

Vivian Krause, M.Sc.

May 2, 2022

To: Mr. John Bromley, CEO
Charitable Impact Foundation ("CHIMP")

Mr. Blake Bromley

RE: \$1 Billion in Donations

As you are aware, for many years now, I have had concerns about the operations of Charitable Impact Foundation ("**CHIMP**") and a network of approximately 200 affiliated charities that have been registered and directed by the same people as CHIMP. In my correspondence with you over the years, I have referred to these as "**The Bromley Charities.**"

Once again, I am writing to share my concerns and opinions, and to ask questions.

As before, I'll post this letter at my blog: https://fairquestions.typepad.com/rethink_campaigns/

1. \$1 Billion in Donations

As the attached web-page shows, CHIMP reports that as of April 26, 2022, it has processed \$1 billion in donations. Tax returns for CHIMP show that during the past two years alone, CHIMP has reported tax receipted donations for a total of \$300,604,038. Of that, fully \$251,448,968 (84 percent) was non-cash. This non-cash percentage is unusually high.

To put CHIMP's donations into perspective, I believe that it helps to compare CHIMP to Vancouver Foundation which has been the largest charity in Vancouver for 75 years. CHIMP reports roughly five times as much per year as Vancouver Foundation. So how is CHIMP able to raise so much in donations yet spend virtually nothing on fundraising?

2. 2021 Financial Statements for CHIMP

Unlike other charities, CHIMP does not post its financial statements at its website. Why not?

CHIMP's financial statements for 2021, which I obtained from CRA, do not say whether these are audited or unaudited. CHIMP's website currently says that it is audited by MNP. Were CHIMP's 2021 financial statements prepared by MNP?

3. Independent Auditor's 2020 Report for CHIMP: \$193 Million

According to the Independent Auditor's report on CHIMP's financial statements for 2020, your accounting firm, Deloitte, warned that it could not vouch for \$193 million of CHIMP's assets in the form of unlisted securities. Deloitte wrote that it was "... *unable to obtain sufficient appropriate audit evidence supporting the carrying amount of investments in certain unlisted securities with a total carrying value of \$193,037,460 as of July 31, 2020.*"

What is CHIMP's response to this?

4. Gifts to CHIMP from the Bromley Charities: \$237 Million

By my analysis, the total amount of gifts that CHIMP has received from other Bromley Charities is at least \$237,600,914 (2011-2021). Of that, the large gifts that correspond to the time frame of Deloitte's audit is \$192,827,970. That's very close to the value of the unlisted securities that Deloitte couldn't vouch for. Perhaps this is just a coincidence? Or are the gifts to CHIMP from other Bromley Charities what account for most of the unlisted securities that Deloitte flagged?

5. The \$74.7 Million Gift to Fortius Foundation

By my analysis, the largest gift that CHIMP has made is \$74,711,535 ("**the \$74.7 million gift**") that was gifted to Fortius Foundation in 2018. According to information provided to me by the CRA, this is the largest charitable donation in B.C. history.

During my review of the financial statements for Fortius Foundation, I found that over the years, Fortius Foundation incurred debts to five of the Bromley Charities for a total of nearly \$60 million. For each of these charities, I have obtained their financial statements from CRA.

According to the 2018 financial statements for Fortius Foundation, its debts to these five charities, as of September 30, 2018, were as follows:

Fortius Foundation debt to Imladris Foundation	\$ 28,919,628
Fortius Foundation debt to Almoner Foundation	\$ 14,799,307
Fortius Foundation debt to Foundation for Public Good	\$ 12,175,128
Fortius Foundation debt to Homestead on the Hill Foundation	\$ 3,305,573
Fortius Foundation debt to Assoc. for the Advancement of Scholarship	\$ 708,490
Total:	\$ 59,908,126

With CHIMP's gift of \$74.7 million, those debts were fully paid. The balance sheets in the 2019 financial statements for the five charities state that loans receivable were zero.

The same year, the very same five Bromley Charities gifted \$76.5 million right back to CHIMP, as follows:

Gift to CHIMP from Imladris Foundation	\$ 29,260,000
Gift to CHIMP from Almoner Foundation	\$ 29,725,886
Gift to CHIMP from Foundation for Public Good	\$ 13,085,663
Gift to CHIMP from Homestead on the Hill Foundation	\$ 3,721,411
Gift to CHIMP from Assoc. Advancement of Scholarship	\$ 716,890
Total:	\$ 76,509,850

Attached, is a document containing excerpts from the financial statements and tax returns showing the debts and gifts listed above.

In summary, during the same year that Fortius Foundation received \$74.7 million from CHIMP, CHIMP got its money back – and more – from the very same five charities that made loans to Fortius Foundation. This appears to me to be a series of circular, self-cancelling transactions. The gift from CHIMP was used to pay the debts to affiliated charities that then made gifts to CHIMP. Thus, the ultimate beneficiary of the \$74.7 million “gift” from CHIMP is CHIMP itself. If I’m not mistaken, this means that this huge, historic “gift” was not a true gift.

My understanding is that for a gift to be a true gift, there needs to be an intention on behalf of a donor to benefit the recipient, with a corresponding impoverishment to the donor. Furthermore, there must be a true transfer of property with a true value, without expectation of something in return. As I see it, this was not the case with the \$74.7 million “gift.”

Despite spending \$74.7 million on re-financing, Fortius Foundation still ended up with a mortgage loan for \$16,000,000, another debt of \$4,000,000 to a related party and still more debts. Thus, despite the \$74.7 million, Fortius Foundation was right back in debt with total liabilities of \$24,293,991, according to its financial statements for 2019.

Financial statements for Fortius Foundation (attached) acknowledge that the charity received \$74,510,000 and yet the board of directors expressed “significant doubt” about the Foundation’s viability as a going concern. So here’s my question: Of all the 86,000 charities in Canada, why did the donor(s) of \$74 million choose to fund a charity that couldn’t come up with a sound investment strategy for this huge, historic gift?

6. Gift to CHIMP from Foreclosure of Quest University Canada: \$24.5 Million

In 2018, CHIMP made a designated gift for \$20,791,405 to Vanchorverve Foundation (“**Vanchorverve**,”), also one of the Bromley Charities. As we know, this “gift” consisted of the transfer from CHIMP to Vanchorverve of a mortgage loan to Quest University Canada (“**Quest**”). When Quest’s loan came due on November 1, 2019, the university was unable to pay and so

was forced into foreclosure. After the sale of Quest, Vanchorverve made a gift to CHIMP for \$24,500,000. Vanchorverve also made gifts to six of the Bromley Charities, as follows:

1. Timothy Foundation	\$ 35,000
2. Global View Foundation	\$ 48,000
3. Hope Springs Eternal Foundation	\$ 5,000
4. Plentiville Foundation	\$ 25,000
5. Association for the Advancement of Scholarship	\$ 55,000
6. Foundation for Public Good	\$ 10,000

All of the above listed charities are Bromley Charities, registered & directed by Blake Bromley or John Bromley, and the former employees of Blake Bromley.

So why did these six Bromley Charities receive funds that obviously stem from the foreclosure of Quest? Why not donate the money to help the university?

7. CHIMP's Gift to Plentiville Foundation: \$4 Million

In addition to the \$25,000 that Plentiville Foundation ("**Plentiville**") received from Vanchorverve, Plentiville also received \$4,000,000 directly from CHIMP (see the attached).

According to its tax returns, as of August 28, 2020 the sole directors of Plentiville Foundation are Blake Bromley, John Bromley and Jasmine Bromley. This means that when CHIMP gifted \$4,000,000 to Plentiville Foundation, CHIMP made a gift to another charity controlled by CHIMP's CEO, his father and another member of his family.

Plentiville Foundation is peculiar, in my view. According to its financial statements (attached), prior to CHIMP's \$4 million gift, Plentiville's only asset was an unspecified, "intangible asset" worth \$650,000. From the financial history of Plentiville Foundation, it is obvious that this asset originates from two gifts made to Plentiville from two of the Bromley Charities: \$440,000 from Howe Sound Samaritans Foundation and \$330,000 from Timothy Foundation, in 2016.

Plentiville Foundation has no staff. It has never funded any charitable programs nor made gifts to any charities other than the Bromley Charities.

So here are my questions about CHIMP's \$4 million gift to Plentiville Foundation:

- a) Of all the charities to whom CHIMP could give \$4,000,000, why Plentiville Foundation?
- b) What is Plentiville Foundation going to do with the \$4,000,000 from CHIMP?
- c) Why does CHIMP's gift show up in Plentiville's tax returns as an amount receivable?

8. Payments from CHIMP to Chimp Technology Inc.: \$50 Million (2016 – 2021)

During the same year that CHIMP received \$24,500,000 from the foreclosure of Quest, CHIMP paid **\$13,641,648** to Chimp Technology Inc., a private company. This brings the total paid to Chimp Technology Inc. to more than \$50 million since 2016.

A company search, attached, shows that Chimp Technology Inc. is run by Blake Bromley and John Bromley. This means, again, that CHIMP, the charity, has paid more than \$50 million to a private company run by the charity's CEO and his father.

CHIMP says at its website that the service that CHIMP provides is “free to open and use.”¹ “Charitable Impact doesn't charge sign-up or transaction fees,” CHIMP says. So where did CHIMP get the \$50 million that it has paid to Chimp Technology Inc. over the past six years?

As before, if I have stated anything here that is factually incorrect or if I have missed any important points, please let me know.

Sincerely,

Vivian Krause

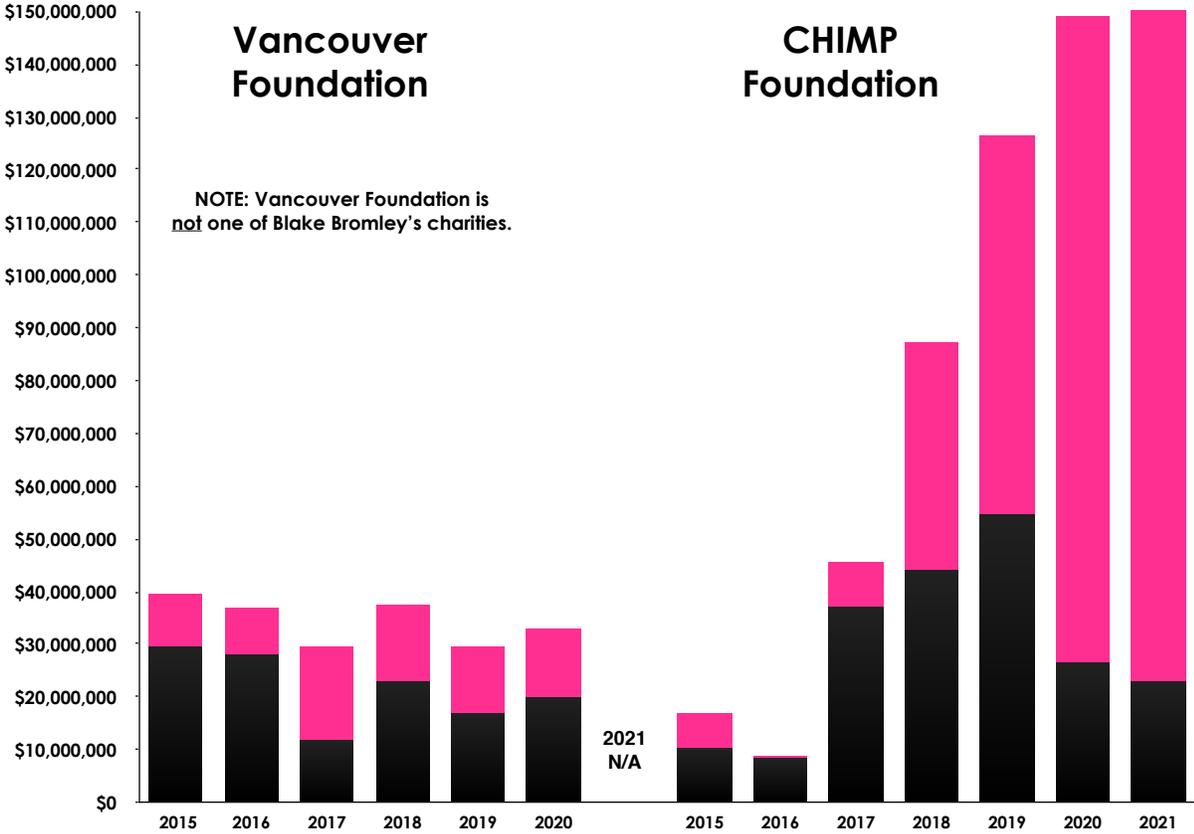
Attachments (104 pages):

1. CHIMP web-page reporting \$1 billion in donations (1 page)
2. CHIMP web-page reporting that it is “free to open and use” (1 page)
3. CHIMP's Independent Auditor's Report for 2020, by Deloitte (1 page)
4. List of gifts to CHIMP from the Bromley Charities for \$192,827,970 (1 page)
5. CHIMP financial statements as of July 31, 2021 (11 pages)
6. CHIMP 2018 tax return showing gift to Vanchorverve Foundation: \$20,791,405 (2 pages)
7. Vanchorverve Foundation 2021 tax return showing gift to CHIMP: \$24,500,000 (2 pages)
8. Vanchorverve Foundation financial statements as of August 31, 2021 (3 pages)
9. CHIMP 2020 tax return showing gift to Plentiville Foundation, \$4,000,000, 2021 (2 pages)
10. Plentiville Foundation: An Overview (2014-2021) (1 page)
11. Plentiville Foundation, 2020 financial statements (3 pages)
12. Plentiville Foundation Directors as of July 1, 2021 (2 pages)
13. Fortius Foundation financial statements as of May 31, 2021 (2 pages)
14. Fortius Foundation financial statements for 2018 (17 pages)
15. Payments from CHIMP to Chimp Technology Inc. for \$50,794,471 (2016 - 2021) (17 pages)
16. CHIMP & Fortius Foundation: Payment of Debts With a “Gift” of \$74,711,535 (36 pages)

¹ <https://www.charitableimpact.com/fees/>

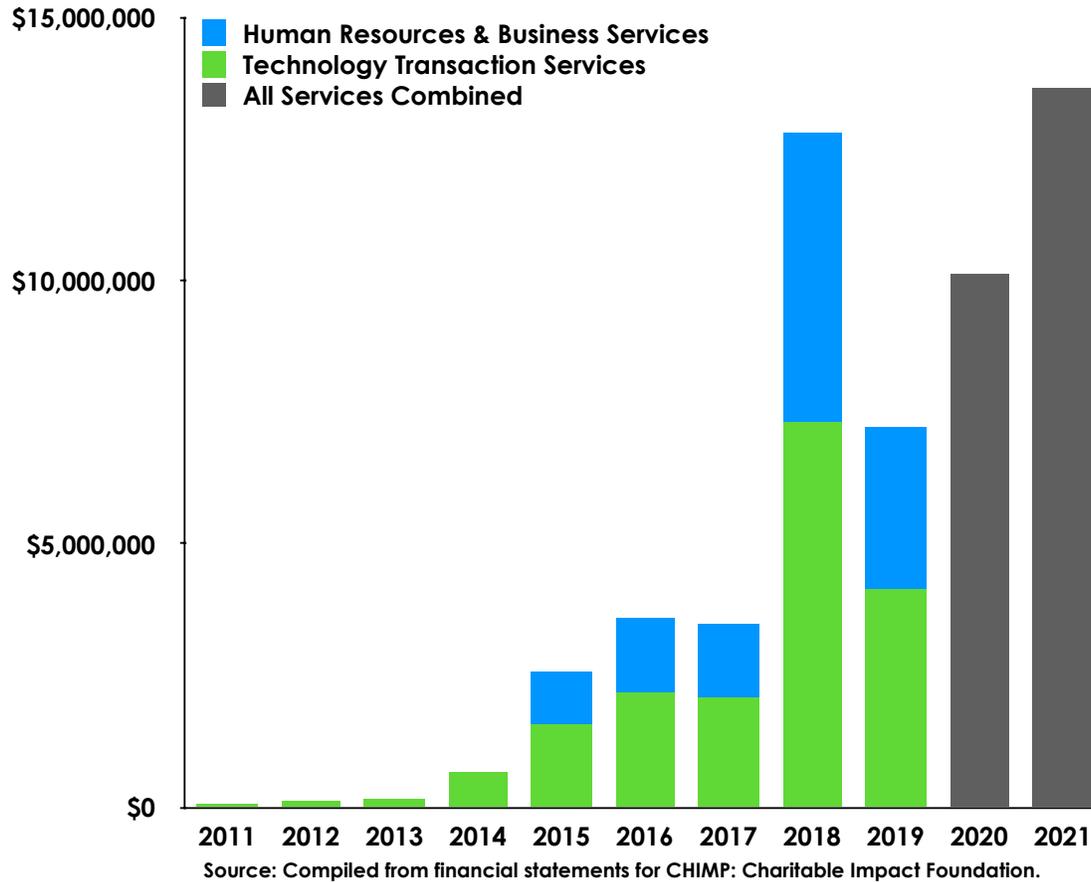
Tax-Received Cash & Non-Cash Donations

■ Tax-receipted gifts in kind (non-cash)
■ Tax-receipted gifts (cash)



Source: Compiled from the CRA's online database.

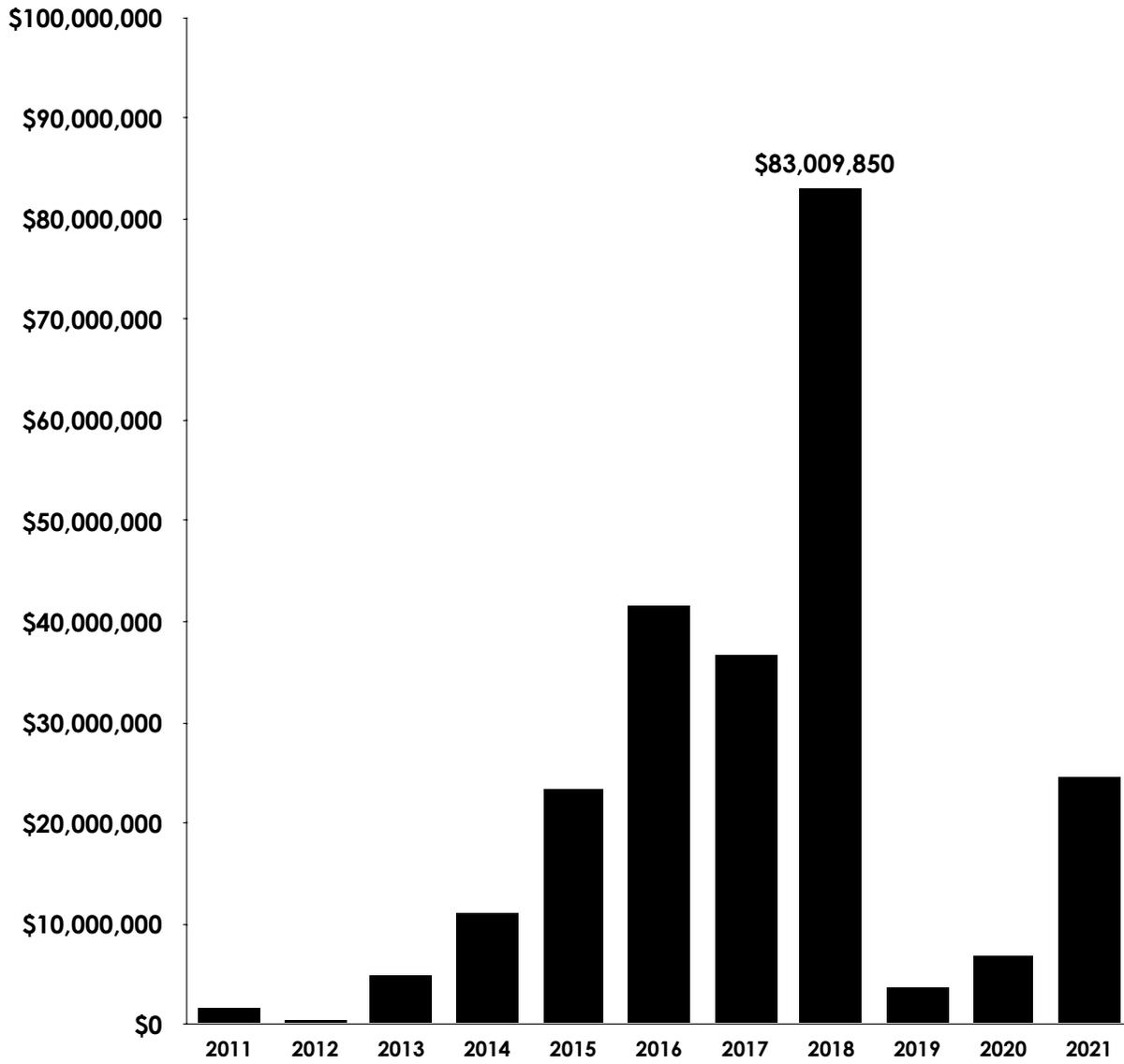
Amounts Paid To Chimp Technology Inc. from CHIMP Foundation \$50 Million (2016-2021)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2011-2021	2016-2021
All Services Combined										\$10,118,606	\$13,641,648	\$23,760,254	\$23,760,254
Technology Transaction Services	\$50,522	\$81,429	\$158,540	\$681,701	\$1,544,914	\$2,145,668	\$2,091,745	\$7,302,041	\$4,117,108			\$18,173,668	\$15,656,562
Human Resources & Business Services					\$1,028,255	\$1,428,054	\$1,392,394	\$5,471,956	\$3,085,251			\$12,405,910	\$11,377,655
Total:	\$50,522	\$81,429	\$158,540	\$681,701	\$2,573,169	\$3,573,722	\$3,484,139	\$12,773,997	\$7,202,359	\$10,118,606	\$13,641,648	\$54,339,832	\$50,794,471

Source: Compiled from financial statements for CHIMP: Charitable Impact Foundation as of April 30, 2022.

**Gifts to CHIMP From The Bromley Charities:
\$237,600,914 (2011-2021)**



Source: Compiled from Canadian tax returns.

Gifts to CHIMP (2011-2021)

Donor Charity	Sub-Total	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2 Almoner Foundation	\$35,625,886	\$450,000				\$1,900,000	\$900,000		\$29,725,886	\$1,500,000	\$1,150,000	
22 Foundation for Public Good	\$33,826,173							\$18,740,510	\$13,085,663	\$2,000,000		
11 Imladris Foundation	\$30,270,000			\$1,000,000			\$10,000		\$29,260,000			
19 Global View Foundation	\$28,048,477						\$28,037,500	\$10,977				
34 Vanchorverve Foundation	\$24,500,000											\$24,500,000
6 Association for the Advancement of Scholarship	\$12,116,890		\$200,000			\$7,800,000	\$3,400,000		\$716,890			
23 Eden Glen Foundation	\$10,500,000							\$10,500,000				
7 Timothy Foundation	\$10,177,500		\$100,000			\$800,000	\$9,250,000	\$27,500				
30 Allan Skidmore Family Foundation	\$8,200,080					\$1,500,000		\$6,700,080				
8 Virtual Vancouver Foundation	\$7,075,000		\$50,000			\$7,025,000						
13 Mighty Oaks Foundation	\$7,000,000				\$7,000,000							
12 Yunnan Foundation	\$6,525,000			\$25,000					\$6,500,000			
17 Headwaters Foundation	\$4,000,000					\$4,000,000						
26 Homestead on the Hill	\$3,721,411								\$3,721,411			
27 Angel Philanthropy Foundation	\$3,523,908										\$3,523,908	
1 Global Charity Fund	\$3,400,000	\$900,000		\$2,500,000								
14 Pacific Light Foundation	\$2,600,000				\$2,600,000							
28 Viva Voce Charitable Foundation	\$1,181,178										\$1,181,178	
3 Theanon Foundation	\$1,101,000	\$251,000		\$250,000	\$600,000							
10 Arcadia Foundation	\$1,032,000			\$1,032,000								
29 Stewards Charitable Foundation	\$1,000,000										\$1,000,000	
24 Zawadi Foundation	\$625,000							\$625,000				
9 Revelstoke Education Foundation	\$550,000		\$50,000		\$500,000							
18 Bienfaisance Foundation Canada	\$274,988					\$274,988						
20 Paraklesis Foundation	\$256,750						\$56,750	\$50,000	\$100,000	\$50,000		
4 Hope Springs Eternal Foundation	\$200,000	\$100,000			\$100,000							
15 Fortius Foundation	\$123,000				\$123,000							
16 Real Champions	\$55,000				\$5,000	\$50,000						
21 Play Better Foundation	\$49,750						\$49,750					
5 Canadian Education Forum	\$25,000	\$25,000										
33 Juniper Foundation	\$8,133											\$8,133
25 HSEF Renaissance Academy	\$5,000							\$5,000				
31 Aqua Vitae Charitable Foundation	\$2,088										\$2,088	
32 Coastal Renewal Society	\$1,702											\$1,702
The Bromley Charities (#1-29):	\$204,888,911	\$1,726,000	\$400,000	\$4,807,000	\$10,928,000	\$23,349,988	\$41,704,000	\$36,659,067	\$83,109,850	\$3,550,000	\$6,857,174	\$24,509,835
Total:	\$237,600,914											
24 Large Gifts (2011-2019)	\$192,827,970											
Total # of Gifts:	62											
Average Amount of all 62 Gift:	\$3,832,273											
Average of the 24 Large Gifts:	\$8,034,499											
Source: Compiled from Canadian tax returns. Last up-dated: April 23, 2022.												
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