FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT
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MEMORANDUM

To: Lisa Morrison, Project Managers, Human Resources Division

Cc: Michael Mullen, Purchasing Agent Senior, Purchasing Division

From: Lori Fortenberry, Acting Finance Manager
Finance and Administrative Services Department

Digitally signed by LORI FORTENBERRY
Date: 2022.10.06 14:08:31 -04'00'

Date: October 6, 20221

Re: **GEN2124409P1 – Voluntary Emergency Loan Program**

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, 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 three (3) respondents to the RFP. However, only two (2) respondents fully complied with the financial requirements of the RFP. Following are reportable conditions to be brought to the attention of the Committee:

Employee Loan Solutions, LLC – did not provide financial statements.

Attached is a spreadsheet showing selected financial data.

RFP/RLI#:	GEN2124409P1
TITLE:	Voluntary Emergency Loan Program
AGENCY:	Human Resources
PM:	Lisa Morrison
# OF RESPONDERS:	3

Responder Name:	BMG Money, Inc.
Confidentiality Claim:	N
Publicly Traded:	N

FY Period	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Curr. Assets (CA)	Curr. Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E)[1]	Current Ratio (CA/CL)[2]
12/31/2021	Financial Statements	N	18,848,358	20,881,755	34,341,572	72,597,734	40,743,918	75,462,907	41,121,335	1.20	1.78
12/31/2020	Financial Statements	N	10,050,950	13,662,740	15,831,605	31,034,696	16,597,749	32,806,771	16,975,166	1.07	1.87

Responder Name:	CreditWorks, LLC
Confidentiality Claim:	Y
Publicly Traded:	N

FY Period	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Curr. Assets (CA)	Curr. Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E)[1]	Current Ratio (CA/CL)[2]
12/31/2021	Financial Statements	Y	CONFIDENTIAL							(3.54)	1.20
12/31/2020	Financial Statements	N								(4.47)	1.21

Responder Name:	Employee Loan Solutions, LLC
Confidentiality Claim:	N
Publicly Traded:	N

FY Period	Financials Provided	Audited?	Revenue	Net Profit/(Loss)	Equity (E)	Curr. Assets (CA)	Curr. Liabilities (CL)	Total Assets (TA)	Total Liabilities (TL)	Debt to Equity Ratio (TL/E)[1]	Current Ratio (CA/CL)[2]
12/31/2021					-					#DIV/0!	#DIV/0!
12/31/2020					-					#DIV/0!	#DIV/0!

[1] **Debt to Equity Ratio** 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] **Current Ratio** 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.