

# FINANCIAL SERVICES CORPORATION

## MISSION AND SERVICES

**Mission** - Financial Services Corporation (FSC First) is a non-profit organization whose mission is to provide small and minority-owned businesses access to creative, flexible, and innovative financing solutions for their operations; including direct loans, accounts receivable financing, and contract financing (e.g., commercial real estate and equipment loans).

**Core Service -**

- Provide financing solutions to businesses located in, or interested in moving to, Prince George’s County

**Strategic Focus in FY 2016 -**

The corporation’s top priorities in FY 2016 are:

- Increase the number of jobs created and/or supported by increasing outreach efforts that promote the financial solutions offered by FSC First
- Achieve various funding targets:
  - \$4 million in new Small Business Administration (SBA) 504 Real Estate, Small Business Growth Fund (SBA Community Advantage), Microenterprise, and Contractor Cash Flow Fund loans
  - \$6 million in new Economic Development Incentive (EDI) Fund loans that are available to businesses that retain or add jobs in targeted communities in the County

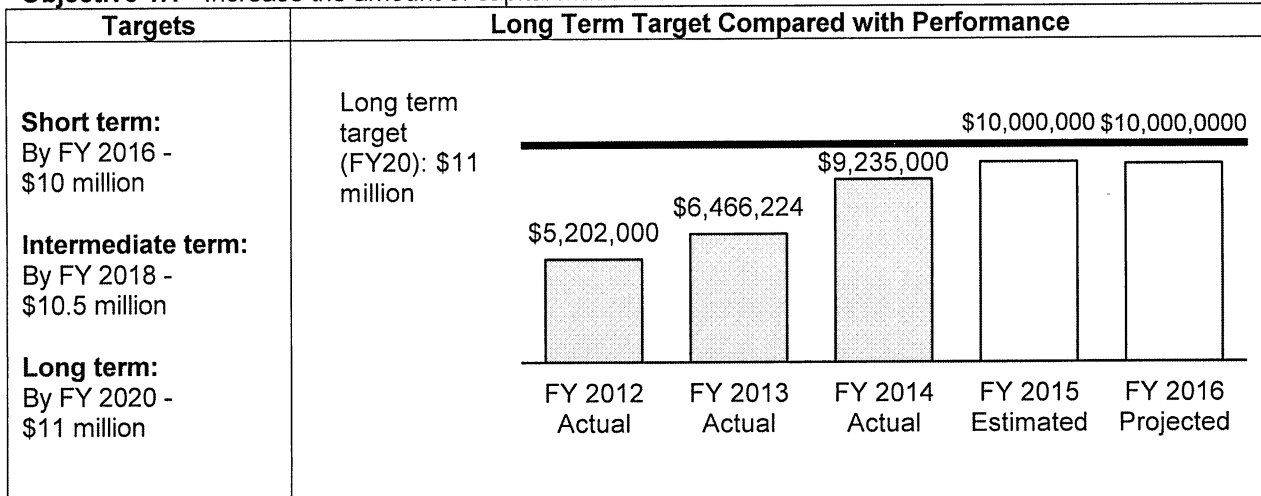
## FY 2016 BUDGET SUMMARY

The FY 2016 approved budget for FSC First is \$1,338,500, which is a 3.4% decrease under the FY 2015 budget. The organization’s grant from the County of \$739,800 decreases by \$279,500 or 27.4% under the FY 2015 County grant.

## SERVICE DELIVERY PLAN AND PERFORMANCE

**GOAL 1** - To strengthen the County’s thriving economy by providing small and minority-owned businesses with access to creative, flexible, and innovative financing solutions for their operations.

**Objective 1.1** - Increase the amount of capital made available to businesses.



# FINANCIAL SERVICES CORPORATION

## Trend and Analysis -

FSC First continues to serve the business owners and new entrepreneurs in the County seeking sources of capital from core lending products and providing technical assistance to immersing businesses.

From FY 2013 to FY 2014, FSC First generated an 8% increase in revenue, a 47% increase in loan approvals, and a 43% increase in loan commitments.

In FY 2015, FSC First is utilizing trends and analysis of empirical data to provide performance measure projections. Accordingly, FSC First estimates a more than 50% increase in loans closed and funded over last year.

FSC First has added new staff members for one open position (business development manager) and a newly funded position (commercial loan assistant). These two positions strategically impact FSC First's projected 9% increase in application intake, a 10% growth in pre-qualified applications, and 8% increase in loan commitments in FY 2016 over a two-year period.

## Performance Measures

Measure Name	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimated	FY 2016 Projected
Loan administration staff	3	4	4	4	5
Number of core lending programs	4	5	5	5	3
Number of sub-core lending programs	4	5	6	6	3
<b>Workload, Demand and Production (output)</b>					
Number of businesses counseled/serviced	81	135	94	160	110
Number of applications (intake) - All	47	119	117	155	50
Number of applications (intake) - EDIF	N/A	72	71	75	125
Number of applications pre-qualified - All	39	74	37	60	45
Number of applications pre-qualified - EDIF	N/A	29	16	20	22
Number of applications underwritten - All	30	38	29	26	33
Number of applications underwritten by FSC - EDIF	N/A	14	8	10	10
Number of applications approved - All	25	24	30	22	32
Number of applications approved - EDIF only	N/A	9	8	8	9
Approved - All	\$12,328,500	\$6,856,224	\$9,235,000	\$6,890,000	\$7,000,000
Approved - EDIF only	N/A	\$5,865,000	\$7,420,000	\$8,000,000	\$8,000,000
Amount of new commitments - All	\$5,202,000	\$6,466,224	\$9,235,000	\$10,090,000	\$10,000,000
Amount of new commitments - EDIF only	N/A	\$5,865,000	\$7,420,000	\$8,000,000	\$8,000,000
Approved and unfunded Loans - All	\$4,811,000	\$8,507,500	\$13,592,500	\$2,000,000	\$2,000,000
Approved and unfunded Loans - EDIF only	N/A	\$3,765,000	\$7,425,000	\$5,000,000	\$5,000,000
Total project costs supported - EDIF only	N/A	\$17,333,196	\$18,984,350	\$50,000,000	\$50,000,000
<b>Efficiency</b>					
Number of approved loans per loan administration staff	8	2	6	6	5
Loans closed and funded	\$2,795,050	\$5,022,224	\$4,400,000	\$8,000,000	\$8,000,000
Total portfolio revenues	\$358,090	\$404,661	\$435,915	\$289,597	\$525,000
<b>Quality</b>					
Number of funded loans	9	9	9	12	12
Number of funded loans - EDIF only	N/A	4	4	9	10
Current ratio of loan portfolio that is less than 45 days delinquent	N/A	99.5%	85%	85%	85%
<b>Impact (outcome)</b>					
Number of jobs created and/or supported	121	829	687	750	760
Number of jobs created and/or supported - EDIF only	N/A	635	619	700	700
Percentage of loans funded of those approved (closing ratio)	36%	38%	41%	80%	38%

# FINANCIAL SERVICES CORPORATION

---

## Strategies to Accomplish the Objective -

- **Strategy 1.1.1** - Increase business development and marketing efforts focusing on programs which result in increased revenue.
- **Strategy 1.1.2** - Collaborate with the members of the Business Resource Coalition (Economic Development Corporation, Office of Central Services' Supplier Development and Diversity Division, MBE Compliance Manager for Prince George's County, Maryland's Women Business Center, Bowie Business Innovation Center, Meridian Management Group), the Entrepreneurial Development Center at Prince George's Community College, local chambers of commerce, and other business organizations to increase awareness of FSC First's programs and services
- **Strategy 1.1.3** - Continue to address financial literacy challenges of loan applicants by providing a technical assistance program
- **Strategy 1.1.4** - Maintain a diverse and quality loan portfolio by pro-actively monitoring clients files for compliance via automated loan management system and conducting quarterly site-visits

## FY 2015 KEY ACCOMPLISHMENTS

---

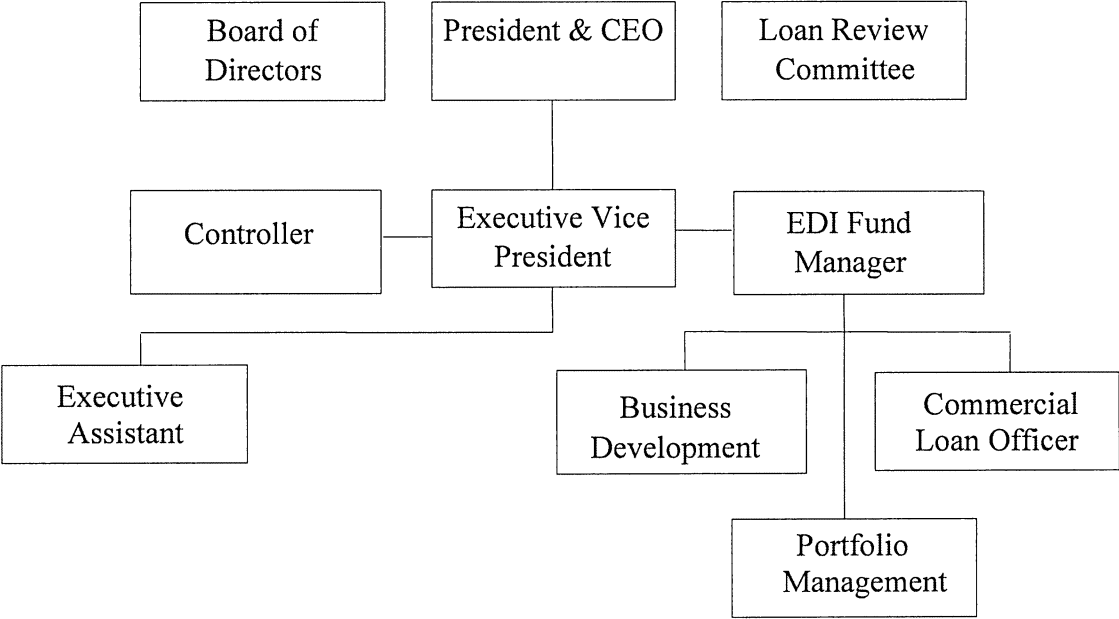
- 94 businesses counseled/serviced.
- 22 loan applications approved.
- \$9,235,000 in new loan commitments.
- \$4,400,000 loans closed/funded.
- 687 jobs created/retained.

**FINANCIAL SERVICES  
CORPORATION**

---

**ORGANIZATION CHART**

---



**FINANCIAL SERVICES  
CORPORATION**

**FY 2016 OPERATING BUDGET**

REVENUES					
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED	CHANGE FY15 - FY16
Prince George's County Grant	\$ 750,200	\$ 1,019,300	\$ 769,300	\$ 739,800	-27.4%
Net SBGF Interest Income	-	31,500	-	-	-100.0%
SBGF Program-Packaging Fees	-	3,000	-	-	-100.0%
7(A) Interest Income	-	1,000	-	-	-100.0%
7A Program-Packaging Fees	-	-	-	-	0.0%
504 Program-CDC Servicing Fees	-	56,200	-	-	-100.0%
504 Program-Processing Fees	-	75,000	-	-	-100.0%
Asset Based Lending	-	-	-	-	0.0%
Contractor Cash Flow Fund Net Income	-	5,800	-	-	-100.0%
MicroEnterprise Loan Program - Processing & Servicing Fees	-	1,400	-	-	-100.0%
Net Loan Programs	120,966	-	234,607	201,200	100.0%
EDI Fund Loan Processing Fees	60,127	32,100	47,118	46,100	43.6%
Bank & Investment Interest	1,589	2,000	1,272	2,000	0.0%
Recovery of Bad Debt	-	5,000	-	5,000	0.0%
Administrative Services	3,000	6,000	3,000	3,000	-50.0%
Management/Servicing Fees	172,155	83,600	78,514	30,000	-64.1%
Net Fundraising Revenue	27,966	60,000	143,431	308,400	414.0%
Other Income	1,142	3,000	16,621	3,000	0.0%
<b>TOTAL</b>	<b>\$ 1,137,145</b>	<b>\$ 1,384,900</b>	<b>\$ 1,293,863</b>	<b>\$ 1,338,500</b>	<b>-3.4%</b>
EXPENDITURES					
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED	CHANGE FY15 - FY16
Compensation	\$ 631,753	\$ 691,600	\$ 816,824	\$ 843,600	22.0%
Fringe Benefits	198,471	199,400	204,617	243,500	22.1%
Operating	357,853	493,900	272,422	251,400	-49.1%
<b>TOTAL</b>	<b>\$ 1,188,077</b>	<b>\$ 1,384,900</b>	<b>\$ 1,293,863</b>	<b>\$ 1,338,500</b>	<b>-3.4%</b>