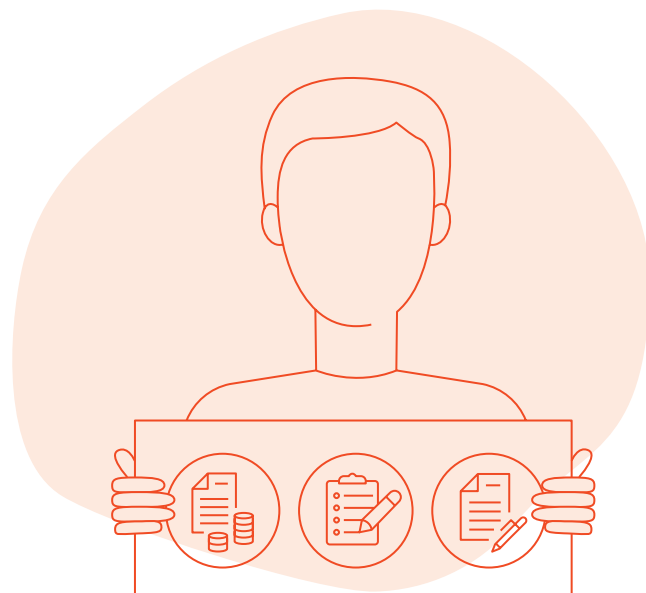


Report of operations: Expenses

For the fiscal year ended July 31, 2018, our expenses were \$145,284,475 compared to \$51,222,848 for the fiscal year ended July 31, 2017, representing an increase of \$94,061,627, or 184%. The increase was primarily related to an increase in disbursements to charities and insurance costs, as well as a decrease in losses on the revaluation of publicly-traded securities. Expenses consist of disbursements to charities, technology and human resource services, insurance, loss of revaluation of publicly-traded securities, investment management fees, bank and credit card fees, interest expense, contractor fees, legal and professional fees, office and administrative expenses, property taxes, amortization, and payroll.



DISBURSEMENTS TO CHARITIES

Consist of funds distributed to qualified donees. Disbursements to charities increased to \$130,874,268 for the fiscal year ended July 31, 2018 from \$43,821,381 for the fiscal year ended July 31, 2017, representing an increase of \$87,052,887, or 199%. The increase is primarily attributable to disbursements of approximately \$74,500,000 to facilitate a transaction in which a registered charity received donations to restructure and reduce its debt, as well as an increase in the number of donors using the Charitable Impact platform.

TECHNOLOGY AND HUMAN RESOURCE SERVICES

Consist of service fees paid to the developer and provider of our technology and administrative services through which we manage the donations that we receive and the disbursements that we pay. The technology and human resource service fees increased to \$12,773,997 for the fiscal year ended July 31, 2018 from \$3,483,910 for the fiscal year ended July 31, 2017, representing an increase of \$9,290,087, or 267%. The increase is primarily attributable to the increase in services delivered, which are the basis for how the technology and human resource service fees are calculated pursuant to a Service Provider Agreement between the Foundation and CHIMP Technology Inc.

INSURANCE

Consists of premiums paid for the maintenance of insurance policies held by the Foundation. The insurance policies include coverage for general liability, directors and officers, cybercrimes, and life insurance. Insurance costs increased to \$524,189 for the fiscal year ended July 31, 2018 from \$22,900 for the fiscal year ended July 31, 2017, representing an increase of \$501,289, or 2,189%. The increase is primarily attributable to the payment of life insurance premiums for co-owned insurance policies.

LOSS ON REVALUATION OF PUBLICLY-TRADED SECURITIES

Consist of a loss in the fair market value of publicly-traded securities held for sale. The loss on revaluation of publicly-traded securities decreased to \$312,473 for the fiscal year ended July 31, 2018 from \$3,375,633 for the fiscal year ended July 31, 2017, representing a decrease of \$(3,063,160), or (91)%. The decrease is primarily attributable to a more diversified portfolio due to an increase in donations of marketable securities.