

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 Services -

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

Strategic Focus in FY 2017 -

The corporation's top priorities in FY 2017 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:
 - \$1.57 million in new Small Business Administration (SBA) 504 Real Estate, Small Business Growth Fund (SBA Community Advantage) and Microenterprise loans
 - \$7 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

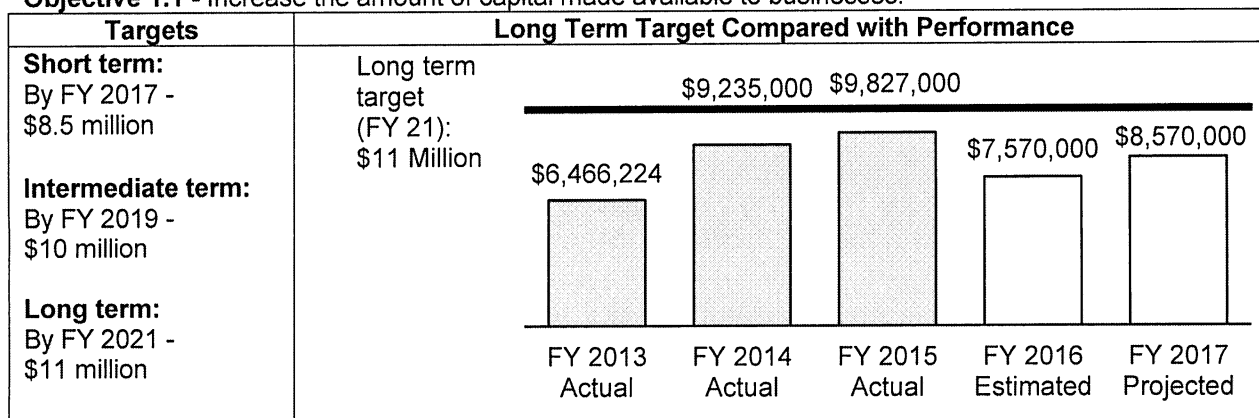
FY 2017 BUDGET SUMMARY

The FY 2017 approved budget for the Financial Services Corporation is \$1,337,200, a decrease of \$1,300 or 0.1% under the FY 2016 approved budget. The organization's grant from the County totals \$860,000, an increase of \$120,200 or 16.2% over the FY 2016 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.



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Trend and Analysis -

The outlook to increase the number of businesses counseled remains a priority initiative for FSC First as it continues to serve business owners and new entrepreneurs in the County seeking sources of capital from core and sub-core lending products. From FY 2014 to FY 2015, FSC First achieved, a 6% increase in loan amount approvals and commitments, 191% increase in loans closed and funded, and over a 1,000% increase in total project amounts related to EDI Fund projects. FSC First also set a new record in over five years for loan closings in FY 2015 in the amount of \$12.8 million, but anticipates that this trend will level off between \$7 and \$9 million in FY 2016 and FY 2017.

Performance Measures -

Measure Name	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimated	FY 2017 Projected
Resources (input)					
Loan administration staff	4	4	4	3	4
Number of core lending programs	5	5	5	2	2
Number of sub-core lending programs	5	6	6	4	6
Workload, Demand and Production (output)					
Number of businesses counseled/serviced	135	94	107	104	104
Number of applications (intake) - All	119	117	94	94	94
Number of applications (intake) - EDIF	72	71	75	75	73
Number of applications pre-qualified - All	74	37	50	50	50
Number of applications pre-qualified - EDIF	29	16	20	22	22
Number of applications underwritten - All	38	29	17	29	29
Number of applications underwritten by FSC - EDIF	14	8	8	10	10
Number of applications approved - All	24	30	18	24	24
Number of applications approved - EDIF only	9	8	8	8	8
Approved - All	\$6,856,224	\$9,235,000	\$9,827,000	\$7,570,000	\$9,163,345
Approved - EDIF only	\$5,865,000	\$7,420,000	\$7,095,000	\$6,000,000	\$6,595,000
Amount of new commitments - All	\$6,466,224	\$9,235,000	\$9,827,000	\$7,570,000	\$8,570,000
Amount of new commitments - EDIF only	\$5,865,000	\$7,420,000	\$7,095,000	\$6,000,000	\$7,000,000
Approved and unfunded Loans - All	\$8,507,500	\$13,592,500	\$6,610,000	\$6,000,000	\$7,904,200
Approved and unfunded Loans - EDIF only	\$3,765,000	\$7,425,000	\$5,900,000	\$5,000,000	\$5,522,500
Total project costs supported - EDIF only	\$17,333,196	\$18,984,350	\$448,370,232	\$161,562,593	\$161,562,593
Efficiency					
Number of approved loans per loan administration staff	2	6	5	6	6
Loans closed and funded	\$5,022,224	\$4,400,000	\$12,824,500	\$9,000,000	\$6,808,355
Total portfolio revenues	\$404,661	\$435,915	\$415,316	\$403,496	\$403,496
Quality					
Number of funded loans	9	9	19	20	13
Number of funded loans - EDIF only	4	4	9	10	7
Current ratio of loan portfolio that is less than 45 days delinquent	99.5%	85%	99%	85%	85%
Impact (outcome)					
Number of jobs created and/or supported	829	687	816	777	800
Number of jobs created and/or supported - EDIF only	635	619	767	674	675
Percentage of loans funded of those approved (closing ratio)	38%	41%	33%	40%	40%

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

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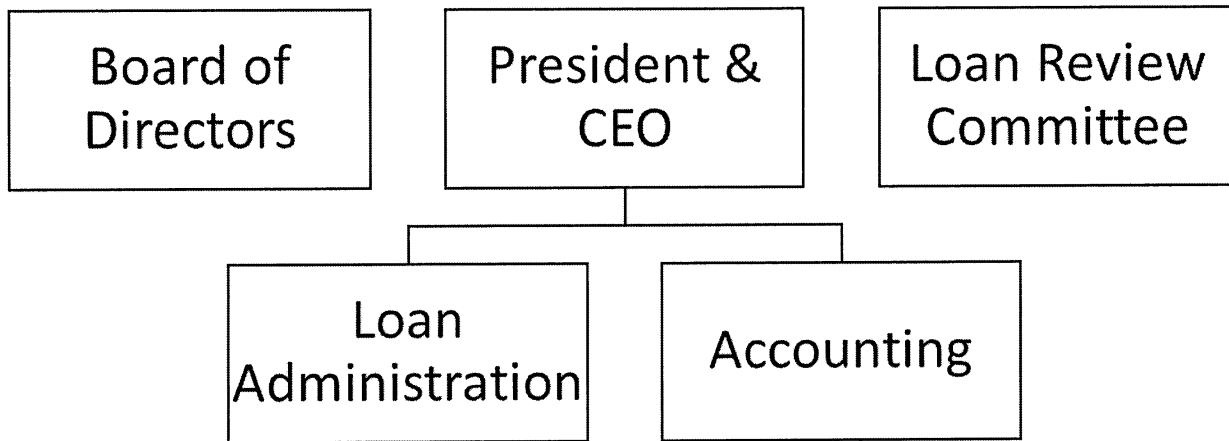
Prince George's Community College, local chambers of commerce and other business organizations to increase awareness of FSC First's programs and services.

- **Strategy 1.1.3** - Continue to address financial literacy challenges of loan applicants by providing technical assistance.
- **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 2016 KEY ACCOMPLISHMENTS

- Serviced and counseled 104 businesses.
- Approved 24 loan applications.
- Committed \$7,570,000 in new loan.
- Funded and closed \$9,000,000 loans.
- Created and retained 777 jobs.

ORGANIZATION CHART



**FINANCIAL SERVICES
CORPORATION**

FY 2017 OPERATING BUDGET

REVENUES					
	FY 2015 ACTUAL	FY 2016 BUDGET	FY 2016 ESTIMATED	FY 2017 APPROVED	CHANGE FY16 - FY17
County Grant	\$ 879,300	\$ 739,800	\$ 739,800	\$ 860,000	16.2%
Net Loan Program Income	202,317	201,200	201,200	264,000	31.2%
EDI Fund Loan Processing Fees	87,844	46,100	50,000	90,000	95.2%
Bank & Investment Interest	-	2,000	-	-	-100.0%
Recovery of Bad Debt	-	5,000	-	-	-100.0%
Administrative Services	-	3,000	-	-	-100.0%
Net Fundraising Revenue	37,822	308,400	7,500	20,000	-93.5%
Management/Service Fees	77,436	30,000	35,600	90,200	200.7%
Other Income	23,943	3,000	17,300	13,000	333.3%
TOTAL	\$ 1,308,662	\$ 1,338,500	\$ 1,051,400	\$ 1,337,200	-0.1%
EXPENDITURES					
	FY 2015 ACTUAL	FY 2016 BUDGET	FY 2016 ESTIMATED	FY 2017 APPROVED	CHANGE FY16 - FY17
Compensation	\$ 820,815	\$ 843,600	\$ 629,800	\$ 809,500	-4.0%
Fringe Benefits	229,866	243,500	246,200	242,900	-0.2%
Operating	146,163	251,400	175,400	284,800	13.3%
TOTAL	\$ 1,196,844	\$ 1,338,500	\$ 1,051,400	\$ 1,337,200	-0.1%