

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Financial Gravity Companies, Inc.

800-588-3893

<https://financialgravity.com/>

gary.nemer@financialgravity.com

[SIC Code] 6282

Amended Quarter Report

For the period ending June 30, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

94,775,765 as of September 30, 2023 (Fiscal year end)

95,275,765 as of as of June 30, 2024

95,275,765 as of as of July 31, 2024

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

1) **Name and address(es) of the issuer and its predecessors (if any)**

Financial Gravity Companies, Inc., 2501 Ranch Road 620 South, Suite 110, Lakeway, Texas 78734

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Pacific Oil Company was a prior name, changed to Financial Gravity Companies, Inc. on October 31, 2016

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g., active, default, inactive):

Nevada - active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

2501 Ranch Road 620 South, Suite 110, Lakeway, Texas 78734

The address(es) of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Securities Transfer Corporation
Phone: (469) 633-0101
Email: bchou@stctransfer.com
Address: 2901 N. Dallas Parkway, Suite 380, Plano, TX 75093

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: FGCO

Exact title and class of securities outstanding: Common
CUSIP: 31754E102
Par or stated value: \$0.001 Total shares authorized: 300,000,000 as of date: July 31, 2024

Total shares outstanding: 95,275,765 as of July 31, 2024

Total number of shareholders of record: 85 as of date: July 31, 2024

All additional class(es) of publicly quoted or traded securities (if any):

Trading symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____
Total number of shareholders of record: _____ as of date: _____

Trading symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____
Total number of shareholders of record: _____ as of date: _____

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security: _____
CUSIP (if applicable): _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding (if applicable): _____ as of date: _____
Total number of shareholders of record (if applicable): _____ as of date: _____

Exact title and class of the security: _____
CUSIP (if applicable): _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding (if applicable): _____ as of date: _____
Total number of shareholders of record(if applicable): _____ as of date: _____

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

For common equity, describe any dividend, voting and preemption rights.

None

For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

None

Describe any other material rights of common or preferred stockholders.

The shares owned by Mark J. Williams & Ryann N. Williams TTEE are held with the right to a seat on Company's board of directors.

Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

02/22/2023 Company issued 1,000,000 shares in consideration of \$80,000.

06/22/2023 Company issued 968,782 shares in consideration of the purchase of \$96 million in AUM.

As of 06/30/2023 Company issued 1,000,000 shares in consideration of \$100,000.

12/21/2023 Company issued 500,000 shares in connection with the transfer of \$50 million in AUM in connection with the potential acquisition of advisor business assets.

Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance:</u> Date 09/30/2022 Common: 91,806,983 Date 09/30/2023 Common: 94,775,765 Preferred: 0_			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g., for cash or debt conversion)-OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
2/22/2023	<u>New issuance</u>	<u>1,000,000</u>	<u>common</u>	<u>\$0.08</u>	<u>No</u>	<u>Steve Margulin</u>	<u>cash.</u>	<u>Restricted</u>	<u>D</u>
6/22/2023	<u>New Issue</u>	<u>968,782</u>	<u>common</u>	<u>\$0.08</u>	<u>No</u>	<u>Steve Margulin</u>	<u>Shares in consideration of the purchase of \$96 million in assets under management</u>	<u>Restricted</u>	<u>D</u>
6/30/2023	<u>New Issue</u>	<u>1,000,000</u>	<u>common</u>	<u>\$0.10</u>	<u>No</u>	<u>Gregory Fenton</u>	<u>cash</u>	<u>Restricted</u>	<u>D</u>
12/27/2023	<u>New Issue</u>	<u>500,000</u>	<u>common</u>	<u>\$0.10</u>	<u>No</u>	<u>Gregory Fenton</u>	<u>Shares in consideration of the agreement to purchase advisor business assets.</u>	<u>Restricted</u>	<u>D</u>
Shares Outstanding on Date of This Report: <u>Ending Balance: 95,275,765</u> Date: July 31, 2024: Common: <u>95,275,765</u> Preferred: <u>0</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through June 30, 2024 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer’s equity securities :

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance ()	Principal Amount at Issuance ()	Interest Accrued ()	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations. (Please ensure that these descriptions are updated on the Company’s Profile on www.otcmarkets.com).

Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

Financial Gravity Companies, Inc. and Subsidiaries (the “Company”) are located in Lakeway, Texas. Operations are conducted through wholly owned subsidiaries. Company helps investment advisors, insurance agents, accountants and tax professionals expand their businesses by adding additional services, including their own multi-family office. Financial professionals are able to leverage the Financial Gravity systems, technology, proprietary resources, and deep domain expertise to bring proactive tax planning, retirement and estate planning, wealth and investment management, and risk mitigation.

List any subsidiaries, parent company, or affiliated companies.

Tax Master Network, LLC; Financial Gravity Tax Services, LLC; Financial Gravity Asset Management, Inc.; Financial Gravity Enhanced Markets, LLC; Financial Gravity Family Office Services, LLC; Financial Gravity Investment Services, LLC; Forta Financial Group, Inc. (“Forta”) has discontinued its broker/dealer and RIA operations, Financial Gravity Tax, LLC is a service company for tax returns and is not material to financial reporting.

Describe the issuers’ principal products or services.

Tax Master Network (“TMN”) supports over 300 CPA and Enrolled Agent professionals, training them to add crucial tax planning services to support clients.

Financial Gravity Tax Services, LLC provides tax return preparation services to investment advisory clients.

Financial Gravity Asset Management, Inc. ("FGAM"), is a registered investment advisor ("RIA"), registered with the Securities and Exchange Commission, and provides asset management services to individuals and businesses. FGAM had in excess of \$500,000,000 in assets under management as of June 30, 2024.

Financial Gravity Enhanced Markets, LLC ("FGEM") is an insurance marketing organization and provides insurance products and services to insurance agents or agencies. The advisors with FGEM access insurance and other related products through FGEM.

Financial Gravity Family Office Services, LLC ("FGFOS") is an RIA that offers financial planning, and wealth management services to clients through investment advisors. Many of the independent investment advisors are members of TMN that are licensed to provide investment management advice. FGFOS provides support for the multi-family offices run by the TMN members.

Financial Gravity Investment Services, LLC ("FGIS") is an Office of Supervisory Jurisdiction that is affiliated with Kingswood Capital Partners, LLC, a broker dealer. FGIS will have a small number of registered representatives for securities transactions that require a broker/dealer affiliation.

Forta Financial Group, Inc. ("Forta") has discontinued its operations.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Company has commercial office space at 2501 Ranch Road 620 South, Suite 110, Lakeway, Texas 78734 (Corporate headquarters) and a small office in Carmel, CA to service clients in that area.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Shares in 401K, IRA, or brokerage account t	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity	Equity Grants Stock Option Plans
Scott Winters	CEO and Board Member	Lakeway TX	13,705,176	218,889	<u>Common</u>	14.6	-	325,000
Jennifer Winters	COO and Board Member – wife of Scott Winters	Lakeway TX		223,353	<u>Common</u>	0.0002	-	1,000,000
William Nelson, Jr.	Chief Investment Officer and Board Member	Las Vegas NV	13,705,176		<u>Common</u>	14.4	-	1,000,000
John Pollock	Board Member	Prosper TX	15,037,962		<u>Common</u>	15.8	-	250,000
Gary Nemer	CFO	Mill Valley, CA	13,705,175		<u>Common</u>	14.4	-	750,000
Mark Williams	Chief Revenue Officer and Board Member	Carmel, CA	5,333,333		<u>Common</u>	5.6	<u>Mark Williams</u> , Shares held by Mark J. Williams & Ryann N. Williams TTEE	700,000
Ed Lyon	Board Member	Cincinnati, OH.	2,593,500	33,200	<u>Common</u>	0.027	<u>Ed Lyon</u> 2,593,500 shares held by Ed Lyon are held by Tax Tuneup, LLC	250,000

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Roger Crabb
Address 1: 500 North Akard Street, Suite 2700,
Dallas, TX 75201
Address 2:
Phone: Direct: 214.706.4224
Email: Roger.Crabb@solidcounsel.com

Accountant or Auditor

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations

Firm: News Direct Corp
Address 1: 23 South Main Street
Norwalk, CT 06854
Address 2:
Phone: 888.270.0339.
Email: [Hello@NewsDirect.com](mailto>Hello@NewsDirect.com) _____

All other means of Investor Communication:

Twitter: _____
Discord: _____
LinkedIn _____
Facebook: _____
[Other] _____

Other Service Providers provide the name of any other service provider(s) **that assisted, advised, prepared, or provided information with respect to this disclosure statement.** This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Gary Nemer
Title: CFO
Relationship to Issuer: CFO

B. The following financial statements were prepared in accordance with:

xx U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Gary Nemer

Title: CFO

Relationship to Issuer: CFO

Describe the qualifications of the person or persons who prepared the financial statements:5

Chief financial officer of the Company

Provide the following qualifying financial statements:

- o Audit letter, if audited;
- o Balance Sheet;
- o Statement of Income;
- o Statement of Cash Flows;
- o Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- o Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

Balance Sheet:

Financial Gravity Companies, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2024	September 30, 2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$319,601.95	\$106,156.19
Other Current Assets		
Accrued Income	501,739.84	337,895.15
Invested Deposits	--	15,000.00
Ppd. Exp. & Oth. Current Assets	25,489.61	17,245.15
Total Other Current Assets	\$527,229.45	\$370,140.30
Total Current Assets	\$846,831.40	\$476,296.49
Fixed Assets		
Intangible Assets	3,268,891.32	3,307,439.64
Total Fixed Assets	\$3,268,891.32	\$3,307,439.64
Other Assets		
Right-of-use asset, non-current	78,831.00	97,568.00
Total Other Assets	\$78,831.00	\$97,568.00
TOTAL ASSETS	\$4,194,553.72	\$3,881,304.13
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	11,728.65	37,474.37
Credit Cards	23,748.44	18,086.14
Other Current Liabilities		
Accrued exp & other curr liab'	609,948.17	1,096,334.93
Contract liabilities	15,000.00	--
Current right-of-use liability	20,352.00	18,649.00
Notes Payable - current	48,529.28	48,529.28
Related party payables	50,750.00	50,750.00
Rent Payable	88,007.58	88,007.58
Total Other Current Liabilities	\$832,587.03	\$1,302,270.79
Total Current Liabilities	\$868,064.12	\$1,357,831.30
Long-Term Liabilities		
Notes Payable	35,300.72	73,849.04
Right-of-use liability non-curr	69,581.00	90,021.00
Total Long-Term Liabilities	\$104,881.72	\$163,870.04
Total Liabilities	\$972,945.84	\$1,521,701.34
Equity		
Additional Capital Paid-In	18,003,408.50	17,319,030.67
Capital Stock	99,446.11	94,775.76

Retained Earnings	(15,054,203.64)	(14,666,055.22)
Net Income	172,956.91	(388,148.42)
Total Equity	\$3,221,607.88	\$2,359,602.79
TOTAL LIABILITIES AND EQUITY	\$4,194,553.72	\$3,881,304.13

Statement of Income

Financial Gravity Companies, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS
Three Month and Nine Months Ended June 30,
(Unaudited)

	For the Three Months Ending June 30, 2024	For the Three Months Ending June 30, 2023	Change	For the Nine Months Ending June 30, 2024	For the Nine Months Ending June 30, 2023	Change
Income						
Broker Dealer Insurance and Service Income		955.11	(955.11)	0.00	10,923.62	(10,923.62)
	585,477.48	566,558.28	18,919.20	1,631,652.73	2,026,833.88	(395,181.15)
Investment Management Fees	1,610,401.76	1,116,047.28	494,354.48	4,480,419.03	2,579,625.35	1,900,793.68
Total Income	\$2,195,879.24	\$1,683,560.67	\$512,318.57	\$6,112,071.76	\$4,617,382.85	\$1,494,688.91
Expenses						
Compensation Expense	1,724,156.67	1,565,436.60	158,720.07	4,983,609.91	4,269,959.38	713,650.53
Cost of services	76,293.18	14,813.65	61,479.53	106,934.45	44,746.29	62,188.16
Depreciation & Amortization					31,799.98	(31,799.98)
General and Administrative	209,355.37	158,049.79	51,305.58	590,712.65	390,383.84	200,328.81
Marketing	44,924.99	27,530.93	17,394.06	97,587.47	107,974.44	(10,386.97)
Professional Services	71,220.55	(8,209.93)	79,430.48	156,075.04	(13,635.23)	169,710.27
Total Expenses	\$2,125,950.76	\$1,757,621.04	\$368,329.72	\$5,934,919.52	\$4,831,228.70	\$1,103,690.82
Net Operating Income	\$69,928.48	\$(74,060.37)	\$143,988.85	\$177,152.24	\$(213,845.85)	\$390,998.09
Interest Income				\$53.57	\$-	\$53.57
Interest Expense	1,901.89	558.67	1,343.22	4,248.90	2,076.08	2,172.82
Total Other Expenses	\$1,901.89	\$558.67	\$1,343.22	\$4,195.33	\$2,076.08	\$2,119.25
Net Other Income/(Expense)	\$(1,901.89)	\$(558.67)	\$(1,343.22)	\$(4,195.33)	\$(2,076.08)	\$(2,119.25)
Net Income/(Loss)	\$68,026.59	\$(74,619.04)	\$142,645.63	\$172,956.91	\$(215,921.93)	\$388,878.84

Statement of Cash Flows;

Financial Gravity Companies, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended June 30,
(Unaudited)

	2024	2023
OPERATING ACTIVITIES		
Net Income/(Loss)	172,956.91	(215,921.93)
Adjustments to reconcile Net Income to Net Cash provided by operations:		
Accrued Income	(163,844.69)	(137,722.74)
Invested Deposits	15,000.00	10,000.00
Ppd. Exp. & Oth. Current Assets:Prepaid Expenses	(8,244.46)	7,040.25
Accounts Payable	(25,745.72)	(2,980.08)
Credit Cards	5,662.30	20,795.44
Accrued exp & other curr liab	(486,386.76)	(270,212.84)
Contract liabilities:Deferred Revenue – TBP	15,000.00	(88,894.94)
Current right-of-use liability:Current RoU liability	1,703.00	(33,252.00)
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	\$(646,856.33)	\$(495,226.91)
Net cash provided by operating activities	\$(473,899.42)	\$(711,148.84)
INVESTING ACTIVITIES		
Intangible Assets:Goodwill	38,548.32	(37,158.18)
Right-of-use asset, non-current:RoU asset non-current	18,737.00	53,343.00
Net cash provided by investing activities	\$57,285.32	\$16,184.82
FINANCING ACTIVITIES		
Notes Payable	(38,548.32)	(73,036.12)
Right-of-use liability non-curr:RoU liability non-curr	(20,440.00)	(20,514.00)
Additional Capital Paid-In	684,377.83	693,091.75
Capital Stock	4,670.35	2,968.78
Net cash provided by financing activities	\$630,059.86	\$602,510.41
Net cash increase for period	\$213,445.76	\$(92,453.61)
Cash at beginning of period	106,156.19	200,190.23
Cash at end of period	\$319,601.95	\$107,736.62
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$4,248.90	\$2,076.08
State Taxes	\$13,675.93	

Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)

Financial Gravity Companies, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Three, Six and Nine Months ended June 30, 2024 and 2023
(Unaudited)

	Number of Shares Issued and Outstanding	Common Stock Par Value Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balance at March 31, 2024	95,275,765	\$99,446	\$18,022,597	\$(15,054,204.00)	\$3,067,840
Stock based employee compensation expense			15,538		
Adjust retained earnings					
Net Gain				68,026.59	
3 mos 2024 Balance at June 30, 2024	95,275,765	\$99,446	\$18,038,135	\$(14,986,250.00)	\$3,151,331
	Number of Shares Issued and Outstanding	Common Stock Par Value Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balance at December 31, 2023	94,775,765	\$94,776	\$17,319,031	\$(15,054,204.00)	\$2,359,603
Stock based employee compensation expense			(8,102.71)		(8,102.71)
Shares issued	500,000	4,670.35			4,670.35
Adjust retained earnings			690,715.98		690,715.98
Net Gain				104,444.63	104,444.63
6 mos 2024 Balance at June 30, 2024	95,275,765	\$99,446	\$18,001,644	\$(14,949,759.00)	\$3,151,331
	Number of Shares Issued and Outstanding	Common Stock Par Value Amount	Additional Paid-In Capital	Accumulated Deficit	Total

Balance at September 3, 2023	94,775,765	\$94,776	\$17,319,031	\$(15,054,204.00)	\$2,359,603
Stock based employee compensation expense			\$(6,338.36)		(6,338.36)
Shares issued	500,000	4,670.35			4,670.35
Adjust retained earnings			690,715.98		690,715.98
Net Gain				173,512.48	173,512.48
9 mos 2024 Balance at June 30, 2024	95,275,765	\$99,446	\$ 18,003,409	\$ (14,880,691)	\$3,222,163

Financial Notes

Financial Gravity Companies, Inc. and Subsidiaries **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. NATURE OF BUSINESS

Financial Gravity Companies, Inc., and Subsidiaries (the “Company”) are located in Lakeway, Texas. Operations are conducted through wholly owned subsidiaries. Company helps investment advisors, insurance agents, accountants and tax professionals expand their businesses by adding additional services, including their own multi-family office. Financial services professionals are able to leverage Financial Gravity systems, technology, proprietary resources, and deep domain expertise to provide a comprehensive financial service experience to their clients that spans proactive tax planning, retirement and estate planning, wealth management, and risk mitigation.

Tax Master Network, LLC (“TMN”) services a network of over three hundred accountants and tax preparers with three primary services including monthly subscriptions to the tax software systems, coaching and email marketing services.

Financial Gravity Family Office Services, LLC (“FGFOS”) is a registered investment advisor (“RIA”) that offers investment management advice to clients through independent investment advisors. Many of the independent investment advisors are members of TMN that are licensed to provide investment management advice. FGFOS provides support for the multi-family offices run by the TMN members.

Financial Gravity Enhanced Markets, LLC (“FGEM”) is an insurance marketing organization and provides insurance products and services to insurance agents or agencies, including TMN members that are licensed to sell insurance products.

Financial Gravity Asset Management, Inc. (“FGAM”) is an RIA. FGAM provides asset management services, including asset management services to clients of advisors that are registered with FGFOS.

Financial Gravity Investment Services, LLC (“FGIS”) is an Office of Supervisory Jurisdiction that is affiliated with Kingswood Capital Partners, LLC, a broker dealer. FGIS will have a small number of registered representatives for securities transactions that require a broker/dealer affiliation.

Financial Gravity Tax Services, LLC is a service provider that prepares tax returns for clients of FGFOS. It has no separate financial operations and is included in general Company overhead.

Forta Financial Group, Inc. (“Forta”) has no current operations.

SEGMENT REPORTING

We manage our business in reportable segments. Each of our subsidiaries is treated as a segment, and FGIS and Forta are combined under Broker. We evaluate the performance of our operating segments based on a segment’s share of consolidated operating income.

CONSOLIDATING STATEMENTS OF OPERATIONS
Three Months Ended June 30, 2023
(Unaudited)

	Eliminations	FGCO	Broker	FGAM	FGFOS	FGEM	TMN	TOTAL
Income								
Broker Dealer			955.11					955.11
Insurance and Service Income			8,596.45	200.00	4,038.32	269,987.03	283,736.48	566,558.28
Investment Management Fees	(551,612.33)			852,468.95	815,190.66			1,116,047.28
Total Income	\$(551,612.33)	\$-	\$9,551.56	\$852,668.95	\$819,228.98	\$269,987.03	\$283,736.48	\$1,683,560.67
Affiliate Advisor Rev	(551,612.33)			551,612.33				0.00
Total Affiliate Advisor Rev	\$(551,612.33)	\$-		\$551,612.33	\$-	\$-	\$-	\$-
Gross Profit	\$-	\$-	\$9,551.56	\$301,056.62	\$819,228.98	\$269,987.03	\$283,736.48	\$1,683,560.67
Expenses								
Compensation Expense		932,298.39	54.00	20,676.61	428,810.18	125,197.42	58,400.00	1,565,436.60
Cost of services		96.05	3,379.27				11,338.33	14,813.65
General and Administrative		130,741.06	69.85	9,957.27	9,060.42	2,533.83	5,687.36	158,049.79
Marketing		24,243.21					3,287.72	27,530.93
Professional Services		(23,416.93)	13,000.00		2,207.00			(8,209.93)
Total Expenses	\$-	\$1,063,961.78	\$16,503.12	\$30,633.88	\$440,077.60	\$127,731.25	\$78,713.41	\$1,757,621.04
Net Operating Income/(Loss)	\$-	\$(1,063,961.78)	\$(6,951.56)	\$270,422.74	\$379,151.38	\$142,255.78	\$205,023.07	\$(74,060.37)
Other Expenses								
Interest Expense		558.67						558.67
Total Other Expenses	\$-	\$558.67		\$-	\$-	\$-	\$-	\$558.67
Net Other Income/(Exp)	\$-	\$(558.67)		\$-	\$-	\$-	\$-	\$(558.67)
Net Income/(Loss)	\$-	\$(1,064,520.45)	\$(6,951.56)	\$270,422.74	\$379,151.38	\$142,255.78	\$205,023.07	\$(74,619.04)

CONSOLIDATING STATEMENTS OF OPERATIONS
Three Months Ended June 30, 2024
(Unaudited)

	Elimination	FGCO	Broker	FGAM	FGFOS	FGEM	TMN	TOTAL
Income								
Insurance and Service Income		3.95	4,168.80	275.00	117.59	290,311.46	290,600.68	585,477.48
Investment Management Fees	(807,007.46)			1,418,556.43	998,852.79			1,610,401.76
Total Income	\$(807,007.46)	\$ 3.95	\$4,168.80	\$1,418,831.43	\$998,970.38	\$290,311.46	\$290,600.68	\$2,195,879.24
Affiliate Advisor Rev	(807,007.46)			807,007.46				
Total Affiliate Advisor Rev	\$(807,007.46)	\$ -	\$ -	\$807,007.46	\$-	\$-	\$-	\$-
Gross Profit	\$-	\$3.95	\$4,168.80	\$611,823.97	\$998,970.38	\$290,311.46	\$290,600.68	\$2,195,879.24
Expenses								
Compensation Expense		925,733.16	54.00		606,749.50	136,530.01	55,090.00	1,724,156.67
Cost of services		60,031.64	(2,487.26)	7,926.06	84.09	200.00	10,538.65	76,293.18
General and Administrative		167,027.48	39.65	25,805.79	10,848.80	1,965.46	3,668.19	209,355.37
Marketing		41,078.23					3,846.76	44,924.99
Professional Services		22,388.50		43,438.36	5,393.69			71,220.55
Total Expenses	\$-	\$1,216,259.01	\$(2,393.61)	\$77,170.21	\$623,076.08	\$138,695.47	\$73,143.60	\$2,125,950.76
Net Operating Income/(Loss)	\$-	\$(1,216,255.06)	\$6,562.41	\$534,653.76	\$375,894.30	\$151,615.99	\$217,457.08	\$69,928.48
Other Expenses								
Interest Expense		1,901.89						1,901.89
Total Other Expenses	\$-	\$1,901.89	\$-	\$-	\$-	\$-	\$-	\$1,901.89
Net Other Income/(Exp)	\$-	\$(1,901.89)	\$-	\$-	\$-	\$-	\$-	\$(1,901.89)
Net Income/(Loss)	\$-	\$(1,218,156.95)	\$6,562.41	\$534,653.76	\$375,894.30	\$151,615.99	\$217,457.08	\$68,026.59

CONSOLIDATING STATEMENTS OF OPERATIONS
Nine Months Ended June 30, 2023
(Unaudited)

	Eliminations	FGCO	Broker	FGAM	FGFOS	FGEM	TMN	TOTAL
Income								
Broker Dealer Insurance and Service Income			10,923.62					10,923.62
Investment Management Fees	(1,159,771.43)	5,681.00	16,958.97	1,585.14	4,038.32	1,076,703.91	921,866.54	2,026,833.88
Total Income	\$(1,159,771.43)	\$5,681.00	\$31,697.77	\$1,765,516.29	\$1,975,688.77	\$1,076,703.91	\$921,866.54	\$4,617,382.85
Affiliate Advisor Rev	(1,159,771.43)			1,159,771.43				0.00
Total Affiliate Advisor Rev	\$(1,159,771.43)	\$ -	\$-	\$1,159,771.43	\$-	\$-	\$ -	\$-
Gross Profit	\$ -	\$5,681.00	\$31,697.77	\$605,744.86	\$1,975,688.77	\$1,076,703.91	\$921,866.54	\$4,617,382.85
Expenses								
Compensation Expense		2,700,934.05	8,162.00	64,910.71	865,409.67	428,892.95	201,650.00	4,269,959.38
Cost of services		96.05	7,841.67				36,808.57	44,746.29
Depreciation & Amortization		15,479.83					16,320.15	31,799.98
General and Administrative		343,966.24	727.75	22,506.28	15,729.18	5,499.81	1,954.58	390,383.84
Marketing		99,500.80				483.06	7,990.58	107,974.44
Professional Services		(46,754.73)	28,000.00	350.00	4,769.50			(13,635.23)
Total Expenses	\$-	\$3,113,222.24	\$44,731.42	\$87,766.99	\$885,908.35	\$434,875.82	\$264,723.88	\$4,831,228.70
Net Operating Income/(Loss)	\$-	\$(3,107,541.24)	\$(13,033.65)	\$517,977.87	\$1,089,780.42	\$641,828.09	\$657,142.66	\$(213,845.85)
Other Expenses								
Interest Expense		2,080.06	(3.98)					2,076.08
Total Other Expenses	\$-	\$2,080.06	\$(3.98)	\$-	\$-	\$-	\$-	\$2,076.08
Net Other Income/(Exp)	\$-	\$(2,080.06)	\$3.98	\$-	\$-	\$-	\$-	\$(2,076.08)
Net Income/(Loss)	\$-	\$(3,109,621.30)	\$(13,029.67)	\$517,977.87	\$1,089,780.42	\$641,828.09	\$657,142.66	\$(215,921.93)

CONSOLIDATING STATEMENTS OF OPERATIONS
Nine Months Ended June 30, 2024
(Unaudited)

	Eliminations	FGCO	Broker	FGAM	FGFOS	FGEM	TMN	TOTAL
Income								
Insurance and Service Income		11.40	14,665.13	3,557.82	203.79	767,761.60	845,452.99	1,631,652.73
Investment Management Fees	(2,218,404.44)			3,804,357.09	2,894,466.38			4,480,419.03
Total Income	\$(2,218,404)	\$11	\$14,665	\$3,807,915	\$2,894,670	\$767,762	\$845,453	\$6,112,072
Affiliate Advisor Rev	(2,218,404.44)			2,218,404.44				
Total Affiliate Advisor Rev	\$(2,218,404)	\$-	\$-	\$2,218,404	\$-	\$-	\$-	\$-
Gross Profit	\$-	\$11	\$14,665	\$1,589,510	\$2,894,670	\$767,762	\$845,453	\$6,112,072
Expenses								
Compensation Expense		2,808,790.03	162.00	5,341.30	1,697,357.18	320,949.40	151,010.00	4,983,609.91
Cost of services		60,088.60	6,413.50	7,942.31	89.09	200.00	32,200.95	106,934.45
General and Administrative		490,595.77	371.45	52,049.36	29,596.08	7,838.08	10,261.91	590,712.65
Marketing		78,009.97			8,623.29		10,954.21	97,587.47
Professional Services		58,633.42	25,053.57	53,438.36	18,949.69			156,075.04
Total Expenses	\$-	\$3,496,118	\$32,001	\$118,771	\$1,754,615	\$328,987	\$204,427	\$5,934,920
Net Operating Income/(Loss)	\$-	\$(3,496,106)	\$(17,335)	\$1,470,739	\$1,140,055	\$438,774	\$641,026	\$177,152
Other Income								
Interest Income			53.57					53.57
Total Other Income	\$-	\$-	\$53.57	\$-	\$-	\$-	\$-	\$53.57
Other Expenses								
Interest Expense		4,248.90						4,248.90
Total Other Expenses	\$-	\$4,248.90	\$-	\$-	\$-	\$-	\$-	\$4,248.90
Net Other Income/(Exp)	\$-	\$(4,248.90)	\$53.57	\$-	\$-	\$-	\$-	\$(4,195.33)
Net Income/(Loss)	\$-	\$(3,500,355.29)	\$(17,281.82)	\$1,470,739.14	\$1,140,054.84	\$438,774.12	\$641,025.92	\$172,956.91

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements in accordance with GAAP is as follows.

Basis of Consolidation

The consolidated financial statements include the accounts of Financial Gravity Companies, FGAM, FGEM, TMN, FGIS, FGFS and Forta (collectively referred to as the “Company”). All significant intercompany accounts and transactions have been eliminated on consolidation.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an initial maturity of three months or less, when purchased, to be cash equivalents. The Company maintains cash balances at financial institutions located throughout the United States, which at times may exceed insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Reclassifications to Financial Statements and Adjustments

Other payables were adjusted due to termination of the right of former Forta shareholders to receive shares of common stock and payment of a note due. These adjustments reduced liabilities by approximately \$690,000, and resulted in an increase in shareholder equity. The accounting treatment for stock appreciation rights (“SAR”) was adjusted to the equity method of accounting to reflect Company’s decision to issue shares of common stock instead of cash to pay the SAR – the effect was to reduce liabilities by \$64,821.02 and increase shareholder equity. These adjustments did not have a material impact on the consolidated balance sheets.

Prepaid Expenses

Prepaid expenses consist of expenses Company has paid for prior to the service or good being provided. These prepaid expenses will be recorded as expense at the time the service has been provided.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to earnings over their estimated service lives by the straight-line method.

Maintenance and repairs are charged to expenses as incurred; major repairs and replacements are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in operations.

Proprietary Content

Proprietary content has been fully amortized.

Intellectual Property

Company accounts for intellectual property in accordance with GAAP and accordingly, intellectual property is stated at cost. Intellectual property that has an indefinite life is not amortized but is tested for impairment at least annually. Management has determined that intellectual property has an indefinite life and does not consider the value of intellectual property recorded in the accompanying consolidated balance sheet to be impaired as of June 30, 2024 and 2023.

Goodwill

Company conducts ongoing annual impairment assessments, at the reporting unit level, of its recorded goodwill. Company assesses qualitative factors in order to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The qualitative factors evaluated by Company include macroeconomic conditions of the local business environment, overall financial performance, and other entity specific factors as deemed appropriate. If, through this qualitative assessment, the conclusion is made that it is more likely than not that a reporting unit’s fair value is less than its carrying amount, an impairment test is performed. Management determined that no impairment was necessary at June 30, 2024.

Goodwill consists of the following:

Schedule of goodwill

	June 30, 2024	June 30, 2023
TMN Goodwill	\$1,094,702	\$1,094,702
Company Goodwill	2,082,065	2,082,065
Total Goodwill	<u>\$3,176,767</u>	<u>\$3,176,767</u>

Income Taxes

Company accounts for Federal and state income taxes pursuant to GAAP, which requires an asset and liability approach for financial accounting and reporting for income taxes based on tax effects of differences between the financial statement and tax basis of assets and liabilities.

Company accounts for all uncertain tax positions in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 740 – Income Taxes (“ASC 740”). ASC 740 provides guidance on de-recognition, classification, interest and penalties and disclosure related to uncertain income tax positions. Company recognizes accrued interest and penalties related to unrecognized tax benefits as a component of income tax expense. There were no uncertain tax positions or accrued interest or penalties as of June 30, 2024 and 2023.

From time to time, Company is audited by taxing authorities. These audits could result in proposed assessments of additional taxes. Company believes that its tax positions comply in all material respects with applicable tax law. However, tax law is subject to interpretation, and interpretations by taxing authorities could be different from those of Company, which could result in the imposition of additional taxes. Company’s Federal tax returns since 2021 are still subject for examination by taxing authorities.

Earnings Per Share

Basic earnings per common share is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding for the reporting period. Average number of common shares were 95,275,765 and 91,238,723 for three months ended June 30, 2024 and 2023, respectively.

For the three and nine months ended June 30, 2024 and 2023, the earnings per share were \$0 and \$0, respectively.

Revenue Recognition

Company derives its revenues primarily from the following activities: Investment Management Fees, Tax Master Network subscriptions, Financial Advisor subscriptions, Tax Blueprint sales, and Insurance Sales.

Investment management fees are recognized for services provided by Company. Investment management fees include fees earned from assets under management by providing professional services in conjunction with managing clients’ investments. Fees are generally paid monthly in arrears. Revenues are earned over the period in which the service is provided.

Company generates services revenue which is recognized when consulting and other professional services are performed by Company (primarily from TMN and FGEM). Revenue is recognized as services are delivered.

Company generates commission revenue from the sale of annuities and premiums on life insurance policies issued by third party insurance companies. Revenue is recognized when commissions are earned from when it is determined that insurance products are sold. Commissions are received after products are sold, issued or in force.

Tax Master Network provides subscription services that are charged and collected on a month-to-month basis. None of these programs come with a long-term commitment or contract, and there is no up-front payment beyond the monthly subscription fee. Cancellations are processed within the month requested and memberships are closed at the end of the period for which the most recent payment was made. Members are not entitled to refunds for unused memberships. Any subscription fees paid for a future period are deferred in the financial statements. TMN also sells Tax Blueprint®. These are tax planning strategy guides, to save customers taxes through the implementation of the recommended tax strategies. After an initial assessment, the customers pay a fixed fee based on TMN's estimate of potential future savings. A contract liability is recognized when the customer payment is received. Revenue is deferred until the customer reviews and accepts the final Tax Blueprint® document and returns an executed delivery agreement.

Revenue represents gross billings less discounts. State sales and revenue taxes may be included in billings. Amounts invoiced for work not yet completed are shown as contract liabilities in the accompanying consolidated balance sheets.

Accrued revenues are recorded for investment management fees that are paid in arrears and are generally collected within a few days of month end by debiting client accounts held by a custodian. The allowance for doubtful accounts was \$0 as of June 30, 2024 and 2023, respectively.

FGAM and FGFOS generate investment management fees for services provided by Company to clients. Investment management fees include fees earned from assets under management by providing professional services in conjunction with managing client investments. Revenue is recognized as earned and billed at the end of each monthly period. FGAM shares certain clients with FGFOS and the professional fees charged to the FGFOS client accounts are treated as affiliate expense to FGAM and revenue to FGFOS.

FGIS generates commission revenue from the sale of securities and annuities and premiums on life insurance policies. The revenue is recognized when commissions are earned, or when it is determined that annuities or insurance products are sold, which is typically at the trade date. Commissions are collected after products are sold, issued or in force.

FGEM generates revenue from insurance marketing services for insurance agents, including sourcing of insurance policies through selling agreements. Revenue is recognized when the policies have been accepted by the issuer and it is probable the commission will be received.

TMN generates service income from subscriptions and tax planning.

Revenue

Nine Months Ending June 30, 2024 compared to 2023

The Company's insurance and service income, which includes revenues from TMN, FGEM, and Forta, totaled approximately \$1,631,653 for the nine months ended June 30, 2024, a decrease of approximately \$395,181 compared to approximately \$2,026,834 for the nine months ended June 30, 2023.

The Company's investment management fees, which include revenues from FGAM and FGFOS, totaled approximately \$4,480,419 for the nine months ended June 30, 2024, an increase of approximately \$1,900,794 compared to approximately \$2,579,625 for the nine months ended June 30, 2023. This increase was primarily due to a rise in assets under management for both FGAM and FGFOS.

FGAM's investment management fees increased by approximately \$2,040,426, from \$1,763,931 for the nine months ended June 30, 2023, to \$3,804,357 for the nine months ended June 30, 2024. FGFOS' investment management fees increased by approximately \$922,816, from \$1,971,650 for the nine months ended June 30, 2023, to \$2,894,466 for the nine months ended June 30, 2024.

FGEM's service income decreased by approximately \$308,942, from \$1,076,704 for the nine months ended June 30, 2023, to \$767,762 for the nine months ended June 30, 2024, due to lower insurance-related services.

For the nine months ended June 30, 2024, total revenue increased by approximately \$1,494,689 compared to the nine months ended June 30, 2023, primarily due to increases in investment management fees due to growth in assets under management, which was offset by the decrease in insurance and service income.

Three Months Ending June 30, 2024 compared to 2023

The Company's insurance and service income, which includes revenues from TMN, FGEM, and Forta, totaled approximately \$585,477 for the three months ended June 30, 2024, an increase of approximately \$18,919 compared to approximately \$566,558 for the three months ended June 30, 2023.

The Company's investment management fees, which include revenues from FGAM and FGFOS, totaled approximately \$1,610,402 for the three months ended June 30, 2024, an increase of approximately \$494,355 compared to approximately \$1,116,047 for the three months ended June 30, 2023. This increase was primarily due to a rise in assets under management for both FGAM and FGFOS.

FGAM's investment management fees increased by approximately \$566,087, from \$852,469 for the three months ended June 30, 2023, to \$1,418,556 for the three months ended June 30, 2024. FGFOS' investment management fees increased by approximately \$183,662, from \$815,191 for the three months ended June 30, 2023, to \$998,853 for the three months ended June 30, 2024.

FGEM's service income increased by approximately \$20,324, from \$269,987 for the three months ended June 30, 2023, to \$290,311 for the three months ended June 30, 2024, due to higher insurance-related services.

For the three months ended June 30, 2024, total revenue increased by approximately \$512,319 compared to the three months ended June 30, 2023, primarily due to increases in investment management fees from growth in assets under management and insurance and service income.

Operating Expenses

Nine Months Ending June 30, 2024 compared to 2023

Compensation expense increased by approximately \$713,651, from \$4,269,959 during the nine months ended June 30, 2023, to \$4,983,610 during the same period in 2024. This increase was primarily driven by increases in salaries at FGCO and increased commission expense due to increased assets under management at FGFOS.

Cost of services expenses increased by approximately \$62,188, from \$44,746 during the nine months ended June 30, 2023, to \$106,934 during the same period in 2024, primarily due to reserves for customer reimbursement.

General and administrative expenses for the nine months ended June 30, 2024, amounted to approximately \$590,713, representing an increase of approximately \$200,329 compared to the nine months ended June 30, 2023, when general and administrative expenses were approximately \$390,384. The increase in general and administrative expenses for the nine-month period was mainly attributable to the following: 1) FGCO's general and administrative expenses increased by approximately \$146,630, from \$343,966 during the nine months ended June 30, 2023, to approximately \$490,596 during the same period in 2024. 2) FGAM's general and administrative expenses increased by approximately \$29,543, from \$22,506 during the nine months ended June 30, 2023, to \$52,049 during the same period in 2024. 3) FGFOS' general and administrative expenses increased by approximately \$13,867, from \$15,729 during the nine months ended June 30, 2023, to \$29,596 during the same period in 2024. The increases in general and administrative expenses at Company, FGAM, and FGFOS were primarily related to increased technology expenses and other administrative costs associated with the growth of the respective businesses.

Marketing expenses decreased by approximately \$10,387, from \$107,974 during the nine months ended June 30, 2023, to \$97,587 during the same period in 2024.

Professional services expenses increased by approximately \$169,710, from a credit of \$13,635 during the nine months ended June 30, 2023, to an expense of \$156,075 during the same period in 2024. This increase is primarily due to higher legal expenses in 2024 and outsourced workers supporting the tax return practice.

The total operating expenses for the nine months ended June 30, 2024, amounted to approximately \$5,934,920, representing an increase of approximately \$1,103,691 compared to the nine months ended June 30, 2023, when total operating expenses were approximately \$4,831,229. The changes in operating expenses are described above.

Three Months Ending June 30, 2024 compared to 2023

Compensation expense increased by approximately \$158,720, from \$1,565,437 during the three months ended June 30, 2023, to \$1,724,157 during the same period in 2024. This increase was primarily driven by increases of salary at Company and increased commission expense due to increased assets under management at FGFOS.

Cost of services expenses increased by approximately \$61,480, from \$14,814 during the three months ended June 30, 2023, to \$76,293 during the same period in 2024. This is primarily due to reserves for customer services.

General and administrative expenses for the three months ended June 30, 2024, amounted to approximately \$209,355, representing an increase of approximately \$51,306 compared to the three months ended June 30, 2023, when general and administrative expenses were approximately \$158,050. The increase in general and administrative expenses for the three-month period was mainly attributable to the following: 1) FGCO's general and administrative expenses increased by approximately \$36,286, from \$130,741 during the three months ended June 30, 2023, to approximately \$167,027 during the same period in 2024. 2) FGAM's general and administrative expenses increased by approximately \$15,849, from \$9,957 during the three months ended June 30, 2023, to \$25,806 during the same period in 2024. 3) FGFOS' general and administrative expenses increased by approximately \$1,789, from \$9,060 during the three months ended June 30, 2023, to \$10,849 during the same period in 2024. The increases in general and administrative expenses at FGCO, FGAM, and FGFOS were primarily related to increased technology expenses and other administrative costs associated with the growth of the respective businesses.

Marketing expenses increased by approximately \$17,394, from \$27,531 during the three months ended June 30, 2023, to \$44,925 during the same period in 2024 due to increased marketing activity.

Professional services expenses increased by approximately \$79,431, from a credit of \$8,210 during the three months ended June 30, 2023, to an expense of \$71,221 during the same period in 2024. This increase is primarily due increased legal fees and costs for outsourced personnel.

The total operating expenses for the three months ended June 30, 2024, amounted to approximately \$2,125,951, representing an increase of approximately \$368,330 compared to the three months ended June 30, 2023, when total operating expenses were approximately \$1,757,621. The changes in operating expenses are described above.

Compensation Expense

Company includes in compensation all salaries, wages, employee benefits, payroll costs, payroll taxes, commissions to employees and to independent investment advisors, payments to related party consultants, and stock-based compensation.

Company recognizes the fair value of stock-based compensation awards as Compensation in the accompanying statements of operations for employee grants, commissions for non-employee grants, and stock appreciation rights grants, on a straight-line basis over the vesting period, using the Black-Scholes option pricing model, using the Black-Scholes option pricing model, which is based on risk-free annual rate of 5.45% in the quarter ended June 30, 2024 and 4.85% in 2023, dividend yield of 0%, expected life of 10 years and volatility of 51.33 % and 62.58 % in the quarters ended June 30, 2024 and 2023, respectively. SAR awards are treated as a liability award while the options are treated as equity awards. Forfeitures are recorded as they occur.

Starting in Fiscal Year 2024, the Board has authorized performance bonuses to its CEO, Scott Winters as follows:

Starting in fiscal year 2024, on the condition that Company's cash flow is sufficient to cover all projected costs and expenses, and upon approval by the Board of Directors, Mr. Winters shall be paid bonuses based upon the following formula:

1.5% of Profit that is maintained compared to the prior annual period, plus

2.5% of Profit growth compared to the prior annual period.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates that the Company will need to manage additional asset units under contract and/or secure additional financing to fully implement its business plan, including continued growth and establishment of a stronger brand. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of these uncertainties.

For the nine months ended June 30, 2024, the Company reported approximately \$6,112,072 in revenue, the Company reported net income of approximately \$172,957, an increase of \$388,879 compared to a net loss of approximately \$215,922 for the same period in 2023. This improvement in net income was primarily due to the significant increase in investment management fees, which outpaced the increase in operating expenses. The profit included a significant amount generated from FGEM insurance business which is not recurring. Therefore, to sustain profitability, the Company may need to maintain profits from insurance transactions from FGEM (approximately \$438,774), continue to increase assets under management and service income, or find other revenue sources. During the three months ended June 30, 2024, the Company had a profit of approximately \$68,027.

The positive trends in revenue, profitability, and cash flow indicate an improvement in the Company's financial performance compared to the prior year for the same period. However, the Company still has a significant accumulated deficit of approximately \$15,000,000, which highlights the need for continued improved financial performance, and potentially additional financing to support the Company's long-term growth plans. There are liabilities reflected in the financial statements for Forta. Forta has discontinued operations. Company anticipates that the Forta liabilities will be subject to adjustment in future periods.

Management plans to focus its growth objectives on continuing to increase its recurring fees from assets under management and its services income (including from FGEM insurance revenue), and by pursuing additional acquisitions and strategic relationships.

Recent Accounting Pronouncements

ASU 2024-07 is effective for fiscal years beginning after December 15, 2024, and for interim periods after December 15, 2024. ASU 2024-07 prescribes new disclosure requirements for segment reporting. ASU 2024-09 is effective for fiscal years beginning after December 15, 2024. ASU 2024-09 prescribes new disclosure requirements for an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. Company is currently evaluating the impact of adoption of this accounting guidance on Company's consolidated financial statements. Company currently does not anticipate the adoption of ASU 2024-07 and 2024-09 will have a material impact on Company's financial condition or results of operations.

3. PROPERTY AND EQUIPMENT

Company has written off all remaining property and equipment that was subject to depreciation.

4. INTELLECTUAL PROPERTY

Company accounts for intellectual property in accordance with GAAP and accordingly, intellectual property is stated at cost. Intellectual property that has an indefinite life is not amortized but is tested for impairment at least annually. Management has determined that

intellectual property has an indefinite life and does not consider the value of intellectual property recorded in the accompanying consolidated balance sheet to be impaired as of June 30, 2024 and 2023.

Trademarks at June 30, 2024 and 2023	\$ <u>53,170</u>
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5. LINE OF CREDIT

Company has a revolving line of credit with Wells Fargo Bank, N.A. in the amount of \$67,500. Amounts drawn under this line of credit are due on demand, and monthly interest and principal payments are required. The interest rate on the line of credit is 9.5%. This line of credit is collateralized by the personal guarantee of John Pollock, Executive Vice President – Sales. The line of credit balance was \$0 and \$0 of June 30, 2024 and 2023, respectively.

6. NOTES PAYABLE

On February 2, 2023, Forta received a PPP loan in the amount of \$422,900. This PPP loan bears a fixed interest rate of 1% over a five-year term, is guaranteed by the federal government, and does not require collateral. The Small Business Administration has informed Forta that it applied for more than was allowed in the program and that \$339,070 of the outstanding principal is forgiven, but because Forta obtained a greater loan amount than was forgiven, the remaining balance of \$83,830 is owed by Forta.

Company’s maturities of debt subsequent to June 30, 2024 are as follows:

2024	\$	0
2025		–
2026		83,830
2027 and thereafter		<u>–</u>
	\$	<u>83,830</u>

7. ACCRUED EXPENSES

Accrued expenses consist of the following at June 30, 2024:

Sales Tax Payable	\$39,945.10
Payroll payable	516.76
Vacation pay liability	22,193.90
State Corp Tax liability	5,000.00
FCC Termination fee obligation	125,479.97
Accrued E&O Liability	60985.93
Total w/o advisor payable	<u>\$254,121.66</u>
Payable to Advisors	350,225.94
Total	<u>\$604,347.60</u>

Commissions payable is a timing issue due to payment being made during the next month. Approximately \$85,000 in commissions are subject to a adjustment disputes.

8. INCOME TAXES

Company elected C Corporation tax status from inception. Net operating losses (“NOL”) total approximately \$9,700,000 as of June 30, 2024 and may be carried forward to offset 80% of future taxable income. The projected income tax for the year ending September 30, 2024 is de minimis, accordingly, no current provision for income tax has been recorded in the accompanying statements of operations.

The following table summarizes the difference between the actual tax provision and the amounts obtained by applying the statutory tax rates to the income or loss before income taxes for the three months ended June 30:

	2024	2023
Tax benefit calculated at statutory rate	21.00%	21.00%
Non-deductible expenses	(9.56%)	(19.30%)
State tax, net of federal benefit	—	—
Effect of rate change	—	—
Changes to valuation allowance	(11.44%)	(1.70%)
Provision for income taxes	—%	—%

A deferred tax liability or asset is determined based on the difference between the financial statement and tax bases of assets and liabilities as measured by the enacted tax rates which will be in effect when these differences reverse. Deferred tax expense or benefit in the accompanying consolidated statements of operations are the result of changes in the assets and liabilities for deferred taxes. The measurement of deferred tax assets is reduced, if necessary, by the amount for any tax benefits that, based on available evidence, are not expected to be realized. Income tax expense is the current tax payable or refundable for the year plus or minus the net change in the deferred tax assets and liabilities. Deferred income taxes of Company arise from the temporary differences between financial statement and income tax recognition of NOL carry-forwards. A valuation allowance for the full amount of the NOL has been recognized. For tax years beginning after December 31, 2017, the NOL deduction is limited to 80% of taxable income (calculated without regard to the deduction). This means that companies can only use NOLs to offset up to 80% of their taxable income in a given year.

The deferred tax assets and liabilities in the accompanying consolidated balance sheets include the following components at June 30:

Schedule of deferred tax assets and liabilities		
	2024	2023
Net non-current deferred tax assets:		
Net operating loss carryforward	(\$2,037,000)	(\$1,438,996)
Amortization	0	(12,206)
Depreciation	0	10,036
Valuation allowance	(\$2,037,000)	\$(1,441,166)
Net deferred taxes	—	—

9. COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS

Leases

Company leases their office space through an operating lease in Lakeway, Texas, and a short-term lease in Carmel, California. Company's lease agreements do not contain any material residual value, guarantees or material restrictive covenants. Company determines if an arrangement is an operating lease at inception. Leases with an initial term of less than 12 months are not recorded on the balance sheet. All other leases are recorded on the balance sheet as right-of-use assets and lease liabilities for the lease term. Lease assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term and include options to extend or terminate the lease when they are reasonably certain to be exercised. The present value of lease payments is determined primarily using the incremental borrowing rate based on the information available at lease commencement date. Company's operating lease expense is recognized on a straight-line basis over the lease term and is recorded in general and administrative expenses.

Company incurred lease expenses for its operating leases of approximately \$18,000 and \$25,000 (including CAM expense) for the three months ending June 30, 2024 and 2023, respectively, which was included in "General and administrative" expense on the accompanying consolidated statements of operations. Rent expense is recorded on a straight-line basis over the term of the lease. Management expects that in the normal course of business, leases will be renewed or replaced by other leases.

Company has a lease in Lakeway, Texas. The lease runs through January 31, 2027. The total rent expense for the lease was approximately \$9,000 and \$9,000 for the years ended June 30, 2024 and 2023, respectively. There are renewal options at the end of this lease. At this time, renewal is uncertain. Company entered into a short-term lease in Carmel, California, with annual renewal options, the rent expense will be approximately \$13,000 for each annual renewal period. The average remaining lease term is approximately 3 years.

Minimum future annual rental payments under non-cancelable operating leases having original terms in excess of one year are approximately as follows:

	2024	\$29,000
	2025	40,000
	2026	40,000
Total undiscounted lease payments		\$109,000
Approximate Imputed interest		(\$10,000)
Present value of lease payable		\$99,000

Legal Proceedings

From time-to-time Company is involved in litigation. There are presently two matters pending: 1) A lawsuit was filed against FGAM, alleging that FGAM is responsible for the recommendations made by a third-party solicitor and that FGAM failed to supervise the solicitor. Further the plaintiffs allege that the solicitor's associate was a registered advisor with FGAM, who FGAM allegedly failed to adequately supervise and is responsible for all investment advice by the associate, including the advice provided by the solicitor. The claim dates from more than four years ago, and is not insured. It is too early to determine whether FGAM has any exposure; 2) FGFOS has been sued alleging that investments that were recommended were unsuitable for a client. The alleged losses arise from investment recommendations made by the clients' prior brokerage firm. The allegation is that FGFOS should have recommended that the investments be sold. It is currently unclear how FGFOS can be liable under these circumstances, but an analysis is ongoing.

10. STOCKHOLDERS' EQUITY

Common Stock

Company is authorized to issue up to 300,000,000 shares of common stock, par value \$0.001 per share.

Preferred Stock

Company and its subsidiaries do not have a preferred stock authorization in its articles of incorporation.

Common Stock Issuances

02/22/2023 Company issued 1,000,000 shares in consideration of \$80,000.

06/22/2023 Company issued 968,782 shares in consideration of the purchase of \$96 million in AUM.

06/30/2023 Company issued 1,000,000 share in consideration of \$100,000.

12/21/2023 Company issued 500,000 shares as part of the consideration for an agreement to purchase the interest in an LLC that has over \$100 million in assets under management.

11. STOCK OPTION PLAN

Effective November 22, 2016, Company established the 2016 Stock Option Plan (the "2016 Plan"). Company's Board of Directors has the authority and discretion to grant stock options. The maximum number of shares of stock that may be issued and exercised under the Plan is 20,000,000 and the maximum term of an award is 10 years. Eligible individuals include any employee of Company or any director, consultant, or other person providing services to Company. The expiration date and exercise price are as established by Company's Board of Director. The first date any options were granted under the 2016 Plan was December 19, 2016. There is also a dormant 2015 Plan with 8,632 shares exercisable.

All Stock Award Activity Details		Weighted Avg. Exercise Price	Weighted Avg. Fair Value*	Total Fair Value*	Aggregate Intrinsic Value
Awards Outstanding as of 10/01/2023	7,207,542	\$0.2227	\$0.0929	\$669,889.10	\$959,112.50
Awards Granted in Period	815,000	\$0.1852	\$0.1781	\$145,171.00	\$113,850.00
Performance Awards Over 100%, Earned in Period	0	\$0.00	\$0.00	\$0.00	\$0.00
Awards Exercised	0	\$0.00	\$0.00	\$0.00	\$0.00
Awards Canceled	585,000	\$0.1008	\$0.0888	\$51,951.8000	\$128,250.00

Expired	0	\$0.00	\$0.00	\$0.00	\$0.00
Forfeited	585,000	\$0.1008	\$0.0888	\$51,951.8000	\$128,250.00
Other	0	\$0.00	\$0.00	\$0.00	\$0.00
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Awards Outstanding as of 06/30/2024	7,437,542	\$0.2281	\$0.1027	\$764,047.62	\$944,712.500
Awards Vested	5,290,942	\$0.2177	\$0.0964	\$510,164.83	\$619,308.900
Awards Nonvested	2,146,600	\$0.2539	\$0.1183	\$253,882.79	\$325,403.600
Awards Exercisable as of 06/30/2024	5,290,942	\$0.2177	\$0.0964	\$510,164.83	\$619,308.900

The stock options granted under the 2016 Plan have 2-to-5-year vesting periods. Total compensation expense included previously unamortized stock-based compensation was approximately \$(47,000) and \$414,000 for the nine months ended June 30, 2024 and 2023, respectively.

12. RELATED PARTY TRANSACTIONS

Included in compensation expenses for TMN were consulting fees paid to a related party as a condition to the TMN acquisition. One agreement is with an entity owned by Ed Lyon to provide consulting services to TMN, including updating of the tax strategies to comply with tax law and rules. The payments each month are \$5,000, and commissions are earned on the sale of tax blueprints. The total annual payments under this agreement is \$60,000, plus the commissions. The other agreement is with Vandata, LLC, which is owned by Keith Vandestadt who was one of the former owners of TMN who provides consulting services to TMN and is paid \$1,500 per month, for an annual total of \$18,000, and additional charges for hourly programming work that typically does not exceed \$10,000 annually.

The Company owes a company owned by John Pollock, an officer of Company, \$50,750 for consulting services as of June 30, 2024. Payments are not being made at this time on this obligation.

13. SUBSEQUENT EVENT

None

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Scott Winters certify that:

1. I have reviewed this Disclosure Statement for Financial Gravity Companies, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 1, 2024

/s/ Scott Winters

Principal Financial Officer:

I, Gary Nemer certify that:

1. I have reviewed this Disclosure Statement for Financial Gravity Companies, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 1, 2024

/s/ Gary Nemer