



3817 Pleasant Avenue South
Minneapolis, MN 55409

microgrants.net
lightsonus.org

MicroGrants

2021 ANNUAL REPORT

**PARTNERING WITH
PEOPLE OF POTENTIAL**



OUR MISSION

To spur economic self-sufficiency by giving strategic grants to low-income People of Potential through Partner Agencies.

OUR PROCESS

- 1** Our more than 45 Partner Agencies train individuals for business and careers. Their relationships range from several weeks to several years.
- 2** Partner Agencies identify their best-qualified clients for whom a grant will be a turning point in their lives and recommend them to MicroGrants.
- 3** MicroGrants reviews grant applications and swiftly distributes funds to selected grantees.
- 4** Partner Agencies mentor recipients, monitor grant utilization, and report progress to MicroGrants.

The MicroGrants process is possible because of the support of our generous donors.

Positive steps forward

Many hoped 2021 would mark a return to some kind of “normal,” but as COVID-19 variants caused the virus to surge, we saw the ripple effects impact our communities — especially our most vulnerable.

With change seemingly unrelenting and demand for services continuing to rise, MicroGrants has focused on resiliency and recovery. For recipients, a grant can mean the difference between a positive step forward or getting caught in a debt trap of pay-day or high-interest loans. Working with our partner organizations, we keep

the process simple so grantees can move forward quickly and efficiently. In addition, Lights On! has continued to help stop the downward spiral that can start with something as simple as a burned-out tail light.

Our team is dedicated to our mission of lifting up People of Potential. This is work that matters, and we are honored to be a part of building a better future.

Sincerely,



Don Samuels, CEO



Tom Welch, Board Chair

In 2021, MicroGrants helped 886 individuals take a positive step towards their future.

Resilience

HELPING INDIVIDUALS ADAPT TO CHANGING CIRCUMSTANCES

PARTNER SPOTLIGHT

HIRED supports individuals and families so they can learn new skills and achieve their academic and career goals. Through individualized employment and career services, they help people find jobs that offer family-sustaining wages and opportunities for advancement.

Hired is just one example of the more than 45 local agencies that MicroGrants is proud to partner with to identify and support grant recipients.

We are constantly inspired by the resilience of our grantees. No matter what life puts in their path, they are driven to overcome the challenge and follow their dreams. The MicroGrants team is honored to be a part of that journey and remains steadfast in our efforts to help individuals move forward.

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GRANTS TO HELP PEOPLE START THEIR OWN BUSINESSES

Working toward his dream of owning his own business, LAMONT took a job in customer service to support his family and save money to get his company up and running. When COVID hit, however, he left that role due to a health condition that made him more vulnerable to serious illness.



A few months later, just weeks after starting a new job, he was sidelined by a heart attack. During his recovery, he began thinking about his business aspirations again and decided to make a plan. With funding from MicroGrants, Lamont was able to purchase a mower and trailer for his lawn care business. With contracts set for the coming summer season, he plans to offer snow removal when the seasons change, providing him year-round opportunities and the ability to scale as his business grows.

LAMONT
Referred by Hired

Without MicroGrants to assist with the cost of my educational fees, I would not be able to take the next step or be where I am today.

ERICA
Referred by Hired

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GRANTS TO HELP PEOPLE PURSUE
OR CONTINUE THEIR EDUCATION
AND CAREERS



When her husband was diagnosed with Frontotemporal Dementia (FTD), ERICA — a nurse and mother of three — became his full-time caregiver. After his passing, she knew she wanted to return to her career, but needed to renew her certification and hoped to further her education. With MicroGrants' help, she has begun completing continuing education credits and is working to enroll in a master's program.

Growth

PROVIDING OPPORTUNITIES FOR EDUCATION AND CAREER SUCCESS

No matter how driven you are, finishing a degree, returning to the workforce or changing careers can be daunting if you don't have the resources or support.

Ready for a career change, HASSAN enrolled in the Urban League's tech job program. After receiving his credentials, he quickly received a great job offer, but like many others, was laid off when the pandemic hit. Taking advantage of the downtime, he decided to further his IT training and was accepted into a prestigious program, which required hefty tuition and expensive equipment. The Urban League helped him get a scholarship to cover the tuition, and MicroGrants provided funding to purchase the necessary laptop and technology components.

- HASSAN, referred by the Urban League



Transformation

HEALING POLICE AND COMMUNITY RELATIONSHIPS

2,134

LIGHTS ON! VOUCHERS
REDEEMED IN 2021

6,179

LIGHTS ON! VOUCHERS
REDEEMED SINCE 2017

A spotlight was cast on Minneapolis after the murder of George Floyd that sparked a global conversation about how communities of color are treated by local law enforcement.

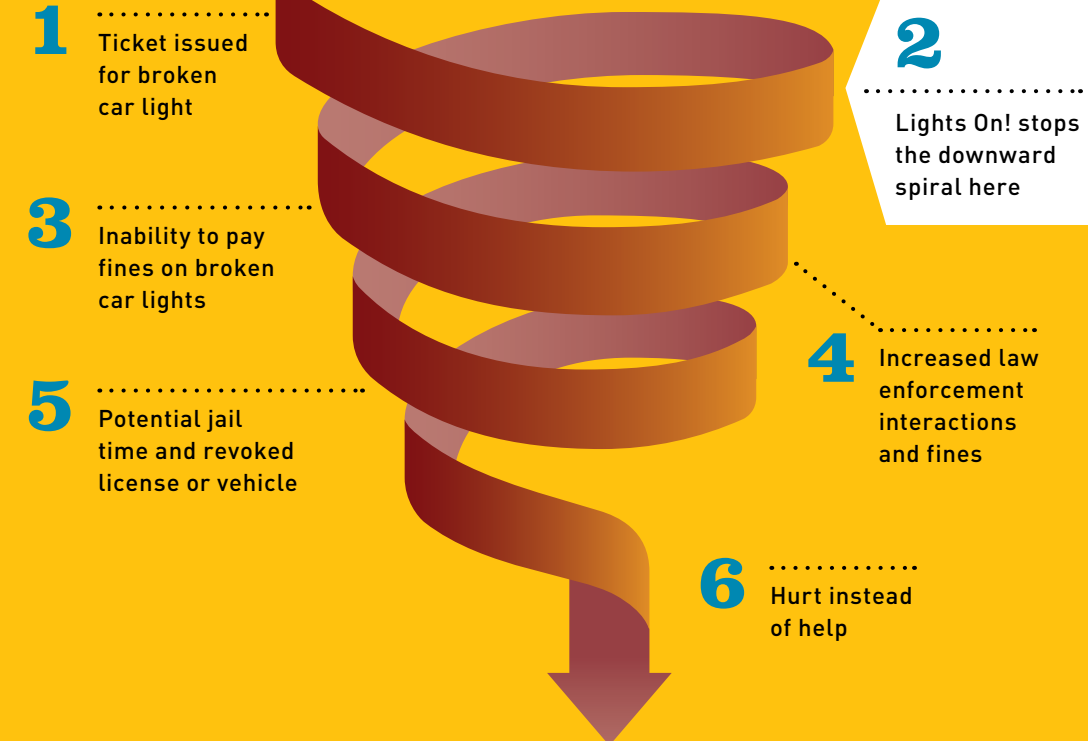
While the masses were calling to disband the police, we knew that wasn't the right solution for our communities. Lights On! is not the end-all, be-all to solving these deep, systemic issues, but we do offer a turn-key solution that can help transform a negative, costly stop for an equipment violation into a healing moment between an officer and a community member. It's a start, and it's making a significant difference.



THE DOWNWARD SPIRAL

Lights On!, our program that replaces tickets with repair vouchers, helps stop a downward spiral by transforming a traffic stop into a positive interaction and moment of healing.

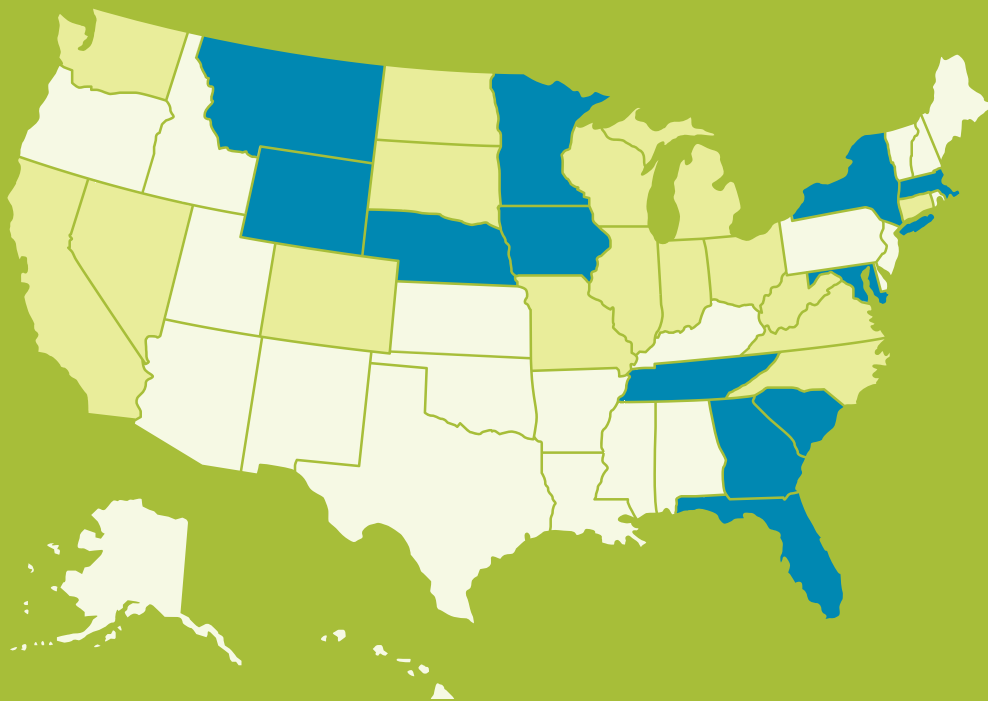
Equipment violation tickets inadvertently become a poor tax.



EXPANDING INTO ADDITIONAL COMMUNITIES

In 2021, Lights On! partnered with its 100th law enforcement agency in Minnesota and established partnerships with agencies and auto shops in five additional states, including:

Florida, Nebraska, New York, Tennessee, and Wyoming



LIGHTS ON! PARTNERS **INTERESTED IN - OR IN THE PROCESS OF - PARTNERING**



PARTNERING WITH PROFESSIONAL SPORTS

As law enforcement agencies flocked to Lights On! in 2021, so did the professional sports community. In March, we received a \$20,000 grant from the Minnesota Vikings Social Justice Committee to expand our reach, and held a virtual conversation with Alexander Mattison, local community leaders and public safety officials to highlight the program.

In addition, we also established partnerships with the New England Patriots and Jacksonville Jaguars.



Financials

Year ended December 31, 2021

STATEMENT OF ACTIVITIES

	Without Donor Restrictions	With Donor Restrictions	2021 TOTAL	2020 TOTAL
Support and Revenues				
Foundations and donor-advised funds	\$ 1,295,600	\$ 1,735,000	\$ 3,030,600	\$ 2,098,100
Individual contributions	601,383	52,250	653,633	743,256
Corporate contributions	8,300	72,900	81,200	43,330
Investment income	274	-	274	2,356
In-kind revenue	12,500	-	12,500	-
Net assets released from restrictions	1,804,363	(1,804,363)	-	-
Total support and revenue	3,722,420	55,787	3,778,207	2,887,042
Expenses				
Grant and program services	2,425,075	-	2,425,075	1,685,048
Management and general	114,917	-	114,917	77,270
Fundraising	221,485	-	221,485	196,781
Total expenses	2,761,477	-	2,761,477	1,959,099
Change in net assets	960,943	55,787	1,016,730	927,943
Net assets - beginning of year	1,141,226	467,686	1,608,913	680,970
Net assets - end of year	\$ 2,102,169	\$ 523,473	\$ 2,625,643	\$ 1,608,913

STATEMENT OF FINANCIAL POSITION

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 2,627,597	\$ 1,659,722
Pledges receivable	27,667	-
Prepaid expenses	1,871	1,828
Total current assets	2,657,136	1,661,550
Total assets	\$ 2,657,136	\$ 1,661,550
Liability and Net Assets		
Current liabilities	31,493	52,637
Net assets		
Without donor restrictions	2,102,170	1,141,226
With donor restrictions	523,473	467,686
Total net assets	2,625,643	1,608,913
Total liabilities and net assets	\$ 2,657,136	\$ 1,661,550

2021 FINANCIAL OVERVIEW

MicroGrants ended 2021 in a solid financial position, with total assets increasing from \$1,661,550 to \$2,657,136. This million dollar increase was primarily attributed to the increase in our cash accounts to \$2,627,598 at year end, the result of our change in net assets (Revenue less Expenses) of \$960,943. Revenue increased from \$2,611,995 for the year ending December 31, 2020, to \$3,722,420 for the year ending December 31, 2021. This was primarily driven by a single, unbudgeted donation of \$400,000, as well as a donation of approximately \$500,000 from another donor who made their 2022 contribution in December 2021.

On the expense side of the business, Grants Awarded increased from \$993,513 to \$1,764,589 and Auto Repairs (Lights On!) increased from \$126,623 to \$165,912.

Included in the Grants Awarded for 2021 was \$428,000 in unauthorized payments to a vendor for grants to individuals that were discovered to be improper payments whereby the vendor may have personally benefited. MicroGrants engaged a forensic audit firm to audit the payments and the information has been turned over to the state's attorney general's office for further action. At this time, it is unclear if any amounts will be recovered. These payments were made during a short period of time during the pandemic when staff was working remotely. The individual responsible for the payments was terminated immediately, and the organization has installed new software to more closely monitor payments and added increased levels of authorization to prevent this from occurring again.

The organization maintains a separate set of accounting records for MicroGrants and Lights On to assure that no funds are intermingled and that each organization is self funded.

Thank you

to our generous donors

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Don Samuels was named one of *Twin Cities Business*' Notable BIPOC Executives 2021.

STAFF



FIRST ROW LEFT TO RIGHT

Don Samuels Chief Executive Officer

Pam Kellenberger Business Director

Sherman Patterson Lights On! Vice President



SECOND ROW LEFT TO RIGHT

Charrisse Navarro Lights On! Administrator

Angie Toral Administrator

I knew going into college that I had a strong support system. What I didn't know was that my support system would be the reason I am graduating College in June 2022 with my BS degree in Communications.

SHAADIA

MicroGrants recipient

Referred by Hired

ON THE COVER

MicroGrants is proud to be part of that support system. SHAADIA, who was referred to us by our partner Hired, is a great example of how we're stronger together.

As part of her course requirements, Shaadia wanted to study abroad in New York to earn college credits while learning about her Islamic heritage and traditions. Her Hired counsel introduced her to MicroGrants and we were able to help cover costs of the trip so Shaadia could continue her education and learn about her heritage.

We are thrilled to partner with people with potential, like Shaadia, and grateful for Hired for making the connection.

