UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2023

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to ____________

Commission file number 0-17449

PROCYON CORPORATION

(Exact name of registrant as specified in its charter)

Colorado	5 9-3280822
(State of incorporation)	(I .R.S. Employer ID No.)

164 Douglas Rd, Oldsmar, Florida 34677
(Address of principal executive offices)(Zip Code)
Issuer's telephone number, including area code: (727) 447-2998

Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act: Common Stock

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. [ ] Yes [x] No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. [ ] Yes [x] No

Indicate by checkmark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No [ ]

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer,""accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

[ ] Large accelerated filer	[ ] Accelerated filer
[ ] Non-accelerated filer	[X] Smaller reporting company
	[ ] Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepare or issued its audit report. [ ]

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. [ ]

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes[ ] No [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter:

The aggregate market value of the 3,916,652 shares of Common Stock held by non-affiliates was $1,135,829 on September 7, 2023, the date of the last sale of common stock, based on the average bid and asked price of $.29 on such date.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

As of September 19, 2023, there were 8,087,388 shares of the issuers Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:
None.

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PART I

ITEM 1. BUSINESS

History and Organization

Procyon Corporation ("Procyon" or the "Company") consolidates the operations of Procyon with AMERX® Health Care Corporation("AMERX") and Sirius Medical Supply, Inc. ("Sirius"), its wholly-owned subsidiaries, for financial purposes. Collectively throughout this report, Procyon, Amerx and Sirius may be referred to as the "Company," "us," or "we" or "our."

Procyon, a Colorado corporation, was incorporated on March 19, 1987, and was deemed a development stage company until May 1996, when we acquired Amerx, a corporation based in Oldsmar, Florida, which was wholly owned by John C. Anderson, our deceased Chief Executive Officer. AMERX® develops and markets proprietary medical products used in the treatment of pressure ulcers, stasis ulcers, wounds, dermatitis, inflammation and other skin problems. Historically, AMERX's products are sold through distributors to healthcare institutions including hospitals, wound care clinics, nursing homes and home health care agencies and to retailers including national and regional chain stores and pharmacies and to healthcare practitioners who treat wounds. Sirius no longer has any material operations.

Products

Major product lines - AMERX®, AMERIGEL® , HELIX3 Bioactive Collagen®, EXTREMIT-EASE® Compression Garment and Advantagen® Surgical Collagen.

AMERX markets a proprietary line of AMERIGEL® advanced skin and wound care products made with Oakin®, proven to promote healing in wound and problematic skin conditions, including AMERIGEL Hydrogel Wound Dressing, AMERIGEL Post Op Surgical Kits, AMERIGEL Saline Wound Wash, AMERIGEL Care Lotion, and AMERIGEL Barrier Lotion. These products have become the core foundation for AMERX's growth.

In the second half of fiscal 2015, AMERX expanded its product brands by introducing HELIX3 Bioactive Collagen. HELIX3 is available in Collagen Powder (HELIX3 CP) and Collagen Matrix (HELIX3 CM); developed to address market segments previously unavailable to AMERX. In 2022, HELIX3 Collagen Gel was added to expand this line of products.

In fiscal 2016, AMERX continued its brand expansion by introducing the AMERX wound care product line. The line consists of: AMERX Calcium Alginate Dressing, AMERX Foam Dressing, AMERX Gauze Dressing, AMERX Hyrdocolloid Dressing, and AMERX Wound Care Kits, including AMERX Calcium Alginate Wound Care Kit, AMERX Collagen Matrix Wound Care Kit, AMERX Collagen Powder Wound Care Kit, AMERX Foam Wound Care Kit and AMERX Hydrogel Wound Care Kit.

In fiscal 2017, AMERX expanded its product line to include a new segment of the wound care market by introducing the EXTREMIT-EASE Compression Garment line. Extremit-Ease received a patent in June of 2022. These new products have demonstrated early success and product expansion has made it possible for AMERX to provide treatments outside its historical niche.

In fiscal 2021, AMERX introduced AMERIGEL Hand Sanitizer, a premium product containing 70% alcohol to be effective against germs and moisturizers to keep the skin from drying out from heavy use.

In fiscal 2022, AMERX expanded its product line with the introduction of Advantagen, a surgical collagen powder that promotes wound closure and decreases the potential for surgical site infection. AMERX also introduced AMERX Rolled Gauze Wound Care Kits. These kits provide alternative dressing options for patients when traditional bandage applications are problematic. AMERX also updated its AMERX Dressing product line, including Calcium Alginate, Foam and Gauze Dressings; used in the treatment of wounds. AMERX also added Retention tape to this product line furthering the Companies breadth of wound care product.

In fiscal 2023, AMERX expanded it product line with the introduction of Helix Collagen Gel. Helix Collagen Gel addresses wounds that are dry to moderate in drainage.

AMERX wound care products sold under the brand names AMERIGEL, HELIX3, AMERX and EXTREMIT-EASE have received approval for Medicare reimbursement, assigned by the Pricing, Data Analysis and Coding contractor for Medicare and Medicaid ("PDAC"). We believe this reimbursement code is beneficial to AMERX's business, allowing customers on Medicare to seek coverage for use of these products. AMERX will continue to evaluate product line expansion in fiscal 2024.

AMERX spent approximately $30,600 towards research and development efforts over the past fiscal year. These efforts were directed towards new product offerings.

The AMERIGEL product line with OAKIN is based on proprietary formulations which are protected as trade secret information and with registered trademarks. AMERX filed for patent protection on the Extremit-Ease Compression Garment in 2017. The patent was approved in June 2022. HELIX3, HELIX3 CP, HELIX3 CM and HELIX3 Bioactive Collagen, OAKIN and EXTREMIT-EASE are registered trademarks of AMERX Health Care. All products are registered with the Food and Drug Administration ("FDA").

AMERX product lines continue to gain acceptance within the health care community. AMERX owns and operates four different websites. The sites can be viewed at www.amerigel.com, www.amerxhc.com, www.extremitease.com and www.amerxstore.com. These websites provide viewer-focused information about AMERX's products to consumers (amerigel.com and extremitease.com) and health care providers (amerxhc.com). Amerxstore.com, amerigel.com and extremitease.com are equipped to handle direct sales to the public.

Market for Products

We have expanded our product line over the years to address a broader range of wound applications. Our core AMERIGEL product line containing Oakin® established our presence in the physician market to address skin and wound care treatment needs. HELIX3 Bioactive Collagen was added to our product line in fiscal 2015 and AMERX Kits, dressings and bandages in fiscal 2016 to address the broader wound care market needs for an increasing number of people with diabetes and obesity. This market is primarily comprised of hospitals, wound care centers, nursing homes, home health care agencies and health care practioners. The EXTREMIT-EASE® Compression Garment, introduced in 2017, enables AMERX Health Care to compete in the global compression therapy market, a multi-billion market that is projected to escalate as a result of aging populations, rising prevalence of diabetes, lymphatic diseases, cancer surgeries, venous diseases and sports injuries. In fiscal 2019, the Company continued expanding its sales channel designed to reduce inventory costs while increasing access to AMERX full line of products, through existing markets. Amerx grew its Wound Care product line with the addition of Retention Tape, additional Bordered Foam sizes and additional sizes of Calcium Alginate products. The HELIX Collagen line grew with the addition of a 1" x 1", 4" x 4" and 7" x 7" Matrix pad. In fiscal 2021, AMERX added a 1" x 6" and 1" x 10" matrix pad to HELIX Collagen lline. In fiscal 2020, AMERX's Extremit-Ease Compression Garment line expanded with the introduction of a Tan version of the garment and matching liner. Extremit-Ease continues to gain momentum in the wound care, edema and lymphedema markets with plans to further expand the line. In fiscal 2021, AMERX introduced AMERIGEL Hand

Sanitizer, a premium product containing 70% alcohol to be effective against germs and moisturizers to keep the skin from drying out from heavy use. In fiscal 2022, AMERX expanded its Collagen line with the introduction of Advantagen®, to bring its line of products into hospital and surgery center settings. AMERX also repackaged its AMERX Dressing product line, including Calcium Alginate, Foam and Gauze Dressings; and added Retention Tape as a secondary dressing option.

We believe AMERX Health Care's products offer quality, efficacious treatment options for acute and chronic wounds, ulcers and recurring skin conditions, and therapy options for edema most often treated by health care professionals. The retail market for AMERX products is comprised of national and regional chain stores, independent retail pharmacies and medical supply stores.

Distribution and Sales

AMERX's traditional method of distribution has been through retail and institutional distributors. We expect to continue increasing our distributor base, particularly with distributors capable of introducing AMERX's products in new medical specialty markets, in new geographical areas and to new retail chains. Distributors typically purchase products from AMERX on standard credit terms (2%10, Net 30). AMERX supports its distributors through product literature, advertising and participation at industry trade shows. All existing distributors sell AMERX products on a non-exclusive basis. Amerx continues to show significant growth in its internet channel of sales, which includes all or their products, excluding kits (exclusive to the professional market).

We periodically receive inquiries about international market distribution for the AMERIGEL product line. These inquiries have been generated by our advertising, market presence and web sites (www.amerxhc.com, www.amerigel.com and www.extremitease.com). We respond to and pursue all such inquiries, while complying with applicable international regulatory guidelines.

In fiscal 2023, AMERX generated all of our net sales of approximately $4,687,000.

Significant Customer(s)

During the year ended June 30, 2023 sales from one customer accounted for approximately more than 10% of AMERX’s sales. In fiscal 2022 one customer accounted for more than 10% of AMERX’s sales.

Manufacturing

During fiscal 2023, the majority of manufacturing of AMERX's products was completed by non-affiliated manufacturing facilities. AMERX has written contracts with its manufacturers (and there are no minimum purchase requirements). The agreements / arrangements made with multiple manufacturers reduces the potential risk associated with relying on a single manufacturer. AMERX believes there are additional companies that could manufacture AMERX products according to specifications, if necessary.

AMERX's manufacturing and packaging activities are performed pursuant to Current Good Manufacturing Practices ("CGMP") as defined under the United States Federal Food, Drug and Cosmetic Act, as amended (the "FFDC Act") and the regulations promulgated under the FFDC Act. All manufacturing activities are required to comply with the product specifications, supplies and test methods developed by AMERX specifically for its products, as well as the CGMP.

A single source currently furnishes a proprietary ingredient contained in the AMERIGEL products. AMERX does not have a written contract with this supplier; however, management believes that, if necessary, an alternative supplier could be secured within a reasonable period of time. The manufacturer generally provides other raw materials and ingredients and we believe there are numerous other sources for these materials and ingredients. However, there can be no assurance that AMERX would be able to timely secure an alternative supplier and the failure to replace this supplier in a timely manner could materially harm AMERX's results of operations.

Proprietary Rights

The United States Patent and Trademark Office registered the Company's AMERIGEL trademark in January 1999. OAKIN, the principal proprietary ingredient used in AMERIGEL products, became a registered trademark in 2007. In fiscal 2016, AMERX received registered trademarks for the OAKIN logo, HELIX3, HELIX3 CM, HELIX3 CP and the HELIX3 logo. In fiscal 2017, AMERX received registered trademark approval for the EXTREMIT-EASE Compression Garment name, logo and mark "WHERE COMPRESSION MEETS COMPLIANCE". All registered trademarks have been periodically renewed, when required, and are currently in effect. In 2017 AMERX Health Care filed a patent application related to our EXTREMIT-EASE compression product, this patent was approved in June 2022. In fiscal 2023, AMERX received registered trademark approval for the ADVANTAGEN logo. AMERX relies on a combination of trademarks, patents, trade secret protection and confidentiality agreements to establish and protect its proprietary rights.

Competition

The market for skin and wound care treatment products in which AMERX operates is highly competitive. Competition is based on product efficacy, brand recognition, loyalty, quality, price and availability of shelf space in the retail market. AMERX competes against several well-capitalized companies offering a range of skin treatment products as well as small competitors having a limited number of products. AMERX has successfully established its products efficacy and value within specialized health care markets and expects to continue to expand this marketplace.

Order Placement and Backlog

There were no back orders as of June 30, 2023 and June 30, 2022, respectively.

Governmental Approvals and Regulations

The production and marketing of our products are subject to regulation for safety, efficacy and quality by numerous governmental authorities in the United States. AMERX's advertising and sales practices are subject to regulation by the Federal Trade Commission (the "FTC"), the FDA and state agencies. The FFDC Act, as amended, the regulations promulgated thereunder, and other federal and state statutes and regulations govern, among other things, the testing, manufacture, safety, effectiveness, labeling, storage, record keeping, approval, advertising and promotion of AMERX's products. The FDA regulates the contents, labeling and advertising of AMERX's products. AMERX may be required to obtain FDA approval for proposed nonprescription products. This procedure involves extensive clinical research, and separate FDA approvals are required at various stages of product development. The approval process requires, among other things, presentation of substantial evidence to the FDA, based on clinical studies, as to the safety and efficacy of the proposed product. After approval, manufacturers must continue to expend time, money and effort in production and quality control to assure continual compliance with the Current Good Manufacturing Practices (CGMP) regulations.

We believe that, as of June 30, 2023, we are in compliance with all applicable laws and regulations relating to our operations in all material respects. Compliance with the various provisions of national, state and local laws and regulations has had a material adverse effect upon the capital expenditures, earnings, financial position, liquidity and competitive position of the Company. We have incurred and will continue to incur costs in order to remain compliant with applicable securities laws and regulations of the U.S. Securities and Exchange Commission ("SEC") and the FDA.

Employees

As of September 1, 2023, the Company and its subsidiary employ a total of 17 full time employees and 1 part time employee, consisting of 8 management employees, 2 sales-related employees and 8 administrative employees. One employee works under Procyon and seventeen employees work under the AMERX subsidiary.

ITEM 2. PROPERTIES

We currently maintain our corporate office, and those of AMERX and Sirius, at 164 Douglas Road East, Suite 164, Oldsmar, Florida 34677. Our office consists of approximately 18,000 square feet of space. We have entered into a five year lease which commenced in January 2021.

On May 29, 2015 the Company entered into a lease agreement to lease 3,200 square feet of warehouse space in Clearwater, FL. The lease was a sixty-three month lease starting July 1, 2015 and ending September 30, 2020. This lease was amended on February 1, 2018 to increase the square footage of the new premises to 4,892 square feet and the lease term to April 2021. The amended lease payments begin at $2,752 per month (plus applicable sales tax) and increase 3% per year starting May 2019 and May 2020, respectively. This lease expired and we moved to our new offices in lieu of renewing this lease.

On January 13, 2021 the Company entered into a lease agreement to lease 18,000 square feet of warehouse space in Oldsmar, FL. The lease is is for a five year term starting May 1, 2021 and ending April 30, 2026. The lease payment begins at $14,165 per month and will increase annually based on the Consumer Price Index, and will be no less then 2% or exceed 5% per year.

ITEM 3. LEGAL PROCEEDINGS

The Company and its subsidiaries are not a party to any pending material legal proceedings nor is our property the subject of a pending legal proceeding.

PART II

ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND PURCHASES OF EQUITY SECURITIES.

The Company's Common Stock is quoted on the OTCQB electronic quotations system run by OTC Markets Group, Inc. Any over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark down or commission and may not necessarily represent actual transactions.

As of September 23, 2023, there were approximately 110 record holders of the Company's Common Stock.

Holders of Common Stock are entitled to receive such dividends if declared by the Company's Board of Directors. We have not declared any dividends on our Common Stock and have no current plans to declare a dividend in the immediate future.

Holders of the Series A Cumulative Convertible Preferred Stock (the "Preferred Stock") are entitled to receive, if declared by the Board of Directors, quarterly dividends at an annual rate of $.10 per share. Dividends accrue without interest, from the date of issuance, and are payable in arrears in cash or common stock, when and if declared by the Board of Directors. No dividends had been declared or paid at June 30, 2023, and dividends, if ever declared, in arrears at such date total $437,936.

Holders of the Preferred Stock have the right to convert their shares of Preferred Stock into an equal number of shares of Common Stock of the Company. In addition, every holder of preferred stock is entitled to that number of votes equal to the number of shares of common stock into which the preferred stock is convertible. Such preferred shares will automatically convert into one share of Common Stock at the close of a public offering of Common Stock by the Company provided the Company receives gross proceeds of at least $1,000,000, and the initial offering price of the Common Stock sold in such offering is equal to or in excess of $1 per share. No shares were converted during fiscal 2022 or 2023. So long as any shares of Series A Preferred Stock are outstanding, the Company is prohibited from declaring dividends or other distributions related to its Common Stock or purchasing, redeeming or otherwise acquiring any of the Common Stock.

There have been price fluctuations in the Company's Common Stock during the period covered by this report. Factors that may have caused or can cause market prices to fluctuate include the number of shares available in the public float, any purchase or sale of a significant number of shares during a relatively short time period, quarterly fluctuations in results of operations, issuance of additional securities, entrance of such securities into the public float, market conditions specific to the Company's industry and market conditions in general, and the willingness of broker-dealers to effect transactions in low priced securities. In addition, the stock market in general has experienced significant price and volume fluctuations in recent years. These fluctuations, may have had a substantial effect on the market price for many small capitalization companies such as the Company. Factors such as those cited above, as well as other factors that may be unrelated to the operating performance of the Company, may significantly affect the price of the Common Stock.

Equity Compensation Plan Information

The following table contains information regarding Procyon's equity compensation plans as of June 30, 2023. The Company maintained the Procyon Corporation 2009 Stock Option Plan (the "2009 Option Plan"), which expired by its terms on December 8, 2019. In November 2020, our shareholders approved the Procyon Corporation 2020 Stock Option and Incentive Plan (the "2020 Option Plan").

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)

Equity compensation plans approved by security holders: 2009 Option Plan 2020 Option Plan	 65,000 50,000	 .17 .373	 500,000 shares of Common Stock for Non-Qualified Stock Options (250,000 of which have been issued) and Stock Appreciation Rights and 500,000 shares of Common Stock for Incentive Stock Options. 2,000,000 shares of Common Stock for Stock Options, Registered Stock or Restricted Stock Units and Other Stock-Based Awards.
Equity compensation plans not approved by security holders	-	-	
2009 Option Plan 2020 Option Plan Total	65,000 50,000 Options to purchase Common Shares 115,000	.17 .373	435,000 shares of Common Stock for Non-Qualified Stock Options (250,000 of which have been issued) and Stock Appreciation Rights and 500,000 shares of Common Stock for Incentive Stock Options 1,950,000 shares of Common Stock for Stock Options, Registered Stock or Restricted Stock Units and Other Stock-Based Awards.

Effective June 30, 2021, the Company granted 25,000 non-qualified stock options to Justice W. Anderson and 25,000 non-qualified stock options to James B. Anderson for exceeding certain performance standards in fiscal 2021, pursuant to the terms of their respective Restated and Amended Executive Employment Agreements dated July 1, 2020. Each of the options were dated September 24, 2021, but were granted and effective as of June 30, 2021 for a ten year term and have an exercise price of .373 per share.

The Company issued 25,432 Options to purchase Common Shares to Fred Suggs, Jr. The Company also issued 20,800 Restricted Common shares to Joseph Treshler, Monica McCullough and Steven McComas. These respective Options and Restricted shares were issued for services provided in the 2023 fiscal year pursuant to the Company's Compensation Plan for Outside Directors and our 2020 Stock Option Plan. The Options and Restricted Shares were issued or granted on July 31, 2023.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This Report on Form 10-K, including Management's Discussion and Analysis or Plan of Operation, contains forward-looking statements. When used in this report, the words "may", "will", "expect", "anticipate", "continue", "estimate", "project", "intend", "seek", "hope", "believe" and similar expressions, variations of these words or the negative of those words, and, any statement regarding possible or assumed future results of operations of the Company's and its subsidiaries' business, the markets for its products, anticipated expenditures, regulatory developments or competition, or other statements regarding matters that are not historical facts, are intended to identify forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 regarding events, conditions and financial trends including, without limitation, business conditions in the skin and wound care market and the general economy, competitive factors, changes in product mix, production delays, manufacturing capabilities, the loss of any significant customers or suppliers, general supply chain delays, new and unanticipated governmental regulations, the impact of the COVID-19 pandemic on the Company's sales, operations and supply chain and other risks or uncertainties detailed in other of the Company's Securities and Exchange Commission filings. Such statements are based on management's current expectations and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the Company's actual plan of operations, business strategy, operating results and financial position could differ materially from those expressed in, or implied by, such forward-looking statements.

Our business in general is subject to certain risks including but not limited to the following:

- we may not be able to produce or obtain, or may have to obtain at excessive prices, the raw materials and finished goods we need;
- the vendors on whom we rely for manufacturing certain products may go out of business, fail to meet demand or provide shipments on an untimely basis;
- competitive pressures may require us to lower our prices on certain products, thereby adversely affecting operational results;
- we may not be able to obtain, or obtain at uneconomic expense and protracted time, the regulatory approval of new products;
- no assurance can be given that we will remain in compliance with applicable FDA and other regulatory requirements once clearance or approval has been obtained for a product. We must incur expense and spend time and effort to ensure compliance with these complex regulations. Possible regulatory actions could include warning letters, fines, damages, injunctions, civil penalties, recalls, seizures of our products, and criminal prosecution;
- consumers or distributors may not favorably receive our new or existing products;
- we may not be able to obtain adequate financing to fund our operations or expansion;
- a relatively small group of products may represent a significant portion of our net revenues or net earnings from time to time; if the volume or pricing of any of these products declines, it could have a material adverse effect on our business, financial position and results of operations;
- we could experience reduced revenues and profits if Medicare or other government programs change, delay or deny reimbursement claims;
- we are subject to various federal, state, and international laws and regulations pertaining to government benefit program reimbursement, price reporting and regulation, and health care fraud and abuse, including anti-kickback and false claims laws, the Medicaid Rebate Statute, the Veterans Health Care Act, and individual state laws relating to pricing and sales and marketing practices; violations of these

laws may be punishable by criminal and/or civil sanctions, including, in some instances, substantial fines, imprisonment, and exclusion from participation in federal and state health care programs, including Medicare, Medicaid, and Veterans Administration health programs; violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our revenues, profitability, and financial condition;

- the loss of senior management or other key personnel, or our inability to attract and retain additional senior management or other key personnel, could adversely affect our ability to execute our business plan;
- we could become subject to new unanticipated governmental regulations or fail to comply with regulations applicable to our products, which could materially and adversely affect our business, financial position and results of operations; and
- legislative or regulatory programs that may influence prices of medical devices could have a material adverse effect on our business;
- the demand for our products may decrease because of various factors, such as adverse business conditions and a sluggish U.S. economy;
- our product supply and related patient access to products could be negatively impacted by, among other things: (i) seizure or recalls of products or forced closings of manufacturing plants, (ii) supply chain continuity including from natural or man-made disasters at one of our facilities or at a critical supplier or vendor, as well as our failure or the failure of any of our vendors or suppliers to comply with Current Good Manufacturing Practices and other applicable regulations and quality assurance guidelines that could lead to manufacturing shutdowns, product shortages and delays in product manufacturing, (iii) manufacturing, quality assurance/quality control, supply problems or governmental approval delays, (iv) the failure of a sole source or single source supplier to provide us with necessary raw materials, supplies or finished goods for an extended period of time, (v) the failure of a third-party manufacturer to supply us with finished product on time, (vi) construction or regulatory approval delays related to new facilities or the expansion of existing facilities (vii) the failure to meet new and emerging regulations requiring products to be tracked throughout the distribution channels using unique identifiers and (viii) other manufacturing or distribution issues including limits to manufacturing capacity due to regulatory requirements; changes in the types of products produced; physical limitations or other business interruptions;
- we may experience an increase in the number and magnitude of delinquent or uncollectible customer accounts during periods of economic downturn.
- The economic impact of the COVID-19 pandemic could adversely affect our financial condition and results of operations. The pandemic resulted in an unprecedented slow-down in economic activity, a related increase in unemployment and a significant decline in the value of the stock market and many non-essential and elective medical procedures to be delayed or canceled. The COVID-19 pandemic is affecting the United States and global economies and may affect our operations and those of third parties on which we rely, including by causing disruptions in the supply for our products. In addition, the COVID-19 pandemic may affect our operations due to users of our products delaying or canceling medical treatments and the closure of doctors offices and other medical health facilities which administer our products. The ultimate impact of the COVID-19 pandemic is highly uncertain and subject to change. We do not yet know the full extent of potential delays or impacts on our business, financing or on healthcare systems or the global economy as a whole. However, these effects could have a material impact on our results from operations and business and those of the third parties on which we rely.
- Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.
- We or the third parties upon whom we depend may be adversely affected by natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

- Our cost to manufacture our products could be adversly affected by rising inflation and the increase in interest rates.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our financial statements have been prepared in accordance with standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), which require us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures. A summary of those significant accounting policies can be found in the Notes to the Consolidated Financial Statements included in this annual report. The estimates used by management are based upon our historical experiences combined with management’s understanding of current facts and circumstances. Certain of our accounting policies are considered critical as they are both important to the portrayal of our financial condition and the results of its operations and require significant or complex judgments on the part of management. We believe that the following critical accounting policies affect the more significant judgments and estimates used in the preparation of our financial statements.

Deferred Income Taxes

Deferred income taxes are recognized for the expected tax consequences in future years for differences between the tax bases of assets and liabilities and their financial reporting amounts, based upon exacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. The Company accounts for income taxes under Topic 740 - Income Tax in the Accounting Standards Codification. A valuation allowance is used to reduce deferred tax assets to the net amount expected to be recovered in future periods. The estimates for deferred tax assets and the corresponding valuation allowance require us to exercise complex judgments. We periodically review and adjust those estimates based upon the most current information available. Valuation allowances for periods ending June 30, 2022 and June 30, 2023, were $31,960 and $0, respectively.

Revenue Recognition

The Company recognizes revenue in accordance with Securities and Exchange Commission Staff Accounting Bulletin Topic 13, “Revenue Recognition”, which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the seller’s price to the buyer is fixed or determinable; and, (4) collectibility is reasonably assured. We recognize revenue related to product sales upon the shipment of such orders to customers.

Revenue from Contracts with Customers (Topic 606)

In May 2014, the FASB issued a new standard related to revenue recognition. Under the new standard, recognition of revenue occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard became effective for the Company beginning after December 15, 2017, including interim reporting periods within that reporting period. There has been no material effect to our financial results of operations based on this standard.

Stock Based Compensation

Stock based compensation is accounted for in accordance with Topic 718 - Compensation - Stock Compensation in the Accounting Standards Codification. All share-based payments to employees, including grants of employee stock options, are to be recognized in the statement of operations based upon their fair values and rescinds the acceptance of pro forma disclosure.

General

Our continuing operations and revenues consist of the operations of and revenues generated by AMERX, our wholly-owned subsidiary. AMERX skin and wound care products, marketed under the trademark AMERIGEL® and containing the proprietary ingredient OAKIN®, promote wound healing and healthy skin through moderately priced products for treatment of problematic skin and wound conditions.

AMERX markets AMERIGEL®, HELIX3®, AMERX® wound care products and EXTREMIT-EASE® compression garments to institutional customers such as hospitals, wound care clinics, skilled nursing facilities, home health agencies and to physicians and other health care practitioners. AMERIGEL® and EXTREMIT-EASE® products are also marketed to retail customers through direct sales, internet sales and through independent and retail chain drug stores and to physicians and other health care practitioners.

AMERX's products are distributed to institutions and to retail stores through national, regional and local distributors as well as through direct sales and internet sales.

Future Expectations

AMERX expects to further penetrate the health care market through its participation in industry trade shows, advertisements in trade journals, development of additional distributor relationships and by opening new geographical territories (including international markets). AMERX management is trying new methods of marketing to support its multiple product lines, with multiple channels. AMERX management seeks to develop new markets as the AMERIGEL, HELIX3, AMERX and EXTREMIT-EASE product lines gain broader acceptance. AMERX management continues to seek for new products to develop in fiscal 2024.

Impact of COVID-19 on Our Business

The financial effects of COVID-19 started showing their impact on our Company in March of 2020. Due to the timing of these events, the full effect of COVID-19 on our business cannot yet be fully quantified. We have felt the effects of the COVID-19 pandemic in our operations, as management continues to dedicate time and effort researching, discussing and implementing policies and procedures necessary to navigate through the ever changing landscape the COVID-19 pandemic has and continues to provide. As an essential business, management was tasked with remaining open, while keeping our employees safe, and providing our customers, who were still able to actively provide healthcare services, with the products they need.

The effects were most severely seen in April 2020. This was a direct result of the inability for customers to have elective surgery. Once elective surgeries were permitted again we have seen a steady increase in volume. We continue to monitor operations, and are still implementing procedures to keep all our employees as safe as possible. Currently, the Company is restricted in its marketing efforts as Tradeshows for the most part are not available in their traditional in person form. Most available tradeshows have chosen the virtual route, which has not proven successful from a vendor sales relationship perspective. Operationally, the pandemic has made it increasingly difficult to hire new or replacement personnel to support the Company's growth. It has also caused wages to increase dramatically.

Results of Operations

Comparison of Fiscal 2023 and 2022.

During fiscal 2023 and 2022, our results of operations related solely to the operations of AMERX. Net sales during fiscal 2023 were approximately $4,687,000 as compared to approximately $4,842,000 in fiscal 2022, a decrease of approximately $155,000 or 3%. The fluctuation in sales was a result of expanding new markets offset by reductions and purchasing trends in traditional markets. AMERX believes the new market expansion will continue in fiscal 2024 with further plans to expand our traditional market channels.

Cost of sales were approximately $1,117,000 in fiscal 2023, as compared to approximately $1,357,000 in fiscal 2022, a decrease of approximately $240,000 or 18%. Cost of sales in fiscal 2023, as a percentage of net sales, was 24%, from 28% in the previous fiscal year ending 2022.

Gross profit increased to approximately $3,570,000 during fiscal 2023, as compared to approximately $3,486,000 during fiscal 2022, an increase of about $84,000, or 2%. As a percentage of net sales, gross profit was approximately 76% in fiscal 2023 and 72% in fiscal 2022.

Operating expenses during fiscal 2023 were approximately $3,667,000, consisting of approximately $1,860,000 in salaries and benefits and $1,807,000 in selling, general and administrative expenses. Operating expenses in fiscal 2022 were approximately $3,723,000 and consisted of approximately $2,012,000 in salaries and benefits and approximately $1,711,000 in selling, general and administrative expenses. This represents a decrease in expenses of approximately $56,000 in fiscal 2023 over the operating expenses in fiscal 2022. As a percentage of net sales, operating expenses during fiscal 2023 were 78% as compared to 77% during fiscal 2022; as gross profit increased approximately $84,000 for the year on an approximately $56,000 decrease in operating expenses. Salaries and Benefits decreased when compared to previous year with fluctuations in personnel and reduced commission's associated with lower sales volumes. Selling, General and Administrative expenses increased primarily due to increases in marketing efforts, expenses related to selling our products on the internet, and software expenses.

Losses from operations finished at approximately $97,000 in 2023, as compared to losses of approximately $237,000 in fiscal 2022. Losses before income taxes finished at approximately $65,000 in 2023, as compared to losses of approximately $235,000 in 2022. Net loss (after dividend requirements for Preferred Shares) was approximately $74,000 during fiscal 2023, compared to approximately $227,000 of net loss during fiscal 2022. The Company recorded approximately $15,000 of income tax benefit when determining the net loss available to common shares in fiscal 2023, compared to $26,000 income tax benefit when determining the net income available in common shares in fiscal 2022.

Liquidity and Capital Resources

Historically, we have financed our operations through revenues from operations. As of June 30, 2023, our principal sources of liquidity included inventories of approximately $762,000, net accounts receivable of approximately $494,000, cash of approximately $451,000, and certificates of deposit of approximately $562,000. We had net working capital of approximately $1,611,000 at June 30, 2023.

Operating activities provided cash of approximately $145,000 during fiscal 2023, and used approximately $383,000 during fiscal 2022, consisting primarily of a decrease in inventory of approximately $182,000, in fiscal 2023 and a decrease in income, in fiscal 2022. Cash used in investing activities during fiscal 2023 was approximately $455,000 as compared to cash used in investing activities in fiscal 2022 of approximately $83,000, respectively. Cash used in financing activities during fiscal 2023 was $0 compared cash used by financing activities of $0 during fiscal

2022, respectively.

During fiscal year 2023, we had no material cash requirements, including commitments for capital expenditures. In the 2024 fiscal year, the Company does not anticipate having any external cash needs. The Company has adequate funds to cover any planned capital expenditures. The Company also believes that it will continue to generate enough funds through its operations in the short and long term future to meet its capital needs. The Company plans to leave cash balances in insured bank accounts that have no risk of loss.

During fiscal 2023, no holder of shares of Preferred Stock converted its shares to Common Stock.

Commitments of Capital Expenditures

At June 30, 2023, the Company had no commitments for capital expenditures.

Off-Balance Sheet Arrangements

During fiscal years 2023 and 2022, we did not have any relationships or arrangements with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated financial statements as of June 30, 2023, and 2022 were audited by Ferlita, Walsh, Gonzalez and Rodriguez, P.A., the Company's independent auditors, as indicated in their report included appearing at page F-1.

INDEX TO FINANCIAL STATEMENTS

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, has conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as of the end of the period covered by this report. Based on that evaluation, management, including the Chief Executive Officer and Chief Financial Officer, concluded that, as of the date of this report, the Company's disclosure controls and procedures were not effective in ensuring that all material information relating to the Company required to be disclosed in this report has been made known to management in a timely manner and ensuring that this information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and regulations, because of the identification of a certain material weakness in our internal controls over financial reporting which is identified below, which we view as an integral part of our disclosure controls and procedures.

Our management, including our Chief Executive Officer and our Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will, in all instances, prevent all errors and all fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met. While our control systems provide a reasonable assurance level, the design of our control systems reflects the fact that there are resource constraints, and the benefits of such controls were considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the financial reports of the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, a control can be circumvented by the individual act of some person, by collusion of two or more persons, or by management's override of a specific control. The design of any system of controls is also based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

(a) *Management's annual report on internal control over financial reporting.* Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal controls system was designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of June 30, 2023. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control—Integrated Framework, Guidance for Smaller Public Companies. Our assessment based on those criteria concludes that, as of June 30, 2023, the Company's internal control over financial reporting was not effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles ("GAAP") rules as more fully described below. This was due to a deficiency that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be a material weakness. The matter involving internal controls and procedures that the Company's management considers to be a material weakness under the standards of the Public Company Accounting Oversight Board in fiscal 2023 is inadequate segregation of duties consistent with control objectives. Management believes that this material weakness did not have an adverse effect on the Company's financial results reported herein. We believe that this material weakness will be remedied with growth of the Company in the future and hiring of additional personnel.

The Company is committed to continuous improvement of our internal control environment and financial organization. As part of this commitment, we intend to increase our personnel resources and technical accounting expertise within the accounting function through outside assistance from accounting experts and increase our segregation of duties within the company within the limits of our existing personnel. In addition, we intend to continually evaluate our policies and procedures to keep up with and expand our internal controls and quality of financial reporting within our personnel as our company grows. We expect to involve the board of directors more during the year regarding Company operations, including annual and quarterly risk assessments, strategic planning, and financial oversight and reporting. We expect to strengthen the expertise of the board by adding future members that have financial and business expertise in our industry. We intend to add additional members to the audit committee and require the audit committee members to further their understanding of applicable rules and requirements and continue their oversight responsibility of implementing necessary and effective internal control policies and procedures. We intend to monitor and evaluate the effectiveness of our internal controls and procedures over financial reporting on an ongoing basis and are committed to taking further action and implementing additional improvements as necessary and as resources allow.

(b) *Attestation report of the independent registered public accounting firm.* This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to Item 308(b) of Regulation S-K.

(c) *Changes in internal control over financial reporting.* The Company has eliminated all material weaknesses with the exception of the segregation of duties weakness noted above. The Company will not be able to eliminate this material weakness until such time as growth in the numbers of employees permits. As the Company grows this will be addressed.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Directors and Executive Officers

NAME	Age	Capacities in Which Served	Director Since
Regina W. Anderson	76	Chairwoman of the Board	2005
Fred W. Suggs, Jr.	76	Director	1995
James B. Anderson	53	Director, Chief Financial Officer; Procyon Vice President - Operations, AMERX Health Care Corp.	2006
Justice W. Anderson	46	Director, Chief Executive Officer; Procyon, President; AMERX Health Care Corp.	2006
Joseph R. Treshler	70	Director	2013
Monica L. McCullough	52	Director	2019
Steven McComas	56	Director	2021
George O. Borak	62	Vice President - Sales, AMERX Health Care Corp.	

Regina Anderson. Ms. Anderson has served as Chairwoman of the Board of Directors since September 2005, and as our Chief Executive Officer from November 2005 through December 2017. Ms. Anderson has 38 years experience in the medical field and 31 years of management experience. Ms. Anderson worked at Health South Rehabilitation Hospital for ten years as Outpatient Director, in charge of the main outpatient center plus four satellite offices. Prior to her work at HealthSouth, Regina was Vice-President of Operations at Stuffit Direct Marketing Company from 1980 through 1989. Regina received her Masters Degree from Kansas State University in 1970.

Fred W. Suggs, Jr. Mr. Suggs has served on our Board of Directors since 1995. He is a member of the Compensation committee and Chairman of the Ethics committee. He has been a practicing attorney since 1975. He is a partner in the Greenville, South Carolina office of Ogletree, Deakins, Nash, Smoak & Stewart, specializing in labor and employment law. He has been certified as a specialist in labor and unemployment law by the South Carolina Supreme Court and is a frequent lecturer on labor and employment law issues. Mr. Suggs graduated from Kansas State University with a B.S. degree and he received his J.D. degree from the University of Alabama.

James B. Anderson. Mr. Anderson, a Director since 2006, has served as our Chief Financial Officer since June 2005. In addition, from September 22, 2005, until that position was filled by Regina Anderson on November 1, 2005, Mr. Anderson served as Interim Chief Executive Officer. On June 28, 2005, Mr. Anderson was appointed to serve as the President of Sirius Medical Supply, Inc. Since 1993, Mr. Anderson has been involved with AMERX Health Care Corporation as its Chief Information Officer until 2005, when he was appointed VP of Operations. In 1996, Mr. Anderson became involved with Procyon Corporation after its merger and has since performed the duties of Vice President of Operations. Prior to Mr. Anderson's work with the Company, he was involved with importing and exporting to Russia and Direct Mail Marketing. He received a B.S. from the University of South Florida. Mr. Anderson is the son of John C. Anderson, our late President, Chief Executive Officer and Chairman of the Board, the son of Regina Anderson, the Company's Chairwoman of the Board and former Chief Executive Officer of Procyon, and the brother of Justice W. Anderson, our Chief Executive Officer/President of Procyon and Vice President of Marketing and the President of AMERX Health Care Corporation.

Justice W. Anderson. Mr. Anderson currently serves as the Chief Executive Officer/ President for Procyon and President and V.P. of Marketing for AMERX Health Care Corporation. He has served on Procyon's Board of Directors since 2006. Mr. Anderson served as the Vice President of Sales for AMERX from January of 2001 until June of 2012 when the new V.P. of Sales was hired. Mr. Anderson has served on the Corporate Advisory Board of the American Academy of Podiatric Practice Management. Mr. Anderson joined AMERX in 2000 after receiving his B.A. degree from the University of Florida. Mr. Anderson is the son of John C. Anderson, our late President, Chief Executive Officer and Chairman of the Board, son of Regina Anderson, the Company's Chairwoman of the Board and former Chief Executive Officer/President of Procyon and the brother of James B. Anderson, our Chief Financial Officer.

Joseph R. Treshler. Mr. Treshler has served on the Board of Director's since January 2013 and is a member of the Audit and Compensation Committees. Mr. Treshler served for over 25 years (until June of 2018) as the Vice President of Business Management & Development of Covanta Energy Corporation, responsible for Covanta's asset management, business development, project implementation, client community relations, community affairs and Clean World Initiative efforts in Florida. Mr. Treshler currently serves as President & CEO of JRT Consulting Services, LLC providing consulting services to public & private clients in the Waste -to-Energy Industry. Mr. Treshler earned his B.S. degree in Chemical Engineering in 1974 from Iowa State University of Science and Technology. He is a Professional Engineer registered to practice in the State of Florida. Mr. Treshler was appointed by the Company's Board of Directors to serve on the Audit Committee on January 8, 2013 and to serve on the Ethics Committee on June 7, 2013.

Monica L. McCullough. Ms. McCullough serves as Chairman of the Audit Committee. Ms. McCullough has 25 years of accounting experience in various capacities. Her experience includes the management of several accounting functions, implementation and maintenance of Sarbanes-Oxley policies and procedures, SEC reporting, coordination of quarterly and annual audits, as well as implementing and maintaining accounting systems. She has spent the last 8 years as Facility Controller in the waste to energy industry. Ms. McCullough graduated from the University of South Florida with a B.S. degree in Accounting and is a Certified Public Accountant.

Steven McComas. Mr. McComas was appointed to the Board of Directors by a unanimous vote of the Board on July 17, 2021. He was also appointed to serve on the Ethics Committee. Mr. McComas brings to the Company's Board significant experience acting as an executive officer of several companies. Mr. McComas is an executive with thirty years of global experience in a variety of financial management, business leadership and corporate strategy. Currently, Mr. McComas is the Chief Executive Officer for Responsive Technology Partners, Inc. a managed information technology consulting and services firm operating throughout the Southeastern United States with offices in Metter, Vidalia, Atlanta, Athens, and Milledgeville Georgia, Raleigh, North Carolina and Tampa, Florida. Under Mr. McComas' leadership, Responsive Technology Partners, Inc. has quickly grown to a ranking by Inc. Magazines' 5000 as the 630 fastest-growing private companies in America in 2020. Mr. McComas also serves as the Chief Financial Officer for Pineland Telephone Cooperative, Inc., a rural telephone, and broadband cooperative based in Metter, Georgia and is responsible for all the company's financial functions. Before Pineland, Mr. McComas had served as a Vice President of Finance for an operating subsidiary of the world's largest publicly traded Thailand-based company engaged in the manufacturing and exporting of pet foods in the world. He was also the North American Director of Indirect Purchasing for a publicly traded world leader in outdoor power products for forestry, lawn and garden care headquartered in Stockholm, Sweden. Mr. McComas also was the Chief Financial Officer in commercial banking and private equity.

*George O. Borak. G*eorge O. Borak Mr. Borak joined AMERX Health Care as Vice President of Sales in June of 2012. Mr. Borak has 34 years of experience in the medical field and 23 years in sales management. Most recently, he was Vice President of Sales and Marketing for Darco International where his duties included managing Sales, Marketing, Customer Service, OEM and International Sales. Prior to that he was in sales and sales management for several orthopedic companies. Mr. Borak earned his Bachelors of Science degree in Marketing Management from Youngstown State University in 1983, while working as a clinician in the Emergency and Orthopedic Departments of a local hospital.

Compliance with Section 16(a) of the Exchange Act

Under the securities laws of the United States, our directors, executive officers, and any persons holding more than ten percent of our Common Stock are required to report their initial ownership of the Company's Common Stock and any subsequent changes in that ownership to the Securities and Exchange Commission and the Company. Specific due dates for these reports have been established and we are required to disclose any failure to file, or late filing, of such reports. Based solely on our review of the reports and amendments thereto furnished to the Company and written representations that all reports that were required to be filed in fiscal 2023, our officers, directors and beneficial owners of more than ten percent of its Common Stock complied with all Section 16(a) filing requirements.

Committees of the Board

The Board of Directors has delegated certain of its authority to an Audit Committee, Compensation Committee and an Ethics Committee.

The Compensation Committee is composed of Messrs. Suggs (Chairman) and Treshler. No member of the Compensation Committee is a former or current officer or employee of the Company. The primary function of the Compensation Committee is to review and make recommendations to the Board with respect to the compensation, including bonuses, of the Company's officers and to administer the Company’s Option Plan. The Board of Directors adopted a Compensation Committee Charter during the 2008 fiscal year. The charter for the compensation committee may be viewed on the company website (www.procyoncorp.com).

The Company formed an Audit Committee in July 2004. In January 2013, the Board appointed Joseph R. Treshler as director and a member of the Audit Committee. In November 2019, the Board appointed Monica L. McCullough Audit Committee member and Chair. The Board believes that Ms. McCullough and Mr. Treshler are independent pursuant to The NASDAQ Stock Market, Inc. (“NASDAQ”) rules and both Ms. McCullough and Treshler also meet the requirements of an audit committee financial expert. In addition, we have determined that Ms. McCullouh and Mr. Treshler are also independent within the meaning of SEC Rule 10A-3(b)(1). The function of the Audit Committee is to review and approve the scope of audit procedures employed and to review and approve the audit reports rendered by the Company's independent auditors and to approve the audit fees charged by the independent auditors. In addition, pursuant to the Sarbanes-Oxley Act of 2002 and rules promulgated thereunder, the Audit Committee is responsible for, among other things, pre-approving all audit and non-audit services performed by the independent auditors, approving the engagement of the auditors and receiving certain reports from the independent auditors prior to the filing of the audit report. The Audit Committee reports to the Board of Directors with respect to such matters and recommends the selection of independent auditors. The Audit Committee adopted a charter in October 2006, which may be viewed on the Company website (www.procyoncorp.com).

The Company also formed an Ethics Committee of the board members in 2004. The members are Messrs. Suggs (Chairman) and Kudelko, through his resignation on July 6, 2021. The charter for the ethics committee may be viewed on the company website (www.procyoncorp.com). The function of the Ethics Committee is to oversee officers, directors and employees in conducting business on behalf of the Company in an honest and ethical manner. The Ethics Committee is responsible for monitoring and reporting any possible violations of the Code of Ethics to the Board of Directors. Mr. McComas assumed the role vacated by Dr. Kudelko on the ethics committee in fiscal 2022.

The Company does not have a Nominating Committee. However, the entire board of directors, which is comprised of a majority of independent directors, performs the function of a nominating committee. There have been no material changes to the procedures by which security holders may recommend nominees to our board of directors.

In fiscal 2023, the Board of Directors held four formal meetings. A majority of directors attended each meeting in person or by telephone. The Compensation Committee held six meetings during fiscal 2023. The Audit Committee held five meetings during fiscal 2023. The Ethics Committee held one meeting during fiscal 2023.

Code of Ethics for Senior Financial Officers

The Company has adopted a Code of Ethics for Senior Financial Officers. The Code of Ethics applies to all senior financial officers of the Company, including the Chief Executive Officer, the Chief Financial Officer, the Treasurer and any other person performing similar functions. A copy of the Code of Ethics may be viewed on our website, at www.procyoncorp.com.

ITEM 11. EXECUTIVE COMPENSATION.

Summary Compensation Table. The following table sets forth compensation information for the two fiscal years ended June 30, 2023 and 2022 of the Company's Chief Executive Officer, Chief Financial Officer, the President and Vice President of Sales of our subsidiary, AMERX Health Care Corp. (the "Named Executive Officers"). Elements of compensation for our Named Executive Officers include salary, discretionary cash bonuses, stock option awards and other prerequisites and benefits. We do not have a pension plan and do not offer non-qualified deferred compensation arrangements.

Name and Principal Position	Year	Salary($)	Bonus($)	Option Awards ($)	Non-equity incentive plan compensation ($)(2)	All Other Compensation ($)	Total($)
Justice W. Anderson,	2023	$ 285,212	$ 4,898	$ 0	$ 0	$ 0	$ 290,110
President (AMERX) CEO & President (Procyon)	2022	$ 260,755	$ 79,521	$ 0	$ 0	$ 0	$ 340,276
James B. Anderson,	2023	$ 207,750	$ 4,254	0	$ 0	$ 0	$212,004
Chief Financial Officer, Vice Pres. of Operations (AMERX)	2022	$ 190,200	$ 47,728	0	$ 0	$ 0	$ 237,928
George O Borak,	2023	$ 203,970	$ 2,990	0	$ 0	$ 0	$ 206,960
Vice Pres. Of Sales (AMERX)	2022	$ 186,600	$ 50,886	0	$ 0	$ 0	$ 237,486

1. Aggregate grant date fair value. 25,000 options granted with $0.373 exercise price.
2. Profit sharing earned in fiscal 2021/2022 respectively, but paid on or about September 1, 2021/2022 respectively.

Narrative Disclosure to Summary Compensation Table

Named Executive Officer's Employment Contracts

Justice W. Anderson's Restated and Amended Executive Employment Agreement, which is effective July 1, 2023, provides for a base annual salary of $283,343 and other benefits, including certain incentive bonus compensation based upon Amerx achieving certain financial goals for sales and net profit and at the discretion of the Board of Directors. Mr. Anderson's Agreement calls for a term of one year, but may be terminated by either party, with or without cause, upon thirty day's written notice.

James B. Anderson's Restated and Amended Executive Employment Agreement, which is effective July 1, 2023, provides for a base annual salary of $206,388 and other benefits, including short-term and long-term incentive bonus compensation based upon Amerx achieving certain operational and financial goals and at the discretion of the Board of Directors. Mr. Anderson's Agreement calls for a term of one year, but may be terminated by either party, with or without cause, upon thirty day's written notice.

George Borak's Restated and Amended Executive Employment Agreement, which is effective July 1, 2023, provides for a base annual salary of $206,388 and other benefits, including certain incentive bonus compensation based upon Amerx achieving certain financial goals for sales and net profit and at the discretion of the Board of Directors. Mr. Borak's Agreement calls for a term of one year, but may be terminated by either party, with or without cause, upon thirty day's written notice.

An Agreement to grant 25,000 options to purchase common stock was executed and delivered to Justice Anderson, pursuant to his Restated and Amended Executive Employment Agreement dated July 1, 2020 on September 24, 2021, but was granted and effective on June 30, 2021.

An Agreement to grant 25,000 options to purchase common stock was executed and delivered to James Anderson, pursuant to his Restated and Amended Executive Employment Agreement dated July 1, 2020 on September 24, 2021, but was granted and effective on June 30, 2021.

Outstanding Equity Awards

An Agreement to grant 40,000 Options to purchase common stock was executed and delivered to Justice Anderson, pursuant to his executive employment agreement, on September 27, 2016, but with a grant date of June 30, 2016.

An Agreement to grant 25,000 Options to purchase common stock was executed and delivered to Justice Anderson, pursuant to his executive employment agreement, on August 23, 2017, but with a grant date of June 30, 2017.

Compensation of Directors

No employee of the Company receives any additional compensation for his services as a director. Non-employee directors receive compensation for his/her service. This compensation is based on meetings attended and committees chaired and is paid in common stock options, restricted common shares or cash pursuant to our Compensation Plan for Outside Directors. The Board of Directors has authorized payment of reasonable travel or other out-of-pocket expenses incurred by non-management directors in attending meetings of the Board of Directors.

Stock Option Plan

The Company maintains the Procyon Corporation 2009 Stock Option Plan for Option grants prior to the Plan's expiration in December 2019. Our shareholders approved the Procyon Corporation 2020 Stock Option and Incentive Plan (the "2020 Option Plan") in November 2020.

The Procyon Corporation 2009 Stock Option Plan (the "2009 Option Plan") was approved by our shareholders on December 8, 2009. Pursuant to the terms of the 2009 Option Plan, the plan expired on December 8, 2019.

No further options or other awards may be granted under the 2009 Option Plan.

As of June 30, 2023, 65,000 Options to purchase common stock have been awarded to Justice Anderson under the 2009 Option Plan, pursuant to the terms of his employment agreements, effective October 1, 2015 and July 1, 2016, respectively. These options expire on October 1, 2025 and July 1, 2026, respectively. The 1,000,000 shares of common stock that have been reserved for the 2009 Option Plan (250,000 recently issued for Non-Qualified Stock Options) have not been registered under the Securities Act of 1933. We have no present plans to register such shares.

On September 22, 2020, our Board of Directors and Compensation Committee approved a new Procyon Corporation 2020 Stock Option and Incentive Plan (the "2020 Option Plan"), and recommended that the shareholders approve the plan in the annual meeting of shareholders in November, 2020. The plan was approved during the Annual meeting in November, 2020.

The purpose of the 2020 Option Plan is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract and retain employees (including officers), directors and independent contractors of the Company, and to furnish additional incentives to such persons to enhance the value of the Company over the long term by encouraging them to acquire a proprietary interest in the Company. Employees, Consultants and Directors of the Company are eligible to be granted Awards under the 2020 Option Plan, subject to the limitations described in the Plan.

The 2020 Option Plan is to be administered by the Compensation Committee (the "Administrator").

The 2020 Option Plan provides for the granting of Incentive Stock Options, meeting the requirements of 422 of the Internal Revenue Code (the "Code"), Non-Qualified Stock Options, which do not qualify as Incentive Stock Options, Stock Appreciation Rights ("SARs"), Restricted Stock, Restricted Stock Units, or Other Stock-Based Awards (together, an "Award"). An SAR is an Award entitling the recipient to receive shares of Common Stock having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised. “Restricted Stock Unit” means an unfunded, unsecured right to receive, on the applicable settlement date, one Share or an amount in cash or other consideration determined by the Administrator equal to the value thereof as of such payment date, which right may be subject to certain vesting conditions and other restrictions. “Other Stock-Based Awards” means other Awards of Shares, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Shares or other property.

The Board of Directors has authorized the issuance of 2,000,000 shares of Common Stock to underlie the granting of Awards under the 2020 Option Plan. The 2,000,000 shares of Common Stock that have been reserved for the 2020 Option Plan have not been registered under the Securities Act of 1933. We have no present plans to register such shares.

Effective June 30, 2021, the Company granted 25,000 non-qualified stock options to Justice W. Anderson and 25,000 non-qualified stock options to James B. Anderson for exceeding certain performance standards in fiscal 2021, pursuant to the terms of their respective Restated and Amended Executive Employment Agreements dated July 1, 2020. Each of the options were dated September 24, 2021, but were granted and effective as of June 30, 2021 for a ten year term and have an exercise price of .373 per share.

Incentive Stock Options may only be granted to employees of the Company or its Subsidiaries and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. Incentive Stock Options can be granted for a term not exceeding ten years, except for Ten Percent Owners of our Common Stock, for whom the maximum option term is five years. Incentive Stock Options are granted with an exercise price of not less than 100% of the Fair Market Value of the underlying Common Stock on the date of grant. However, for Ten Percent Owners, the exercise price must be 110% of the Fair Market Value of the underlying Stock on the date of grant. Further, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under the Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by a Participant during any calendar year shall not exceed $100,000.

Non-Qualified Stock Options are Options that is not intended to be or otherwise do not qualify as an Incentive Stock Option. Non-Qualified Stock Options shall be granted and have a term of not more than ten years from the date of grant. The exercise price must be not less than 100% of the Fair Market Value of the underlying Common Stock on the date of grant. Non-Qualified Stock Option can be awarded to employees, officers, directors or consultants.

Outside directors McCullough, Treshler, McComas and Suggs were issued 7,200, 8,000 and 5,600 restricted common shares and 25,432 Options to purchase common shares, respectively, for their service as directors and committee chairs during Fiscal 2023. The shares and options were issued and awarded on July 31, 2023.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth certain information regarding beneficial ownership of our Common Stock as of September 21, 2023 by (i) each person known by the Company to own beneficially more than 5% of the outstanding Common Stock, (ii) each director or director nominee, and (iii) all executive officers and directors as a group. Each person has sole voting and sole investment or dispositive power with respect to the shares shown except as noted. As to the Company's preferred stock, as of September 21, 2023 no officer or director of the company owned any preferred shares. In addition, no individual shareholder beneficially owned more than 5% of the Company's preferred shares.

Common Shareholdings on September 21, 2023

Name and Address	(4)	Number of Shares		Percent of Class (%)
Justice W. Anderson		3,515,500	(5)	42.9
George O. Borak		100,092		1.2
Fred W. Suggs	(l)(3)	150,432	(7)	1.8
James B. Anderson		106,000	(6)	1.3
Regina W. Anderson		78,060		1.0
Joseph R. Treshler	(1) (2)	25,000		*
Monica L. McCullough	(2)	7,200		*
Steven McComas	(3)	5,600		*
All directors and officers as a group (eight persons)		3,982,284		48.6
Speer Foundation, 2535 Success Dr., Odessa, FL 33556		1,380,000		16.8

* Less than 1%

(1) Member of the Compensation Committee.
(2) Member of the Audit Committee.
(3) Member of the Ethics Committee.
(4) Except as noted above, the address for all persons listed is 164 Douglas RD E, Oldsmar, Florida 34677
(5) Mr. Anderson beneficially owns 3,350,500 shares of common stock as Trustee of the John C. Anderson Trust in accordance with Mr. Anderson's will. He also owns of record 75,000 shares of common stock and options to purchase 90,000 shares of Common Stock.
(6) Includes 10,000 shares in joint name with his wife and options to purchase 25,000 shares of Common Stock.
(7) Includes options to purchase 25,432 shares of common stock.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Other than transactions described below, since July 1, 2022, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or will be a party:

- in which the amount involved exceeds $120,000; and,
- in which any director, nominee for director, executive officer, shareholder which beneficially owns five percent or more of our common stock or any member of their immediate family members, had or will have a direct or indirect material interest.

Justice W. Anderson, our Chief Executive Officer, personally guaranteed a new $250,000 line of credit on behalf of the Company of which $0 was drawn out as of June 30, 2022 and 2023, respectively.

Director Independence

We have determined that the following directors are independent within applicable NASDAQ rules: Ms.McCullough and Messrs. Suggs, Treshler and McComas. Regina, James and Justice Anderson are not independent as they are executive officers of the Company and its subsidiaries. Accordingly, our Board of Directors is composed of a majority of independent directors. Our Compensation Committee, Audit Committee and Ethics Committee are each composed entirely of independent directors pursuant to applicable NASDAQ rules. In addition, Ms. McCullough and Mr. Treshler, also meet the definition of independence under SEC Rule 10A-3.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees. In fiscal 2023, the Company paid to its independent accountants $65,500 in fees related directly to the audit and review of the Company's financial statements. In fiscal 2022, the Company paid to its independent accountants $67,750 in fees related directly to the audit and review of the Company's financial statements.

Audit-Related Fees. The Company's independent accountants performed no other audit-related services for the Company during fiscal 2023 and 2022, other than the audit services described above.

Tax Fees: In fiscal 2023, the Company paid to its independent accountants $2,500 in fees related directly to tax preparations. In fiscal 2022, the Company paid to its independent accountants $2,000 in fees related directly to tax preparations.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

1. The financial statements filed herewith are listed in the Index to Financial Statements included in Item 7.

	Exhibit No.	Document
*	3.1	Articles of Incorporation
+	3.1.1	Articles of Amendment to Articles of Incorporation
*	3.2	Bylaws
+	4.1	Designation of Series A Preferred Stock

&	10.1	Procyon Corporation 2009 Stock Option Plan
/	10.2	Procyon Corporation 2020 Stock Option Plan
x	10.5	Business Line of Credit - Loan Agreement dated June 10, 2021.
x	10.6	Business Line of Credit - Promissory Note dated June 10, 2021.
**	10.7	Lease agreement and Amended Lease Agreement, effective February 1, 2018.
//	10.9	Restated and Amended Executive Employment Agreement effective July 1, 2023 - Justice W. Anderson
//	10.10	Restated and Amended Executive Employment Agreement effective July 1, 2023 - James B. Anderson
//	10.12	Restated and Amended Executive Employment Agreement effective July 1, 2023 - George Borak
++	14.1	Code of Ethics for Senior Financial Officers.
x	31.1	Certification of Justice W. Anderson pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)
x	31.2	Certification of James B. Anderson pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)
x	32.1	Certification Pursuant to 18 U.S.C. § 1350, as Adopted Pursuant to Section906 of the Sarbanes-Oxley Act Of 2002
&&	101.1	The following materials from the Company's Annual Report on Form 10-K for the period ended June 30, 2020, formatted in XBRL (Extensible Business Reporting Language): (I) the Condensed Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Consolidated Statements of Cash Flows, and (iv) the Notes to Condensed Consolidated Financial Statement

*	Incorporated by reference to the Company’s Registration Statement on Form S-1, S.E.C. File No.33-13273.
+	Incorporated by reference to the Company’s Form 10-KSB for the fiscal year ended June 30, 1995.
++	Incorporated by reference to the Company’s Schedule 14A filed on or about October 15, 2004.
**	Incorporated by reference to the Company’s Form 8-K filed on or about March 14, 2018.
x	Filed herewith.
/	Incorporated by reference to the Company’s Schedule 14A filed on or about October 9, 2020.
&	Incorporated by reference to the Company’s Schedule 14A filed on or about November 9, 2009.
//	Incorporated by reference to the Company’s Form 8-K filed on or about August 2, 2023.
##	Incorporated by reference to the Company’s Form 8-K filed on or about March 14, 2018
&&	Furnished, not filed

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

PROCYON CORPORATION

By: /s/ Justice W. Anderson
Justice W. Anderson,
Chief Executive Officer/President

Date: September 28, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, the following persons on behalf of the registrant and in the capacities and on the dates indicated have signed this report below.

Signature	Title	Date
/s/ Regina W. Anderson Regina W. Anderson	Chairwoman of the Board	September 28, 2023
/s/ James B. Anderson James B. Anderson	Chief Financial Officer, President (Sirius) and Director	September 28, 2023
/s/ Justice W. Anderson Justice W. Anderson	President (AMERX) and Director, Chief Executive Officer and President(Procyon)	September 28, 2023
/s/ Monica L. McCullough Monica L. McCullough	Director	September 28, 2023
/s/ Fred W. Suggs, Jr. Fred W. Suggs, Jr.	Director	September 28, 2023
/s/ Joseph R. Treshler Joseph R. Treshler	Director	September 28, 2023
/s/ Steven McComas Steven McComas	Director	September 28, 2023

EXHIBIT INDEX

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x 31.2	Certification of James B. Anderson pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)	31
x 32.1	Certification Pursuant to 18 U.S.C. § 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002	32
&&101.1	The following materials from the Company's Annual Report on Form 10-K for the period ended June 30, 2020, formatted in XBRL (Extensible Business Reporting Language): (I) the Condensed Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Consolidated Statements of Cash Flows, and (iv) the Notes to Condensed Consolidated Financial Statements	

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++ Incorporated by reference to the Company’s Schedule 14A filed on or about October 15, 2004.
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x Filed herewith.
xx Incorporated by reference to the Company’s Form 8-K filed on or about August 2, 2023.
& Incorporated by reference to the Company’s Schedule 14A filed on or about November 9, 2009.
// Incorporated by reference to the Company’s Form 8-K filed on or about July 28, 2021.
Incorporated by reference to the Company’s Form 8-K filed on or about March 14, 2018.
&& Furnished, not filed.
/ Incorporated by reference to the Company’s Schedule 14A filed on or about October 9, 2020.

Exhibit 31.1
CERTIFICATION

I, Justice W. Anderson, the Chief Executive Officer of Procyon Corporation, certify that:

1. I have reviewed this annual report on Form 10-K of Procyon Corporation;

2.Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e))for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 28, 2023

/s/ Justice W. Anderson
Justice W. Anderson
Chief Executive Officer/President

Exhibit 31.2

CERTIFICATION

I, James B. Anderson, the Chief Financial Officer of Procyon Corporation, certify that:

1. I have reviewed this annual report on Form 10-K of Procyon Corporation;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e))for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 28, 2023

/s/ James B. Anderson
James B. Anderson
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to18 U.S.C. § 1350,
As Adopted Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Procyon Corporation (the "Company") on Form 10-K for the year ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, the undersigned Chief Executive Officer and Chief Financial Officer of the Company, do certify, to our knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: September 28, 2023

/s/ Justice W. Anderson
Justice W. Anderson
Chief Executive Officer/President

/s/ James B. Anderson
James B. Anderson
Chief Financial Officer

PROCYON CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Procyon Corporation and Subsidiaries
Oldsmar, Florida

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Procyon Corporation and subsidiaries (the "Company") as of June 30, 2023 and 2022, the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended June 30, 2023 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the two-year period ended June 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involve our especially challenging, subjective, or complex judgements. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical matters below, providing separate opinions on the critical audit matters on the accounts or disclosures to which they relate. We determined that there are no critical audit matters.

We have served as the Company's auditor since 1998.

Tampa, Florida
September 18, 2023

PROCYON CORPORATION & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	$ 451,306	$ 760,396
Certificates of Deposit, plus accrued interest	562,472	281,105
Accounts Receivable, less allowance for doubtful accounts of $11,625 and $13,569 respectively	493,953	407,085
Inventories	431,405	761,651
Prepaid Expenses	298,469	374,817
TOTAL CURRENT ASSETS	2,237,605	2,585,054
PROPERTY AND EQUIPMENT, NET	281,023	153,702
OTHER ASSETS		
Deposits	9,220	12,311
Inventories	330,513	182,224
Intangible Asset	17,000	17,000
ROU Assets - Operating Leases	527,170	706,155
Deferred Tax Asset, Net of Valuation Allowance of $0 and $31,960, respectively	161,180	146,051
	1,045,083	1,063,741
TOTAL ASSETS	$ 3,563,711	$ 3,802,497
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 175,057	$ 178,083
Accrued Expenses	277,498	302,601
Short Term Lease Liabilities	173,565	162,547
TOTAL CURRENT LIABILITIES	626,120	643,231
LONG TERM LIABILITIES		
Long Term Lease Liabilities	319,882	491,312
TOTAL LONG TERM LIABILITIES	319,882	491,312
TOTAL LIABILITIES	946,002	1,134,543
COMMITMENTS AND CONTINGENCIES (NOTE G)	-	-
STOCKHOLDERS' EQUITY		
Preferred Stock, 496,000,000 shares authorized, none issued.	-	-
Series A Cumulative Convertible Preferred Stock, no par value; 4,000,000 shares authorized; 167,100 and 167,100 shares issued and outstanding, respectively.	126,860	126,860
Common Stock, no par value, 80,000,000 shares authorized; 8,087,388 and 8,087,388 shares issued and outstanding, respectively	4,444,766	4,444,766
Paid-in Capital	35,564	35,564
Accumulated Deficit	(1,989,481)	(1,939,236)
TOTAL STOCKHOLDERS' EQUITY	2,617,709	2,667,954
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,563,711	$ 3,802,497

The accompanying notes are an integral part of these financial statements.

PROCYON CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Years Ended June 30, 2023 and 2022

	2023	2022
NET SALES	$ 4,686,659	$ 4,842,433
COST OF SALES	1,117,072	1,356,612
GROSS PROFIT	3,569,587	3,485,821
OPERATING EXPENSES		
Salaries and Benefits	1,859,980	2,012,430
Selling, General and Administrative	1,806,988	1,710,606
	3,666,968	3,723,036
(LOSS) / INCOME FROM OPERATIONS	(97,381)	(237,215)
OTHER INCOME		
Rental Income	20,191	-
Interest Income	11,816	1,804
	32,007	1,804
(LOSS) / INCOME BEFORE INCOME TAXES	(65,374)	(235,411)
INCOME TAX (EXPENSE) / BENEFIT	15,129	25,621
NET (LOSS) / INCOME	(50,245)	(209,790)
Dividend requirements on preferred stock	(16,710)	(16,710)
Basic net (loss) / income available to common shares	$ (66,955)	$ (226,500)
Basic net (loss) / income per common share	$ (0.01)	$ (0.03)
Weighted average number of common shares outstanding	8,087,388	8,087,388
Diluted net (loss) / income per common share	$ (0.01)	$ (0.03)
Weighted average number of common shares outstanding, diluted	8,087,388	8,087,388

The accompanying notes are an integral part of these financial statements.

PROCYON CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Twelve Months Ended June 30, 2023 and 2022

Twelve Months Ended June 30, 2023	Preferred Stock		Common Stock		Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Equtiy
Balance, June 30, 2022	167,100	126,860	8,087,388	4,444,766	35,564	(1,939,236)	2,667,954
Net Income (Loss)	-	-	-	-	-	(8,187)	(8,187)
Balance, September 30, 2022	167,100	126,860	8,087,388	4,444,766	35,564	(1,947,423)	$ 2,659,767
Net Income (Loss)	-	-	-	-	-	(20,078)	(20,078)
Balance, December 31, 2022	167,100	126,860	8,087,388	4,444,766	35,564	(1,967,501)	2,639,689
Net Income (Loss)	-	-	-	-	-	(29,471)	(29,471)
Balance, March 31, 2023	167,100	126,860	8,087,388	4,444,766	35,564	(1,996,972)	$ 2,610,218
Net Income (Loss)	-	-	-	-	-	7,491	7,491
Balance, June 30, 2023	167,100	$ 126,860	8,087,388	$ 4,444,766	$ 35,564	$ (1,989,481)	$ 2,617,709

Twelve Months Ended June 30, 2022	Preferred Stock		Common Stock		Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Equtiy
Balance, June 30, 2021	167,100	$ 126,860	8,087,388	$ 4,444,766	$ 35,564	$ (1,729,446)	$ 2,877,744
Net Income (Loss)	-	-	-	-	-	42,482	42,482
Balance, September 30, 2021	167,100	126,860	8,087,388	4,444,766	35,564	(1,686,964)	2,920,226
Net Income (Loss)	-	-	-	-	-	(67,562)	(67,562)
Balance, December 31, 2021	167,100	126,860	8,087,388	4,444,766	35,564	(1,754,526)	2,852,664
Net Income (Loss)	-	-	-	-	-	(105,348)	(105,348)
Balance, March 31, 2022	167,100	126,860	8,087,388	4,444,766	35,564	(1,859,874)	2,747,316
Net Income (Loss)	-	-	-	-	-	(79,362)	(79,362)
Balance, June 30, 2022	167,100	$ 126,860	8,087,388	$ 4,444,766	$ 35,564	$ (1,939,236)	$ 2,667,954

The accompanying notes are an integral part of these financial statements.

PROCYON CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss) / Income	$ (50,245)	$ (209,790)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	52,817	38,217
Decrease in Allowance for Doubtful Accounts	(1,944)	4,161
Right of Use Asset Amortization	178,985	176,189
Accrued Interest on Certificate of Deposit	(6,949)	(667)
Deferred Income Taxes	16,831	(57,581)
Valuation Allowance	(31,960)	31,960
(Gain)/Loss on Sale of Assets	-	-
Gain on Extinguishment of Debt	-	-
Stock Based Compensation	-	-
Decrease (increase) in:		
Accounts Receivable	(84,924)	86,112
Deposits	3,091	(9,076)
Inventory	181,957	(89,537)
Prepaid Expenses	76,348	(98,566)
Increase (decrease) in:		
Accounts Payable	(3,026)	10,495
Accrued Interest Payable		
Accrued Expenses	(25,103)	(111,376)
Payments on Operating Lease Liability	(160,412)	(154,023)
NET CASH (USED) / PROVIDED BY OPERATING ACTIVITIES	145,466	(383,482)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Certificate of Deposit	(400,000)	-
Redemption of Certificate of Deposit	125,582	-
Purchase of Property & Equipment	(180,138)	(82,644)
Proceeds on disposal of property and equipment	-	-
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES	(454,556)	(82,644)
CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
NET CASH (USED IN) FINANCING ACTIVITIES	-	-
NET CHANGE IN CASH	(309,090)	(466,126)
CASH AT BEGINNING OF THE YEAR	760,396	1,226,522
CASH AT END OF THE YEAR	$ 451,306	$ 760,396
SUPPLEMENTAL DISCLOSURES		
Interest Paid	$ -	$ -
Taxes Paid	$ -	$ -

NONCASH TRANSACTION DISCLOSURES

During the current year, the Company recorded a right of use asset for $180,109.37 and recorded a related right of use liability of $180,109.37

The accompanying notes are an integral part of these financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

Procyon Corporation has two wholly-owned subsidiaries, AMERX Health Care Corp. (AMERX) and Sirius Medical Supply, Inc. (Sirius). AMERX manufactures and markets wound and skin care products primarily in the United States whereas Sirius previously marketed diabetic supplies primarily to Medicare patients in the United States. As previously reported, in July 2009, we sold substantially all of the assets of Sirius to a third party, such that, as of July 31, 2009, Sirius no longer has any material operations. Management is considering various options for the future direction of Sirius.

Principles of Consolidation

The consolidated financial statements include the accounts of Procyon Corporation and its wholly-owned subsidiaries, AMERX and Sirius. All material inter-company accounts and transactions are eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the Statements of Cash Flows, the Company considers cash-on-hand, demand deposits in banks and highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Company maintains its cash at various financial institutions. All accounts are fully insured by the Federal Deposit Insurance Corporation, up to $250,000 per Company. At June 30, 2023 and 2022, our uninsured cash balance was $0 and $52,539 respectively.

Revenue Recognition

The Company recognizes revenue in accordance with the Financial Accounting Standards Board's (FASB) release of Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) which requires that five basic criteria must be met before revenue can be recognized: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

Accounts Receivable and Concentration of Credit Risk

AMERX grants credit to customers, most of whom are national pharmaceutical distributors, drug stores nationwide and physicians. AMERX wholesales its products to national pharmaceutical distributors and drug stores at a sales term of 2/10, net 30 days. AMERX has a written return policy with its customers. Each return request is reviewed by management for approval. Sales to physicians are at contracted rates and standard payment term is 2/10 net 30 days.

The valuation of accounts receivable is based upon the credit-worthiness of customers as well as historical collection experience. Estimating the credit worthiness of customers and recoverability of customer accounts requires us to exercise considerable judgment. Allowances for doubtful accounts are recorded as a selling, general and administrative expense for estimated amounts expected to be uncollectible from third-party payers and customers. The Company bases its estimates on its historical collection and write-off experience, current trends, credit policy, and on analysis of accounts receivable by aging category. As of June 30, 2023 and 2022, accounts receivable allowance was approximately $11,600 and $13,600, or less than 2% of gross accounts receivable.

Inventories

Inventories are valued at the lower of average cost or net realized value determined by the first-in, first-out method. A portion of inventory is included in non-current inventory. The non-current balance represents product that will most likely not be used within the next 12 months. A majority of this non-current inventory comes from minimum economic level orders necessary to produce product at a reasonable cost.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed on a straight-line basis over their estimated useful lives. Leased equipment is recorded at it's fair market value at the beginning of the lease term and is depreciated over the life of the equipment.

Deferred Income Taxes

Deferred income taxes are recognized for the expected tax consequences in future years for differences between the tax bases of assets and liabilities and their financial reporting amounts, based upon exacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. The Company accounts for income taxes under Topic 740 - Income Tax in the Accounting Standards Codification. A valuation allowance is used to reduce deferred tax assets to the net amount expected to be recovered in future periods. The estimates for deferred tax assets and the corresponding valuation allowance require us to exercise complex judgments. We periodically review and adjust those estimates based upon the most current information available. We have a valuation allowance of $0 as of June 30, 2023. We had a valuation allowance of $31,960 as of June 30, 2022.

Fair Value of Financial Instruments

The carrying value of cash, accounts receivable, prepaid expenses, deposits, inventory, accounts payable and accrued expenses approximate fair value.

Considerable judgement is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

Shipping and Handling Costs

Shipping and handling costs incurred were approximately $215,000 and $210,000 for the years ended June 30, 2023, and 2022, respectively, and were included in selling, general and administrative expenses.

Advertising and Marketing

The Company records advertising and marketing expenses in the periods in which they are incurred. During the years ended June 30, 2023 and 2022, approximately $536,000 and $473,000, of advertising and marketing costs were included in selling, general and administrative expenses for each respective year.

Stock Based Compensation

In November 2020, our shareholders approved the Procyon Corporation 2020 Stock Option and Incentive Plan (the "2020 Option Plan").

The Company maintained the Procyon Corporation 2009 Stock Option Plan (the "2009 Option Plan"), which expired on December 8, 2019. The 2009 Option Plan was approved by the Company's shareholders on December 8, 2009. No further stock options or other awards may be granted under the 2009 Option Plan.

The 2009 Option Plan provided for the granting of incentive stock options, non-qualified stock options, and stock appreciation rights ("SARs") to eligible officers, directors, employees and consultants of the Company and its subsidiaries. The 2009 Option Plan is administered by the Compensation Committee. The Board of Directors has authorized the issuance of 500,000 shares of common stock to underlie the granting of incentive stock options and 500,000 shares of common stock to underlie the granting of non-qualified stock options and SARs under the 2009 Option Plan. The Board issued 250,000 shares of common stock to underlie Non-Qualified Stock Options, on September 27, 2016, effective June 30, 2016. However, 40,000 Options to purchase common stock were awarded to Justice Anderson pursuant to his employment agreement effective July 1, 2016 and 25,000 Options to purchase common stock were awarded to Justice Anderson pursuant to his employment agreement effective July 1, 2017. These Options will expire ten years after their respective grant dates. As of June 30, 2021, no other stock options or other awards have been granted under the 2009 Option Plan. The 1,000,000 shares of common stock that have been reserved for the 2009 Option Plan (250,000 recently issued for Non-Qualified Stock Options) have not been registered under the Securities Act of 1933.

Eligible participants under the 2009 Option Plan must be such full or part-time officers and other employees, non-employee directors and key persons (including consultants and prospective employees) of the Company and its Subsidiaries as are selected from time to time by the Compensation Committee in its sole discretion. Only employees may receive incentive stock options. Employees, non-employee directors and consultants may receive non-qualified stock options or SARs.

Non-Qualified Stock Options granted under the 2009 Option Plan many have a term of not more than ten years from the date of grant. The exercise price must be not less than 100% of the fair market value of the underlying common stock on the date of grant. Incentive Stock Options can be granted under the 2009 Option Plan for a term not exceeding ten years, except for Ten Percent Owners of our common stock, as defined in the Plan, for whom the maximum option term is five years. Incentive Stock Options are granted with an exercise price of not less than 100% of the fair market value of the underlying common stock on the date of grant. However, for Incentive Stock Options owned by Ten Percent Owners, the exercise price must be 110% of the Fair Market Value of the underlying stock on the date of grant.

The 2020 Option Plan provides for the granting of Incentive Stock Options, meeting the requirements of 422 of the Internal Revenue Code (the "Code"), Non-Qualified Stock Options, which do not qualify as Incentive Stock Options, Stock Appreciation Rights ("SARs"), Restricted Stock, Restricted Stock Units, or Other Stock-Based Awards (together, an "Award"). An SAR is an Award entitling the recipient to receive shares of Common Stock having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised. "Restricted Stock Unit" means an unfunded, unsecured right to receive, on the applicable settlement date, one Share or an amount in cash or other consideration determined by the Administrator equal to the value thereof as of such payment date, which right may be subject to certain vesting conditions and other restrictions. "Other Stock-Based Awards" means other Awards of Shares, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Shares or other property.

The Board of Directors has authorized the issuance of 2,000,000 shares of Common Stock to underlie the granting of Awards under the 2020 Option Plan. The 2,000,000 shares of Common Stock that have been reserved for the 2020 Option Plan have not been registered under the Securities Act of 1933. We have no present plans to register such shares. Incentive Stock Options may only be granted to employees of the Company or its Subsidiaries and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. Incentive Stock Options can be granted for a term not exceeding ten years, except for Ten Percent Owners of our Common Stock, for whom the maximum option term is five years. Incentive Stock Options are granted with an exercise price of not less than 100% of the Fair Market Value of the underlying Common Stock on the date of grant. However, for Ten Percent Owners, the exercise price must be 110% of the Fair Market Value of the underlying Stock on the date of grant. Further, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under the Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by a Participant during any calendar year shall not exceed $100,000.

Non-Qualified Stock Options are Options that is not intended to be or otherwise do not qualify as an Incentive Stock Option. Non-Qualified Stock Options shall be granted and have a term of not more than ten years from the date of grant. The exercise price must be not less than 100% of the Fair Market Value of the underlying Common Stock on the date of grant. Non-Qualified Stock Option can be awarded to employees, officers, directors or consultants.

Effective June 30, 2021, the Company granted 25,000 non-qualified stock options to Justice W. Anderson and 25,000 non-qualified stock options to James B. Anderson for exceeding certain performance standards in fiscal 2021, pursuant to the terms of their respective Restated and Amended Executive Employment Agreements dated July 1, 2020. Each of the options were dated September 24, 2021, but were granted and effective as of June 30, 2021 for a ten year term and have an exercise price of .373 per share.

The fair value of a stock option is determined using the Black-Scholes option-pricing model, which values options based on the stock price at the grant date, the expected life of the option, the estimated volatility of the stock, the expected dividend payments, and the risk-free interest rate over the life of the option.

The Black-Scholes option valuation model was developed for estimating the fair value of traded options that have no vesting restrictions and are fully transferable. Because option valuation models require the use of subjective assumptions, changes in these assumptions can materially affect the fair value of the options. Our options do not have the characteristics of traded options, therefore, the option valuation models do not necessarily provide a reliable measure of the fair value of our options.

Agreements to grant 40,000 and 25,000 Options to purchase common stock were executed and delivered to Justice Anderson, pursuant to his executive employment agreements, on September 27, 2016 and August 23, 2017, respectively, but with grant dates of June 30, 2016 and June 30, 2017, respectively. Equity instruments issued to non-employees in exchange for goods, fees and services are accounted for under the fair value-based method of Accounting Standards Codification Topic 718 - Compensation - Stock Compensation ("Topic 718").

Effective as of June 30, 2021, the Company granted 25,000 non-qualified stock options to Justice W. Anderson and 25,000 non-qualified stock options to James B. Anderson for exceeding certain performance standards in fiscal 2021, pursuant to the terms of their respective Restated and Amended Executive Employment Agreements dated July 1, 2020. Each of the options were granted on June 30, 2021 with a ten year term and have an exercise price of .373 per option.

Additional information with respect to stock option activity is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at June 30, 2021	115,000	$ 0.26
Granted	-	$ -
Exercised	-	$ -
Cancelled	-	$ -
Outstanding at June 30, 2022	115,000	$ 0.26
Granted	-	$ -
Exercised	-	$ -
Cancelled	-	$ -

Outstanding at June 30, 2023	115,000	$	0.26
Options exercisable at June 30, 2022	115,000	$	0.26
Options exercisable at June 30, 2023	115,000	$	0.26

Net Income Per Common Share

The Company computes net income per share in accordance with Accounting Standards Codification Topic 260 - Earnings per Share (Topic 260). Topic 260 requires presentation of both basic and diluted earnings per shares (EPS) on the face of the income statement. Basic EPS is computed by dividing net income available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive.

Subsequent Events

We have evaluated subsequent events through September 18, 2023, which is the date the financial statements were available to be issued.

NOTE B - INVENTORIES

Inventories consisted of the following:

	June 30, 2023		June 30, 2022	
Finished Goods	$	576,548	$	759,118
Raw Materials		185,370		184,757
	$	761,918	$	943,875

At June 30, 2023 and 2022, respectively, $330,513 and $182,224 of our inventory was considered non-current as it will not be used within a one year period.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

As of June 30, 2023		Total
Office Equipment		239,890
Furniture and Fixtures		102,541
Software		177,019
Leasehold improvements		42,289
Production Equipment		26,752
Building		18,392
		606,883
Less accumulated depreciation		(325,860)
	$	281,023

Depreciation expense was $52,817 for the year ended June 30, 2023.

As of June 30, 2022		Total
Office Equipment	$	224,635
Furniture and Fixtures		95,038
Software		26,021
Leasehold Improvements		35,907
Production Equipment		26,752
Building		18,392
		426,745
Less accumulated depreciation		(273,043)
	$	153,702

Depreciation expense was $38,217 for the year ended June 30, 2022.

NOTE D - INTANGIBLE ASSETS

On June 30, 2017, the Company acquired the formulation of its care lotion from its manufacturer for $17,000. The Company has determined that this asset has an indefinite useful life and therefore is not being amortized, but instead will be tested for impairment at least annually in accordance with the provisions of FASB ASC 350, Intangibles - Goodwill and Other.

NOTE E - ACCRUED EXPENSES

Accrued expenses consist of the following at June 30, 2023 and 2022.

	2023		2022	
Accrued Payroll	$	70,298	$	151,341
Accrued Paid Time Off		33,820		41,837
Accrued Professional Fees		48,793		53,681
Accrued Incentive Plan		24,387		10,789
Accrued Lease Liability		92,856		40,439
Other		7,344		4,514
Total	$	277,498	$	302,601

NOTE F - LINE OF CREDIT

A line of credit was procured in June 2021, with a bank. The limit for this line of credit is $250,000 as well. Terms of the Line of credit include and an interest rate that fluctuates at prime plus a half of point, interest only. The line of credit matures on June 30, 2022. This line of credit, renews annually until either party decides otherwise. At June 30, 2023, the Company owed $0 on the line of credit.

Interest expense for the years ended June 30, 2023 and 2022 was $0 and $0, respectively.

The line of credit is guaranteed by Justice W. Anderson, President and Chief Executive Officer.

NOTE G - COMMITMENTS AND CONTINGENCIES

The Company leases its office space, warehouse space and certain equipment. The minimum lease payments due under the lease agreements for fiscal years ended June 30, are as follows:

2024	$	184,805
2025		188,353
2026		141,062
	$	514,220

NOTE H - STOCKHOLDERS' EQUITY

During January 1995, the Company's Board of Directors authorized the issuance of up to 4,000,000 shares of Series A Cumulative Convertible Preferred Stock. The preferred stockholders are entitled to receive, if declared by the board of directors, quarterly dividends at an annual rate of $.10 per share of Series A Cumulative Convertible Preferred Stock per annum. Dividends accrue without interest and are cumulative from the date of issuance of the Series A Cumulative Convertible Preferred Stock and are payable quarterly in arrears in cash or publicly traded common stock when and if declared by the board of directors. As of June 30, 2023, no dividends have been declared. Dividends in arrears on the outstanding preferred shares total $437,936 or approximately $2.62 per share as of June 30, 2023. So long as any shares of Series A Preferred Stock are outstanding, the Company is prohibited from declaring dividends or other distributions related to its Common Stock or purchasing, redeeming or otherwise acquiring any of the Common Stock.

The preferred stockholders have the right to convert each share of Series A Cumulative Convertible Preferred Stock into one share of the Company's common stock at any time without additional consideration. Each share of Series A Cumulative Convertible Preferred Stock is subject to mandatory conversion into one share of common stock of the Company, effective as of the close of a public offering of the Company's common stock provided, however, that the offering must provide a minimum of $1 million in gross proceeds to the Company and the initial offering price of such common stock must be at least $1 per share. In addition to the rights described above, the holders of the Series A Cumulative Convertible Preferred Stock have voting rights equal to the common stockholders based upon the number of shares of common stock into which the Series A Cumulative Convertible Preferred Stock is convertible. The Company is obligated to reserve an adequate number of shares of its common stock to satisfy the conversion of all of the outstanding Series A Cumulative Convertible Preferred stock.

Share-based compensation expense recognized during the period is based on the value of the portion of share-based payment awards that is ultimately expected to vest. As share-based compensation expense recognized in the statement of operations is based on awards ultimately expected to vest, it can be reduced for estimated forfeitures. The ASC topic Stock Compensation requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The share based compensation accrued and charged against income for the periods ended June 30, 2023 and 2022 was $10,721 and $0 respectively.

NOTE I - EARNINGS PER SHARE

As required by Accounting Standards Codification Topic 260 - Earnings per Share ("Topic 260"), the following table sets forth the computation of basic and diluted earnings per share:

	Years Ended June 30, 2023	Years Ended June 30, 2022
Numerator:		
Net (Loss) Income	$ (50,245)	$ (209,790)
Adjustment for basic earnings per share:		
Dividend requirements on preferred stock	(16,710)	(16,710)
Numerator for basic earnings per share- Net income available to common stockholders	$ (66,955)	$ (226,500)
Effect of dilutive securities:		
Numerator for diluted earnings per share- Net income available to common stockholder	$ (66,955)	$(226,500)
Denominator:		
Denominator for basic earnings per share- Weighted-average common shares	8,087,388	8,087,388
Effect of dilutive securities: Stock options	0	0
Weighted-average Dilutive potential common shares	0	0
Denominator for dilutive earnings per share- Adjusted weighted-average shares and assumed conversions	8,087,388	8,087,388
Basic Net Income per share	$ (0.01)	$ (0.03)
Diluted Net Income per share	$ (0.01)	$ (0.03)

NOTE J - INCOME TAXES AND AVAILABLE CARRYFORWARD

As of June 30, 2023, the Company had consolidated income tax net operating loss ("NOL") carryforwards for federal income tax purposes of approximately $716,000. NOL arising before December 31, 2020 will expire in various years ending through the year 2035 and for losses arising in taxable years beginning after December 31, 2020, the deduction is limited to 80% of taxable income and can be carried forward indefinitely. The utilization of certain loss carryforwards are limited under Section 382 of the Internal Revenue Code.

The components of the provision for income taxes expenses are attributable to continuing operations as follows:

	Year ended June 30, 2023	Year ended June 30, 2022
Current		
Federal	$ -	$ -
State	-	-
	-	-
Deferred		
Federal	$ 12,535	$ 21,229
State	2,594	4,392
	$ 15,129	$ 25,621

Deferred income taxes reflect the net tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	Non-Current
Deferred tax assets:	
NOL and contribution carryforwards	$ 181,439
Share based payments	6,387
Lease Liabilities - operating leases	125,064
Accrued compensated absences	8,572
Accrued bonus	6,181
Allowance for doubtful accounts	2,946
	330,589
Deferred tax (liabilities):	
Right of use assets - operating leases	(133,611)
Excess of tax over book depreciation	(35,798)
Total deferred tax (liabilities)	(169,409)
Net deferred tax asset (liability)	161,180
Valuation Allowance	-
Net deferred tax asset	$ 161,180

The change in the valuation allowance is as follows:

June 30, 2023	$	-
June 30, 2022		(31,960)
	$	(31,960)

Income taxes for the years ended June 30, 2023 and 2022 differ from the amounts computed by applying the effective income tax rates of 25.35% to income before income taxes as a result of the following:

	2023	2022
Expected benefit (provision) at US statutory rate	$ 13,767	$ 49,436
State income tax net of federal benefit (provision)	2,848	10,229
Nondeductible expense	(1,246)	(689)
Non Taxable Income	-	-
Change in estimates of losses carryforward	(32,200)	(1,395)
Change in valuation allowance	31,960	(31,960)
Income tax benefit (expense)	$ 15,129	$ 25,621

The earliest tax year still subject to examination by taxing jurisdictions is fiscal year June 30, 2020.

The Company performed a review of its uncertain tax positions in accordance with Accounting Standards Codification ASC 740-10 "Uncertainty in Income Taxes". In this regard, an uncertain tax position represents the Company's expected treatment of a tax position taken in a filed tax return, or planned to be taken in a future tax return, that has not been reflected in measuring income tax expense for financial reporting purposes.

NOTE K - CONCENTRATION OF SUPPLY RISK

The Company's manufacturing and packaging activities are performed at a production facility owned and operated by a non-affiliated pharmaceutical manufacturer. At the present time, the manufacturer is the major source of the Company’s wound care products. The sudden loss or failure of this manufacturer could significantly impair AMERX’s ability to fulfill customer orders on a short-term basis and therefore, could materially and adversely affect the Company’s operations. However, the Company has maintained a long-term relationship with this manufacturer and does not expect a discontinuance of its wound care products from the manufacturer in the near term. The Company has also opened relationships with other manufactures to address supply risk.

There were no back orders as of June 30, 2023 and 2022, respectively, due to the timely receipt of product from the manufacturer.

NOTE L - MAJOR CUSTOMER

During the year ended June 30, 2022 sales from one customer accounted for approximately 10% of AMERX's sales. In fiscal 2023 one customer accounted for more than 10% of AMERX's sales.

NOTE M - RESEARCH AND DEVELOPMENT

AMERX incurred $30,600 and $30,000 during the years ended June 30, 2023 and 2022, respectively, towards research and development efforts. These efforts were directed towards additional studies aimed at expanding existing markets, correcting issues with FDA compliance and manufacturing.

NOTE N - RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Operating Leases

In August 2020, the Company entered into a lease agreement to lease certain office equipment with a lease term of 63 months. The lease renews on a month-to-month basis and contains an option to purchase the equipment at fair market value or return the equipment. Historically, the Company has not exercised the option to purchase at the end of the initial lease term for similar leases and simply returned the equipment at the end of the initial lease term. Initial rent amount was $574 per month. In applying ASC 842, the Company uses a lease term of 63 months and an incremental borrowing rate of 4.25% which was the borrowing rate on the Company's line of credit with a financial institution.

In January 2021, the Company entered in a lease agreement to lease warehouse space with a lease term of 64 months. The Company pays no rent for the first four months of the lease and pays $4,792.50 per month beginning the 5th month of the lease. Rent will increase each succeeding year by no less than 2% but not more than 5%. The rent amount includes common area maintenance charges which are considered nonlease components. In applying ASC 842, the Company is electing to account for nonlease components as being related to the lease component. In addition, the Company uses a lease term of 64 months and an incremental borrowing rate at prime rate of 3.25% which was the borrowing rate on the Company's recent line of credit with a financial institution.

In January 2021, the Company entered in a lease agreement to lease office space with a lease term of 64 months. The Company pays no rent for the first four months of the lease and pays $9,372 per month beginning the 5th month of the lease. Rent will increase each succeeding year by no less than 2% but not more than 5%. The rent amount includes common area maintenance charges which are considered nonlease components. In applying ASC 842, the Company is electing to account for nonlease components as being related to the lease component. The Company also incurred initial direct cost of $114,083 related to existing improvements in the leased space. This initial direct cost has been included in determining the initial ROU asset and liability amounts. In addition, the Company uses a lease term of 64 months and an incremental borrowing rate at prime rate of 3.25% which was the borrowing rate on the Company's recent line of credit with a financial institution.

In May 2021, the Company entered into a lease agreement to lease certain office equipment with a lease term of 39 months. The lease expires at the end of the lease term and the Company can simply return the equipment at the end of the initial lease term or upgrade the equipment during or at the end of the current lease term. Initial rent amount was $547 per month. In applying ASC 842, the Company uses a lease term of 39 months and an incremental borrowing rate of 4.25% which was the borrowing rate on the Company's line of credit with a financial institution.

The following is information related to the Company's right-of-use assets and liabilities for its operating leases:

ROU assets - operating leases obtained in exchange for lease liabilities - operating leases	$979,744
Amortization of ROU assets since lease inception	(452,574)
ROU assets - operating leases at June 30, 2022	$527,170

Lease liabilities - operating leases on adoption date	$ 979,744
Payments on lease liabilities	(486,297)
Lease liabilities - operating leases on June 30, 2023	493,447
Lease liabilities - operating leases due in the 12 months ending June 30, 2024	173,565
Lease liabilities - operating leases due after June 30, 2024	$ 319,882

Variable lease expense was $202,270 and $208,467 for the years ended June 30, 2023 and 2022, respectively.

Weighted average remaining lease term was 2.73 years and weighted average discount rate was 3.29% at June 30, 2023.

Sublease to a Third Party

The Company entered into a lease agreement with an unrelated party to sublease a portion of the warehouse space that it is leasing from its landlord. The contract conveys the right to control the use of the specified area of the warehouse for a period of time in exchange for consideration. Therefore, the sublease meets the definition of a lease pursuant to ASC 842. The Company classifies the sublease as an operating lease because it does not transfer ownership at the end of the lease term. The sublease is for a term of twelve months and it contains a renewal option of which the sublessee is not reasonably certain to exercise. The Company received sublease income of $19,908 during the year ended June 30, 2023.

The following is the amount of sublease income the Company will receive over the next five years:

12 months ending June 30,	
2024	$ 14,220
2025	-
2026	-
2027	-
2028	-
	$ 14,220

NOTE O - RECENT ACCOUNTING PRONOUNCEMENTS

In June 2016, the F ASB issued Accounting Standards Update No. 2016-13, Financial Instruments - Credit Loss (Topic 326) (44ASU 2016-13"), which updates the guidance on recognition and measurement of credit losses for financial assets. The new requirements, known as the current expected credit loss model ("CECL ") will require entities to adopt an impairment model based on expected losses rather than incurred losses. ASU 2016-13 must be adopted on a modified-retrospective approach. This update was effective for fiscal years beginning after December 15, 2020 including interim periods within those fiscal years. In October 2019, the FASB approved an extension for all non-SEC filers, including small reporting companies, to extend the effective date to fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Therefore, the effective date for this update will be July 1, 2023. The Company is currently evaluating the potential impact of the adoption of the new standard on its consolidated statements of financial condition and results of operations.