i>	<i>Current Assets (CA)</i>	<i>Current Liabilities (CL)</i>	<i>Total Assets (TA)</i>	<i>Total Liabilities (TL)</i>	<i>Debt to Equity Ratio (TL/E)<sup>1</sup></i>	<i>Current Ratio (CA/CL)<sup>2</sup></i>
FY Ending Dec. 31, 2018	Balance Sheet & Income Statement	N	<b>CONFIDENTIAL</b>							(3.58)	0.72
FY Ending Dec. 31, 2017	Tax Return	N								4.76	0.98

Comment: Current Ratio below 1.0 for both years

<b>Responder Name:</b> Starmark International, Inc.
<b>Confidentiality Claim:</b> Y
<b>Publicly Traded:</b> N

	<i>Financials Provided</i>	<i>Audited?</i>	<i>Revenue</i>	<i>Net Profit/(Loss)</i>	<i>Equity (E)</i>	<i>Current Assets (CA)</i>	<i>Current Liabilities (CL)</i>	<i>Total Assets (TA)</i>	<i>Total Liabilities (TL)</i>	<i>Debt to Equity Ratio (TL/E)<sup>1</sup></i>	<i>Current Ratio (CA/CL)<sup>2</sup></i>
FY Ending Dec. 31, 2017	Balance Sheet & Income Statement	N	<b>CONFIDENTIAL</b>							(3.11)	0.79
FY Ending Dec. 31, 2016	Balance Sheet & Income Statement	N								(6.64)	1.00

Comment: Current Ratio below 1.0

<b>Responder Name:</b> Zimmerman Agency
<b>Confidentiality Claim:</b> N
<b>Publicly Traded:</b> N

	<i>Financials Provided</i>	<i>Audited?</i>	<i>Revenue</i>	<i>Net Profit/(Loss)</i>	<i>Equity (E)</i>	<i>Current Assets (CA)</i>	<i>Current Liabilities (CL)</i>	<i>Total Assets (TA)</i>	<i>Total Liabilities (TL)</i>	<i>Debt to Equity Ratio (TL/E)<sup>1</sup></i>	<i>Current Ratio (CA/CL)<sup>2</sup></i>
FY Ending Dec. 31, 2018	Financial Statements	N	16,459,915	2,555,663	14,729,510	19,485,829	5,091,044	19,790,894	5,061,384	0.34	3.83
FY Ending Dec. 31, 2017	Financial Statements	N	17,129,727	2,607,401	16,423,986	25,188,113	9,209,449	25,576,918	9,152,933	0.56	2.74

Comment:

**Notes:**

1.) The Debt to Equity Ratio is a measure of a company's financial leverage calculated by dividing its total liabilities by stockholders' equity. It indicates the proportion of equity and debt the company is using to finance its assets. A high debt/equity ratio generally means that a company has been aggressive in financing its growth with debt.

2.) The Current Ratio is a liquidity ratio that measures a company's ability to pay short-term obligations and is calculated by dividing current assets by current liabilities. The higher the current ratio, the more capable the company is of paying its obligations. A ratio under 1.0 suggests that the company would be unable to pay off its obligations if they came due at that point.