



FSC First

SMALL AND MINORITY BUSINESS FINANCING

2015 Annual Report

About FSC First

The Prince George's Financial Corporation (FSC First) was founded in 1978 as a 501c(3) nonprofit organization. FSC First is a Certified Development Company (CDC), designated by the U.S. Small Business Administration, to market and process SBA 504 loans in the State of Maryland.

FSC First is a Community Development Financial Institution (CDFI) as designated by the U.S. Department of the Treasury. The organization has developed local and regional strategic alliances with key economic development agencies and business resource providers who assist in bringing comprehensive resources to our clients, such as business plan evaluations, managements and technical assistance, bonding and procurement assistance.

FSC First's President & CEO participates in the development and implementation of Economic Development strategies for the County. FSC First has a collaborative network with the County Administration that allows for assistance with other business needs such as permitting and site selection.

Core Values

In the conduct of business, FSC First is:

1. Open and transparent with processes, clients, stakeholders, and employees.
2. Committed to an effective, progressive suite of programs for the small and minority business community.
3. Ethical in all interactions.

Vision Statement

FSC First envisions a community where all small business have financial tools they need to thrive.

Mission Statement

FSC First is a flexible, risk-tolerant alternative funding source that provides innovative and creative financing solutions and loan administration services that benefit small and emerging businesses.

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Fiscal Year 15 Goals

By 6/30/15 FSC First has:

Goal 1: Funded at least \$6.890 Million in new loans.

Goal 2: Successfully developed and implemented a strategic plan to collaborate with key stakeholders.

Goal 3: Developed and implemented a marketing plan that incorporates the County's adopted re-branding initiative - "experience, expand, explore".

Goal 4: Explored new markets to increase its loan activities and revenues.

Goal 5: Continued to improve its operating efficiencies and increase capacity.

Fiscal Year 15 Accomplishments

- Ranked #1 SBA Community Advantage Lender
- Published in the Washington Business Journal Book of Lists 2016, Ranked #41 of the Top 50 SBA Lenders in the Washington Metropolitan Area, as measured by loan volume.

Economic Impact

Measure Name	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual
Resources (input)				
Number of core lending programs	4	5	5	5
Number of sub-core lending programs	4	5	6	6
Workload, Demand and Production (output)				
Number of businesses counseled/serviced	81	135	94	107
Number of applications (intake)	47	47	46	94
Number of applications pre-qualified	39	45	21	50
Number of applications underwritten	30	24	21	17
Number of applications approved	25	15	22	18
Approved and unfunded Loans	\$4,811,000	\$8,507,500	\$13,592,500	\$6,610,000
Amount of new commitments	\$5,202,000	\$6,466,224	\$9,235,000	\$9,827,000
Other debt and equity attracted	\$4,658,487	\$66,863,502	\$27,221,045	\$448,289,732
Total project costs supported	\$9,860,487	\$73,329,726	\$36,592,500	\$450,816,732
Financial Assistance Provided				
Loans closed and funded	\$2,795,050	\$5,022,224	\$4,400,000	\$12,824,500
Impact (outcome)				
Number of jobs created and/or supported	121	829	687	816

Board of Directors

Officers



John L. Huggins, Jr.
Chairman



Howard W. Stone, Jr.
Vice Chair



Tami Watkins
Secretary



Peter Sorge
Chairman Emeritus



Kathryn R. Clay
Treasurer

Directors



John Henry King
Economic Development
Director, Bowie City
Hall



Rosalind Styles
President & CEO, Capital
City Associates, Inc.



Lisa Anne Thompson Taylor
President & Founder, Taylor
Strategic Partnerships, LLC



Courtney Billups Esq.,
Principal, Law Offices of
Courtney Billups



Lisa Smith
Executive Director, Bowie
Business Innovation
Center



Maria Randall
Vice President,
Industrial Bank



Maurice D. Walker
Managing General
Partner, Birch Advisors



Kenneth L. White
Vice President,
Revere Bank

FSC First Team



Shelly M. Gross-Wade
President & CEO



Dawn Medley
Vice President,
Business Financing Programs



Wilma Pearson
Executive Assistant



Angela Lannen
Office Manager



William Mitchell
Portfolio Manager



J. Steward Smith
Business Development Manager



Sue Ann Scafone
Commercial Loan Assistant

Loan Review Committee

Mike Consalvo, Chairman
Old Line Bank



Tanya R. Curtis, CPA
T. Curtis & Company, P.C.



Donna F. Grigsby
TD Bank



John Maurelus
SunTrust Bank



Maria Randall
Industrial Bank



Hal C. Rich III
Sona Bank



Dale Skinner
Capital One Bank



David Steinhoff
Sandy Spring Bank



Cynthia Washington
Washington Concepts, Inc.



Bankers Task Force

BB&T

Capital One
Bank

INDUSTRIAL
BANK

 **OLD LINE BANK**
Experience is Our Best Asset

 **PNC**

REVERE  BANK

SONA BANK


SUNTRUST

 **Bank**
America's Most Convenient Bank[®]

WELLS
FARGO

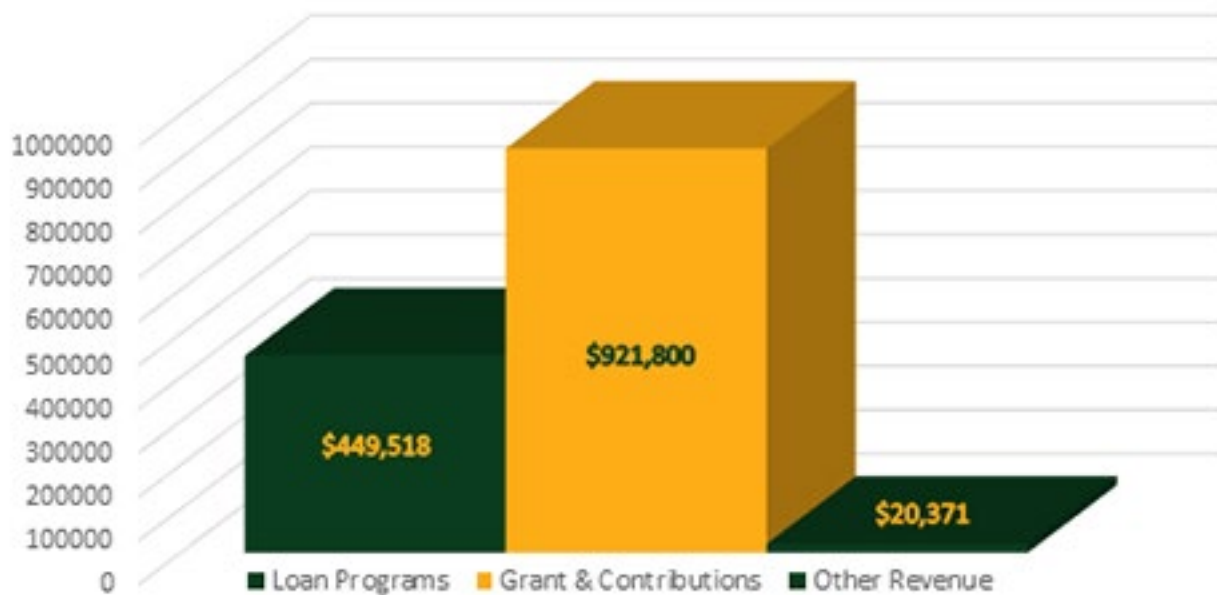
Bank Commitments

FSC First is able to make direct loans as a result of a revolving loan fund that has been capitalized by eleven (11) banks whose funds are accessed through a multi-year Inter-Creditor Agreement. We sincerely thank those institutions and their representatives for their ongoing commitment and involvement.

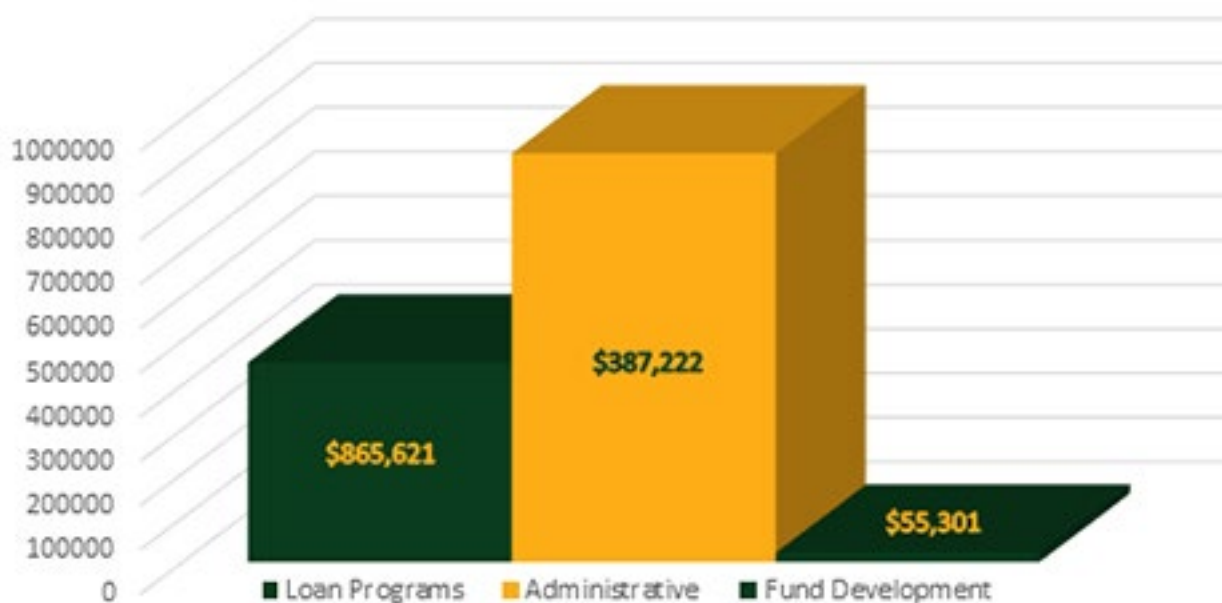
<u>Participating Bank</u>	<u>Total Commitment = \$4,178,600</u>	
SunTrust Bank	\$1,000,000	23.931%
Wells Fargo Bank	\$750,000	17.949%
SonaBank	\$500,000	11.966%
Branch Banking & Trust	\$400,000	9.573%
Old Line Bank	\$400,000	9.573%
PNC Bank	\$300,000	7.179%
Industrial Bank	\$275,000	6.581%
TD Bank	\$200,000	4.786%
The Columbia Bank	\$153,600	3.676%
Sandy Spring Bank	\$100,000	2.393%
Revere Bank	\$100,000	2.393%

Financial Overview

Revenue



Expenses



SBA 504 Fixed Asset Financing

- This program requires a low cash down payment and will finance up to 40% of a project's eligible cost, up to \$5.5 million.
- Provides fixed interest rates, some soft costs may be included.
- Eligible businesses include for-profit corporations, partnerships or proprietorships with a net worth not exceeding \$15 million.
- Funds may be used to cover the costs of land, the construction of a commercial building, improvements, modernization, and/or machinery and equipment.
- The term of the SBA 504 loan for machinery and equipment is up to ten (10) years and up to twenty (20) years for commercial real estate acquisition.
- Typical Structure: 50% Bank, 40% FSC/SBA, 10% Owner's Cash.
- FSC First is a CDC that serves businesses throughout the entire State of Maryland.

Kid Biz dba Apple Early Learning Center

Total Project Costs: \$1,150,000

Jobs Created: 2

Jobs Retained: 12



Kid Biz, LLC dba Apple Early Learning Center is a licensed childcare facility located in Prince George's County that began operations in July 2005. It is operated by Marc Backers and Tracy Backers who have over 30 years of professional experience. Initially, operations were based out of a leased facility with 12 employees. Seeing the potential to increase enrollment and expand operations, FSC First was engaged and in partnership with Old Line Bank provided approximately \$1.2 million in total project funding through the SBA 504 program for the property and facility purchase.

Small Business Growth Fund

- Loans range between \$25,000 and \$250,000.
- Designed primarily to assist existing businesses to expand. Start-up businesses are considered on a case-by-case basis.
- Eligible businesses include for-profit entities with 25 or fewer employees with an operating, physical facility or headquarters in Prince George's County.
- The loan terms are typically one to seven years, based on the use of the funds.
- Funds may be used for working capital, improvements and equipment.

R. Stoddard LLC dba Moxy Miscellaneous Ironworks

Total Project Costs: \$250,000

Jobs Created: 5

Jobs Retained: 10



R. Stoddard LLC dba Moxy Miscellaneous Ironworks is a Prince George's County based company that was established in 2010. With a staff of 10 skilled workers, the company specializes in iron work and iron fabrication. Prior to starting his company, Mr. Randy Stoddard had 20 years of welding experience with numerous skill certifications. The company is actively engaged in construction activities at the MGM National Harbor and throughout the local market area with several active construction projects. In October 2015, FSC First provided funding for \$250,000 in working capital financing.

Microenterprise Loan Fund

Designed to provide micro loans to businesses located in Sustainable Communities designated by the Maryland Department of Housing and Community Development. Eligible uses are leasehold improvements, equipment purchases, working capital expenditures, and human capital increases for the purpose of expanding their established business and feasible start-ups.

- **Loans: Ranging from \$5,000 - \$35,0000**
- **Loan Term: 2 to 5 year maximum term**
- **Interest rate: Wall Street Journal Prime Rate plus 4% - 7%**
- **Collateral: Business and Personal Assets**
- **Personal Guaranties required**
- **Available for business located in Sustainable Communities Statewide**

Economic Development Incentive Fund

- **Loan Term: 10 years maximum, amortization not to exceed 25 years**
- **Interest rate: 4% plus pricing depending on credit analysis**
- **Minimum Loan amount \$250,000**
- **Eligible Uses: Land and building acquisitions, building construction and improvement, equipment acquisition, and working capital**
- **Must create jobs and increase the commercial tax base**
- **Collateral: Business and Personal Assets**
- **Personal Guaranties required**
- **Projects located in the County's developed tier, transit-oriented development areas, Transforming Neighborhoods Initiative areas and other focus areas will be given special priority**
- **Business located in Prince George's County ONLY**

Kogok Corporation

Total Project Costs: \$800,000

Jobs Created: 33

Jobs Retained: 343



A Prince George's County business since 1995 in Forestville, Kogok Corporation provides sheet metal fabrication and installation services for schools, hospitals, industrial, pharmaceutical, institutional facilities as well as commercial and high rise residential properties. FSC First, as the program manager, and Prince George's County was pleased to support this business with a \$400,000 loan from the County's EDI Fund to support their expansion effort which will support more than 300 County jobs with more than half of them being County residents.

City of Bowie Loan Fund

Provides businesses with assistance for costs associated with leasehold improvements, equipment purchases, working capital expenditures, and human capital increases for the purpose of expanding their already-established business.

- **Loans: Up to \$50,000**
- **Loan Term: 2 - 10 years maximum term**
- **Collateral: Business and Personal Assets**
- **Personal Guaranties required**
- **Business located in Bowie ONLY**

FSC First Accounting Clinic

FSC First is hosting an Accounting Clinic where business owners will receive an in-depth overview of the types of financial statements required to prepare their company for future growth and sustainability. The business will learn what information goes into a Balance Sheet, Income Statement, Profit & Loss Statement, Cash Flow Projections, Work in Progress (WIP) Report, and so forth. Additionally, the business will learn how to efficiently report their company's financial position and learn how to use their financial statements as a management tool.

The Accounting Clinic is supported by grants received from Prince George's County, Capital One Bank and BB&T Bank. To qualify, business owners must attend a "free" Orientation Session that is held twice monthly at FSC First. After attending the Orientation Session, participants are encouraged to apply for acceptance in The Accounting Clinic. The Accounting Clinic will include access to QuickBooks or Sage accounting software, as well as one-on-one technical assistance to provide increased knowledge, access to technology, and insights on business finance strategies.

At the conclusion of the 90-day clinic, the FSC First clients are trained to: 1) maximize the benefit of their accounting software, 2) demonstrate their capacity to provide monthly/quarterly internally-prepared financing statements, and 3) measure their actual versus projected performance milestones. The CPAs will provide 12-20 hours of technical assistance to each company and will evaluate the company's internal controls, financial records, and develop a strategic approach to enhance their access to capital and procurement opportunities.

FSC First is pleased to announce that it has selected Gonzalez & Hawkins ("G&H") - a small minority-owned CPA firm based in Upper Marlboro, MD to provide financial consulting and training to small businesses selected through the FSC First Accounting Clinic.

Fiscal Year 16 Goals

By 6/30/16 FSC First has:

Goal 1: Profiled the Accounting Clinic as our premier technical assistance program.

Goal 2: Increased and Renewed bank partners funding of the loan pool.

Goal 3: Increased lending activities to commit and/or fund \$8 Million.

Goal 4: Achieved SBA Community Advantage designation

Goal 5: Maintained regulatory compliance with SBA, CDFI, etc.

Goal 6: Identified revenue enhancement opportunities.

Contact Us

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experience
expand
explore

[Expand InPrinceGeorges.com](http://ExpandInPrinceGeorges.com)



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