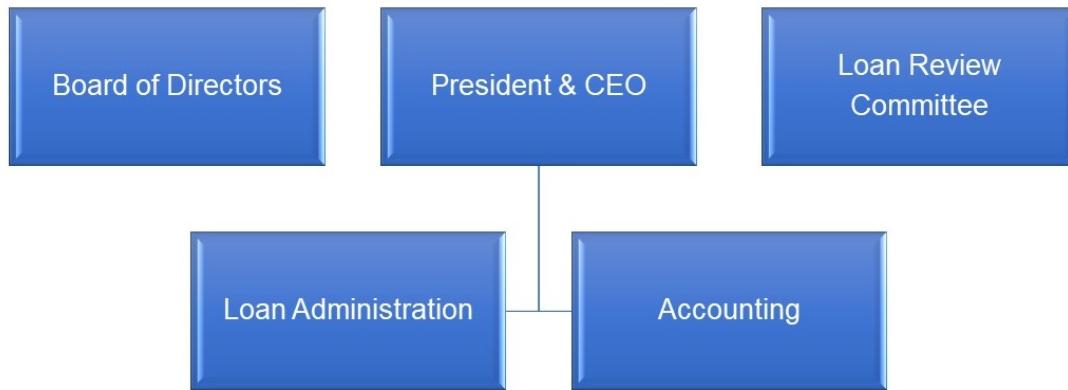


Financial Services Corporation



MISSION AND SERVICES

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 SERVICES

- Promote the availability of non-bank business financing solutions
- Provide access to capital for small and minority-owned businesses
- Provide loan packaging services
- Manage and service a diverse economic development loan portfolio

FY 2025 KEY ACCOMPLISHMENTS

- Counseled 225 businesses.
- Funded \$10 million in loans.
- Created and retained 925 jobs from loans provided.
- Funded \$800,000 in grants.
- Assisted 80 businesses with grants.

STRATEGIC FOCUS AND INITIATIVES FOR FY 2026

The agency's top priorities in FY 2026 are:

- Lend \$11 million in new loans to local businesses through various federal, State and local programs.

FY 2026 BUDGET SUMMARY

The FY 2026 approved budget for the Financial Services Corporation is \$2,403,400, an increase of \$23,400 or 1.0% over the FY 2025 approved budget. The organization's grant from the County totals \$1,118,200, a decrease of -\$58,900 or -5.0% under the FY 2025 County grant.

Reconciliation from Prior Year

	Expenditures
FY 2025 Approved Budget	\$2,380,000
Increase Cost: Compensation - Mandated Salary Requirements	\$37,800
Increase Cost: Technology Cost Allocation — Increase in OIT charges based on anticipated countywide costs for technology	15,500
Increase Cost: Fringe Benefits — Increase in fringe benefit expenses to align with projected costs	12,800
Decrease Cost: Operating — Decrease in operating costs for interest expense, portfolio services, loan loss reserves and training expenses to align with projected costs	(42,700)
FY 2026 Approved Budget	\$2,403,400

FY 2026 OPERATING BUDGET

Revenues by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Approved	Change FY25-FY26	
					Amount (\$)	Percent (%)
County Grant	\$1,177,100	\$1,177,100	\$1,177,100	\$1,118,200	\$(58,900)	-5.0%
American Rescue Plan Act Grant	1,181,606	—	782,800	—	—	—
Management/Servicing Fees	1,328,865	811,400	823,000	839,400	28,000	3.5%
Net Fundraising Revenue	242,022	105,000	105,000	150,000	45,000	42.9%
Net Loan Program Income	290,581	231,500	225,000	196,400	(35,100)	-15.2%
Other Income	80,714	55,000	69,500	99,400	44,400	80.7%
Total	\$4,300,888	\$2,380,000	\$3,182,400	\$2,403,400	\$23,400	1.0%

Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Approved	Change FY25-FY26	
					Amount (\$)	Percent (%)
Compensation	\$1,906,165	\$1,285,100	\$1,285,100	\$1,322,900	\$37,800	2.9%
Fringe Benefits	453,494	431,700	431,700	444,500	12,800	3.0%
Operating	1,558,783	663,200	1,465,600	636,000	(27,200)	-4.1%
Total	\$3,918,442	\$2,380,000	\$3,182,400	\$2,403,400	\$23,400	1.0%

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.

FY 2030 Target	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected	Trend
\$11.5	\$3.7	\$7.5	\$7.0	\$8.5	↑

Trend and Analysis

FSC First's primary goal is to increase the amount of capital available to businesses and the number of businesses that are approved for loans as FSC First continues to serve the business owners and new entrepreneurs in the County seeking sources of capital. In FY 2024 and continuing into FY 2025, the organization is using trends and empirical data analysis to project performance measures. Additionally, FSC First provides Level Up Technical Assistance Programs, a collaborative initiative in Maryland supporting small and minority-owned businesses with access to capital, training, coaching, mentoring and networking opportunities. This program aims to equip entrepreneurs with practical tools for business success, fostering skill improvement and business growth.

Excluding an outlier, the year-over-year average loan approvals remained consistent at \$5.6 million. In FY 2025, FSC has observed an increase in loan approvals during the first and second quarters and projects a substantial 62% increase in total loan approvals indicating confidence in both starting and expanding businesses. In FY 2024, the pipeline saw a 15% increase in loan approvals and a 98% increase in loan closings over FY 2023. In addition to the existing 14 programs, FSC has launched two new programs in FY 2025 which will generate additional revenue. FSC First has experienced a 76% increase in revenue in FY 2024.

FSC continues to serve as the grant administrator for the County's Purple Line Business Assistance grant program and the Maryland Department of Commerce's Purple Line grant program funding \$1,615,000 to 238 businesses. The Level Up Program served 335 businesses in the 1st quarter of FY 2025 and a total of 2,196 businesses in FY 2024.

Performance Measures

Measure Name	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
Resources (Input)					
Core lending programs	10	12	12	14	16
Workload, Demand and Production (Output)					
Applications (intake)	32	43	64	55	60
Applications approved	17	29	25	40	45
Total approved loan amounts	\$3.6	\$6.1	\$6.9	\$10.0	\$11.0
Efficiency					
Total portfolio revenues	\$0.9	\$0.8	\$1.6	\$1.0	\$1.0
Quality					
Loans closed and funded	13	23	24	34	38
Current ratio of loan portfolio that is less than 45 days delinquent	99%	99%	97%	85%	85%

Performance Measures (continued)

Measure Name	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
Impact (Outcome)					
Funded and Closed Loans (millions)	\$3.2	\$3.7	\$7.5	\$7.0	\$8.5
Jobs created and/or supported	111	607	840	404	519
Percentage of approved loans funded (closing ratio)	76%	54%	96%	85%	85%