



# Grant Fund Case Study

## Saint John Tool Library

The Saint John Tool Library (SJTL) was founded in 2018 and incorporated as a not-for-profit in 2019. This group has leveraged the community from the outset. The founder shared the idea through social media, received immense support and was engaged by local media at this early stage. This raised the profile of the organization prior to even launching.

The mission of the organization is to inspire, equip and revitalize their communities. The lines of business include tool rental memberships, contractor services, project management, training and capacity building and woodshop access for larger projects. SJTL wants to reclaim the right to repair and empower Saint John residents to shape a vibrant future for themselves and their community.

SJTL was in search of appropriate financing options to answer their specific needs. The non-profit organization considered it necessary to refinance high interest start-up loans that were extracting too much capital during these formative first couple of years.

In order to move quickly on the opportunity and the community demand, the founder of the organization had previously used personal guarantees to secure these loans, which had put an exceptional amount of risk onto the founder. SJTL had incorporated but was unable to transfer the loans to their new structure as a non-profit organization; and therefore, the founder still had their personal guarantee tied to the financing.

INFO

**Grant Fund Manager:**  
Saint John Community Loan Fund

**Pillar Addressed:**  
Ensuring Access to Capital and Investment

**Support Provided:**  
\$29,028 Refinancing Loan



Improved Moral



Debt Reduction



Increased Profits



Improved Financial Management

The \$29,028 Saint John Community Loan Fund loan provided through S4ES allowed SJTL to transfer a high interest debt into a flexible refinanced product taking into consideration the reality of the non-profit organization. The refinancing also allowed to alleviate the financial burden of the SJTL founder turned Executive Director from the personal liability.

## IMPACT

The loan has had positive results on many levels. One immediate result observed was the improved morale within the organization by reducing the personal liability of the founder and creating flexibility in a tight cash flow model where there was none before. The freed-up cash flow also made it easier to transition off wage subsidies that had made the first year more manageable. Additionally, SJTL has been able to increase the number of leads for contractor services, which constitutes this organization's most lucrative line of business activity.

The loan contributed to meeting the needs of SJTL clients benefiting from their contractor services and positively impacted the community by maintaining a new social purpose organization that has been a source of inspiration for the community. Moreover, the expanded cash flow projections forecasted a crunch constituting a high-level threat to sustaining existing staff. The refinancing freed up hundreds of dollars per month, which eased SJTL's financial management by increasing its profit margins.

In March 2021, SJTL launched a job readiness program aimed at people facing barriers to employment. This new program is offering four training modules: working with concrete, roofing, general carpentry, and drywall and crack-filling. The first cohort of 50 individuals is expected to start in late May. Successful graduates will be connected with construction companies in the St. John's Urban Region who are looking to increase their labourers.

## GOING FORWARD

With lower debt repayments and increased cash flow, SJTL can now focus on business development with the aim of expanding the delivery of its services and increasing revenues to ensure its sustainability. The non-profit can also count on a healthier financial situation guaranteeing the livelihoods of their staff whose employment does not rely on wage subsidies anymore.



For more information, please contact:

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