
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

Form 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended June 30, 2013

OR

☐ 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 000-50053



AMERITYRE CORPORATION

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

87-0535207
(I.R.S. Employer
Identification No.)

**1501 Industrial Road
Boulder City, Nevada 89005**

(702) 293-1930

(Address of principal executive office and telephone number)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class
N/A

Name of each exchange on which registered
N/A

Securities registered pursuant to Section 12(g) of the Exchange 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 ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. YES ☐ NO ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 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 ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted 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 and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark 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 ☐ Smaller reporting company ☒

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

On September 20, 2013, there were 39,741,620 shares of common stock of the Registrant outstanding. As of December 31, 2012, the Registrant's most recent second quarter, there were 32,106,299 shares of common stock of the Registrant held by non-affiliates outstanding with a market value \$4,494,882 (based upon the closing price of \$0.14 per share of common stock as quoted on the NASD: OTCBB).

Documents Incorporated by Reference

Portions of the Registrant's definitive proxy statement, which will be issued in connection with the 2013 Annual Meeting of Shareholders of Amerityre Corporation, are incorporated by reference into Part III of this Annual Report on Form 10-K.

AMERITYRE CORPORATION
2013 ANNUAL REPORT ON FORM 10-K
TABLE OF CONTENTS

	Page
PART I	1
ITEM 1. BUSINESS	1
ITEM 1A. RISK FACTORS	4
ITEM 1B. UNRESOLVED STAFF COMMENTS	8
ITEM 2. PROPERTIES	8
ITEM 3. LEGAL PROCEEDINGS	8
ITEM 4. RESERVED	8
PART II	9
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	9
ITEM 6. SELECTED FINANCIAL DATA	9
ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	10
ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	15
ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	15
ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	16
ITEM 9A. CONTROLS AND PROCEDURES	16
ITEM 9B. OTHER INFORMATION	17
PART III	18
ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT	
ITEM 11. EXECUTIVE COMPENSATION	
ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	
ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	
ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES	
PART IV	19
ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES	19

**AMERITYRE CORPORATION
2013 ANNUAL REPORT ON FORM 10-K**

This report contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "expects," "may," "will," "should," "anticipates," or "intends" or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward-looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements.

All forward-looking statements, including without limitation, management's examination of historical operating trends, are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but, there can be no assurance that management's expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this report. Any forward-looking statements should be considered in light of the risks set forth in "Part I. Item 1A. Risk Factors" and elsewhere in this report.

This report may include information with respect to market share, industry conditions and forecasts that we obtained from internal industry research, publicly available information (including industry publications and surveys), and surveys and market research provided by consultants. The publicly available information and the reports, forecasts and other research provided by consultants generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, our internal research and forecasts are based upon our management's understanding of industry conditions, and such information has not been verified by any independent sources.

For convenience in this report, the terms "Amerityre," "Company," "our," "us" or "we" may be used to refer to Amerityre Corporation.

PART I

ITEM 1. BUSINESS

Overview

Amerityre incorporated as a Nevada corporation on January 30, 1995 under the name American Tire Corporation and changed its name to Amerityre Corporation in December 1999.

Amerityre engages in the research and development, manufacturing and sale of polyurethane tires. We believe that we have developed unique polyurethane formulations that allow us to make products with superior performance characteristics, including abrasion resistance, energy efficiency and load-bearing capabilities, than conventional rubber tires. We also believe that our manufacturing processes are more energy efficient than traditional rubber tire manufacturing processes, in part because our polyurethane compounds do not require the multiple processing steps, extreme heat, and high pressure that are necessary to cure rubber. Using our polyurethane technologies, we believe tires can be produced which last longer, are less susceptible to failure and offer improved fuel economy.

Products

Our polyurethane material technology is based on two proprietary formulations; closed-cell polyurethane foam, which is a lightweight material with high load-bearing capabilities for low duty cycle applications; and Elastothane®, a high performance polyurethane elastomer with high load-bearing capabilities for high duty applications. We are concentrating on three segments of the tire market: closed-cell polyurethane foam tires, polyurethane elastomer forklift tires and agricultural tires.

Closed-Cell Polyurethane Foam Tires

We currently manufacture several lines of closed-cell polyurethane foam tires for bicycles, hand trucks, lawn and garden, wheelbarrow, and medical mobility products. Our closed-cell polyurethane foam products are often referred to as flat-free because they have no inner tube, do not require inflation and will not go flat even if punctured. Our closed-cell polyurethane foam tires are mounted on the wheel rim in much the same way as a pneumatic tire. Our closed-cell polyurethane foam products are virtually maintenance free, eliminating the need to make tedious puncture repairs; provide extended tire life; and offer superior energy efficiency compared to rubber based tires. Foam tires and components accounted for 90.7% of fiscal 2013 revenues.

Polyurethane Elastomer Forklift Tires

We have developed solid polyurethane forklift tires made of Elastothane®. We currently produce and sell over 20 sizes for Class 1, 4 and 5 forklifts. We believe our tires are superior to rubber tires as they are non-marking, more energy efficient, carry greater load weight, operate in lower temperature environments and have longer service lives. Forklift tires accounted for 6.3% of fiscal 2013 revenues.

Agricultural Tires

Amerityre has developed two products for the agricultural tire market, one used in irrigation and one used in planting. Both products have successfully field tested and we are developing sales and marketing strategies and manufacturing plans for these products. Agricultural tires accounted for 3.0% of fiscal 2013 revenues.

Raw Materials and Supplies

The two principal chemical raw materials required to manufacture our products are known generically as polyols and isocyanates. We purchase our chemical raw materials from multiple suppliers. In addition, we purchase various quantities of additional chemical additives that are mixed with the polyols and isocyanates. These additional chemicals are also available from multiple suppliers. Critical raw materials are generally sourced from at least two vendors to assure adequate supply and price competition.

In addition to the chemical raw materials, we purchase steel and plastic wheel components for use in tire and wheel assemblies. We purchase these components from multiple third-party suppliers.

Operations/Manufacturing

Our closed-cell polyurethane foam products are primarily manufactured utilizing multiple stationed carousel centrifugal molding presses. We produce closed-cell foam products using these presses by pouring a proprietary polyurethane formula into a mold, which then spreads out in the mold through centrifugal force. The molding process occurs by reacting monomeric diphenylmethanediisocyanate (MDI) with polyol and other chemicals. The chemical reaction causes a cross linking of the chemicals, which thereafter become solid. The manufacturing process for a closed-cell polyurethane foam product takes less than two minutes. The closed-cell polyurethane foam product can then be removed from the mold and the process is repeated.

All of our products are inspected following the manufacturing process and prior to shipment to ensure quality. Any closed-cell foam products considered by our quality control personnel to be defective are disposed of through traditional refuse collection services or are ground into pellets, which can be melted and reused to make other products and reduce waste of raw materials.

Information Systems

We use commercial computer aided design (CAD) software in connection with engineering and designing our products. This software allows us to integrate our proprietary manufacturing and production data with our design technology, enabling our engineering department to leverage our previous manufacturing and test results to predict the performance characteristics of new product designs and product improvements. For general business purposes, we use commercially available software for financial, distribution, manufacturing, customer relationships and payroll management.

Sales, Marketing and Distribution

We have one full-time sales person and three independent sales representatives actively targeting customers that utilize tires in significant volume. Senior Management is also working to establish broader distribution for our products by contacting major regional distributors, retail cooperatives and chains that distribute and otherwise sell our products. We currently distribute directly from our manufacturing facility in Boulder City, Nevada and from an independent, contracted warehouse in Ravenna, Ohio.

Internationally, we have a distribution agreement established in Canada and a manufacturing licensing agreement established in Asia. In addition, we have developed distribution partners in Sweden and Germany. We continue to seek additional international sales and marketing partners to expand the worldwide sales and distribution of our products.

Customers

We have two customers who accounted for 22% and 33% of our sales for the years ended June 30, 2013 and 2012, respectively. In general, our customers are comprised of OEMs of lawn and garden products, and outdoor power equipment, regional distributors, retail cooperatives and chains that sell lawn and garden products, bicycle tires and hand truck tires to the aftermarket.

Competition

There are several companies that produce not-for-highway-use or light-use tires from polyurethane foam such as Greentyre, manufactures in the UK; Carefree Tire manufactures in China; Marathon Tire manufactures in China; Custom Engineered Wheels and Krypton Industries manufacture in India. We believe our closed-cell polyurethane foam tires differ from the polyurethane foam tires offered by the aforementioned competitors because our products contain millions of closed-cell versus open-cell air bubbles. By closing the cells, our products have higher load bearing characteristics than tire products with open-cell polyurethane foam, while effectively producing a ride quality comparable to a pneumatic tire.

In addition to manufacturers of polyurethane foam tires, we compete directly with companies that manufacture and market traditional not-for-highway-use, low-duty pneumatic, semi-pneumatic, and solid tires made from rubber. The not-for-highway use tire industry has historically been highly competitive and several of our competitors have financial resources that substantially exceed ours. In addition, many of our competitors are very large companies, such as Kenda, Taiwan; Maxxis International, Taiwan; Cheng Shin, China; and Carlisle Tire, USA; that have established brand name recognition, have established distribution networks for their products, and have developed consumer loyalty to such products.

Intellectual Property Rights

We seek to obtain patent protection for, or to maintain as trade secrets, those inventions that we consider important to the development of our business. We rely on a combination of patent, trademark, copyright and trade secret laws in the United States and other jurisdictions as well as confidentiality procedures and contractual provisions to protect our proprietary technology and branding. We control access to our proprietary technology and enter into confidentiality agreements with our employees and other third parties. We own twelve issued U.S. patents and have additional pending U.S. and foreign patent applications. We use various trademarks in association with marketing our products, including the names Amerityre®, Elastothane®, Arcus®, Amerifill®, Kik® and Kryon®.

Trade Secrets

Our polyurethane material technology is based on two key proprietary formulations, a closed-cell polyurethane foam, which is a lightweight material with high load-bearing capabilities for low duty cycle applications, and a polyurethane elastomer, which is a high performing material with high load-bearing capabilities for high duty applications. We are in compliance with the governing regulations that provide our formulations protection under U.S. Trade Secret law.

Patents

Set forth in the schedule below are patents that have been issued or for which a patent application is pending with respect to our technology.

Description of Patent	U.S. Patent App/Serial No.	Issued Date or Date Filed	Brief Description/Purpose
Improved Method and Apparatus for Making Tires and the Like	6,165,397	12/26/2000	Applies to pouring the material at the inside diameter (where the tire starts) during the manufacturing process
Run-Flat Tire with Elastomeric Inner Support	6,679,306	1/20/2004	Applies to a polyurethane insert within a tire to create a “run-flat” system
Method and Apparatus for Vacuum Forming a Wheel from a Urethane Material	7,377,596	4/29/2005	Applies to the method we employ to coat a light gauge steel or aluminum wheel by evacuating air from the mold while moving material through the mold utilizing a vacuum process to eliminate pockets of air within the matrix of the material. The resulting product becomes a “Composite” wheel.
Elastomeric Tire with Arch Shaped Shoulders	6,971,426	12/06/2005	Applies the design of the Arcus® run-flat tire (the first polyurethane elastomer tire to run with or without air)
Method for Manufacturing a Tire with Belts, Plies and Beads Using a Pre-cured Elastomer and Cold Rolling Method	6,974,519	12/13/2005	Applies to how we put the plies, beads and belts on a mandrel or bladder to be placed inside a mold for manufacturing a tire
Plies Sleeve for Use in Forming an Elastomeric Tire	7,438,961	1/10/2006	Applies to the how the tire beads and tire plies are assembled prior to putting them on a mandrel or a core/bladder
Improved Vacuum Forming Apparatus for Vacuum Forming a Tire, Wheel or Other Item from an Elastomeric Material	7,527,489	5/22/2006	Applies to an improvement in the vacuum forming equipment used to manufacture a tire and other items
Method and Apparatus for Vacuum Forming a Wheel from a Urethane Material	7,377,596	5/27/2008	Applies to the method we employ to coat a light gauge steel or aluminum wheel by evacuating air from the mold while moving material through the mold utilizing a vacuum process to eliminate pockets of air within the matrix of the material. The resulting product becomes a “Composite” wheel.
Method for Vacuum Forming an Elastomeric Tire	8,114,330	2/14/2012	Applies to polyurethane tires and methods we employ to evacuate air from mold while moving material through the mold.
Run Flat Tire Insert System	7,398,809	7/15/2008	Applies to how to utilize an insert on a wheel within a corresponding pneumatic tire
Method and Apparatus for Vacuum Forming an Elastomeric Tire	7,399,172	7/15/2008	Applies to polyurethane tires and the method we employ to evacuate air from the mold while moving material through the mold utilizing a vacuum process to eliminate air pockets within the matrix of the material
Method for Filling a Tire and Wheel with a Closed-Cell Foam	Pending	10/31/2008	Applies to how filling a tire and wheel assembly cavity with flexible closed-cell polyurethane foam
System for Retreading a Transport Tire with Polyurethane Tread	8,206,141	6/26/2012	Applies to apparatus we used to retread transport tires with polyurethane tread.
Process for Forming an Airless Spare Tire	Pending	9/7/2011	Applies to the process we employ to manufacture an automobile spare tire from polyurethane.
Method for Retreading a Heavy Duty Tire with a Polyurethane Tread	Pending	05/2/2012	Applies to the method we employ for applying a polyurethane tread to a rubber tire casing.

Trademarks

Set forth in the schedule below are the United States trademarks that have been registered.

Trademarks	Registration/Serial #	Issued/Filed
Amerityre®	2,401,989	8/14/2001
Elastothane®	3,139,489	9/9/2003
Arcus®	2,908,077	12/1/2003
Logo™	85/686,835	7/25/2012
Amerifill®	3,440,176	3/18/2008
Kik®	3,608,633	4/21/2009
Kryon®	4,009,423	9/9/2011

We also own certain trademark applications and/or trademark registrations relating to the Arcus® trademark in several foreign jurisdictions.

Employees

As of August 31, 2013, we had 20 full-time employees and 1 part-time employee, including 5 salaried and 16 hourly employees. We may hire temporary labor for manufacturing needs as required. We believe that we will be able to hire a sufficient quantity of qualified laborers in the local area to meet our employment needs. Our manufacturing process does not require special training, other than orientation to our production techniques and specific equipment. None of our employees is represented by a labor union or a collective bargaining agreement. We consider our relations with our employees to be good.

Research and Development

Our current research and development activities are focused primarily on product improvement (i.e., forklift tires and agriculture tires) and cost efficient manufacturing processes. We have also introduced a “low cost” polyurethane foam formulation increasing the Company’s competitive position. Due to the Company’s limited resources, tire projects which are contingent on additional development, such as composite and automotive tires, have been put on hold and will be revisited at a later date. Research and development expenses were \$1,395 and \$10,032, for fiscal 2013 and 2012, respectively.

ITEM 1A. RISK FACTORS

Due to our history of operating losses, our auditors are uncertain that we will be able to continue as a going concern.

Our financial statements have been prepared assuming that we will continue as a going concern. For the years ended June 30, 2013 and 2012, we had net losses of approximately \$1,134,625 and \$1,175,019 respectively. The independent auditors’ report issued in conjunction with the financial statements for the year ended June 30, 2013 contains an explanatory paragraph indicating that the foregoing matters raise substantial doubt about our ability to continue as a going concern. We cannot guarantee that we can generate net income, increase revenues or successfully expand our operation in the future, and if we cannot do so, the company may not be sustainable and any investment in the company may be lost.

Because our auditors have expressed a going concern opinion, our ability to obtain additional financing could be adversely affected.

We have incurred significant losses since inception, which have resulted in an accumulated deficit of \$59,196,728 at June 30, 2013. Because of these continued losses and our accumulated deficit, we have included a going concern paragraph in Note 5 to our financial statements included in this report, addressing substantial doubt about our ability to continue as a going concern. This going concern paragraph could adversely affect our ability to obtain favorable financing terms in the future or to obtain any additional financing if needed.

Historically, we have lost money from operations and we have made no provision for any contingency, unexpected expenses or increases in costs that may arise.

Since inception, we have been able to cover our operating losses from the sale of our securities. We do not know if these sources of funds will be available to cover future operating losses. If we are unable to obtain adequate sources of funds to operate our business we may not be able to continue as a going concern.

Our business operations and plans could be adversely affected in the event we need additional financing and are unable to obtain such funding when needed. To the extent that our business strategy requires expanding our operations, such expansion could be costly to implement and may cause us to experience significant continuing losses. It is possible that our available short-term assets and anticipated revenues may not be sufficient to meet our operating expenses, business expansion plans, and capital expenditures for the next twelve months. Insufficient funds may prevent us from implementing our business strategy or may require us to delay, scale back or eliminate certain opportunities for the commercialization of our technology and products. If we cannot generate adequate sales of our products, or increase our revenues through licensing of our technology or other means, then we may be forced to cease operations.

In order to succeed as a company, we must continue to manufacture quality products and sell adequate quantities of products at prices sufficient to generate profits. We may not accomplish these objectives. A number of factors may affect future sales of our products even if we are successful in increasing our revenue base. These factors include whether competitors produce alternative or superior products and whether the cost of implementing our products is competitive in the marketplace.

In addition, we are attempting to increase revenues through licensing our technology and manufacturing rights, and selling polyurethane chemical systems to customers that produce their own products. If these proposals are not viable in the marketplace, we may not generate significant revenues from these efforts.

If the holder of the secured convertible promissory note does not choose to convert the note to shares of our common stock, we may have difficulty obtaining the necessary funds to pay principal and interest in cash when due.

During the year ended June 30, 2011, we closed a private placement of secured convertible promissory notes (the "Notes"). We sold an aggregate of \$755,800 in Notes. The Notes were for a term of one year with simple interest of 6 percent. The Notes are convertible at the holders' option to our common stock at a conversion rate of \$0.35 per share. As an incentive to convert, if a holder elects such conversion, for each two shares in the conversion, the holder shall also receive one warrant to purchase an additional share, exercisable at \$0.60 per share for an exercise period of 2 years from the date of conversion. At this filing date, the remaining Note holder has extended their maturity until March 31, 2014. If the outstanding note holder demands cash repayment, it could severely impact our cash flow, limit our ability to make necessary capital improvements and prevent us from completing our business plans or expanding our production capability.

The "slow growth" in the U.S. economy could have an adverse impact on our business, operating results or financial position.

The U.S. economy has experienced "slow growth" since the last U.S. recession and general downturn in the global economy. A continuation or worsening of these conditions, including credit and capital markets disruptions, could have an adverse impact on our business, operating results or financial position in a number of ways. We may experience declines in revenues and cash flows as a result of reduced orders, payment delays or other factors caused by the economic problems of our customers and prospective customers. We may experience supply chain delays, disruptions or other problems associated with financial constraints faced by our suppliers and customers. We may incur increased costs or experience difficulty with about ability to borrow in the future or otherwise with financing our operating, investing or financing activities. Any of these potential problems could hinder our efforts to increase our sales and might, if severe and extensive enough, cause our sales to decline, jeopardizing our ability to operate.

We may experience delays in resolving unexpected technical issues experienced in completing development of new technology that will increase development costs and postpone anticipated sales and revenues.

As we develop and improve our products, we frequently must solve chemical, manufacturing and/or equipment-related issues. Some of these issues are ones that we cannot anticipate because the products we are developing are new. If we must revise existing manufacturing processes or order specialized equipment to address a particular issue, we may not meet our projected timetable for bringing products to market. Such delays may interfere with existing manufacturing schedules, negatively affect revenues and increase our cost of operations.

Because we have limited experience, we may be unable to successfully manage planned growth

We have limited experience in the commercial manufacturing and marketing arena, limited product sales and marketing experience, and limited staff and support systems, especially compared to competitors in the tire industry. In order to become profitable through the commercialization of our technology and products, our products must be cost-effective, economical to produce, have the ability to be distributed on a commercial scale. Furthermore, if our technologies and products do not achieve, or if they are unable to maintain, market acceptance or regulatory approval, we may not be profitable.

Our success depends, in part, on our ability to license, market and distribute our technologies and products effectively. We have limited manufacturing, marketing and distribution capabilities. We may not properly ascertain or assess any and all risks inherent in the industry. We may not be successful in entering into new licensing or marketing arrangements, engaging independent distributors, or recruiting, training and retaining a larger internal marketing staff and sales force. If we are unable to meet the challenges posed by our planned licensing, manufacturing, distribution and sales growth, our business may fail.

We are subject to governmental regulations, including environmental and health and safety regulations.

Our business operations are subject to a variety of national, state and local laws and regulations, many of which deal with the environment and health and safety issues. We believe we are in material compliance with applicable environmental and worker health and safety requirements. However, material future expenditures may be necessary if compliance standards change or material unknown conditions that require remediation are discovered. If we fail to comply with present and future environmental and worker health and safety laws and regulations, we could be subject to future liabilities or interruptions in our operations, which could have a material adverse effect on our business.

The markets in which we sell our products are highly competitive.

The markets for our products are highly competitive on a global basis, with a number of companies having significantly greater resources and market share than us. Many of our competitors maintain a significantly higher level of brand recognition than we do. Their access to greater resources enables them to adapt more quickly to changes in the markets we have targeted. Our competitors are able to devote greater resources to the development and sale of new products. Most of the products we have developed have not obtained broad market acceptance and rely on our emerging technology. To improve our competitive position, we will need to make significant ongoing investments in manufacturing, customer service and support, marketing, sales, research and development and intellectual property protection. We do not know if we will have sufficient resources to continue to make such investments or if we will maintain or improve our competitive position within the markets we serve.

We attempt to protect the critical elements of our proprietary technology as trade secrets. Because of our reliance on trade secrets, we are unable to prevent third parties from independently developing technologies that are similar or superior to our technology or from successfully reverse engineering or otherwise replicating our technology.

In certain cases, where the disclosure of information required to obtain a patent would divulge critical proprietary data, we may choose not to patent elements of our proprietary technology and processes which we have developed or may develop in the future and instead rely on trade secret laws to protect certain elements of our proprietary technology and processes. For example, we rely on trade secrets to protect our key polyurethane formulations. These formulations are critical elements of and central to our proprietary technology. Our trade secrets could be compromised by third parties, or intentionally or accidentally by our employees. It is also possible that others will independently develop technologies that are similar or superior to our technology. Third parties may also legally reverse engineer our products. Independent development, reverse engineering, or other legal copying of those elements of our proprietary technology that we attempt to protect as trade secrets could enable third parties to benefit from our technologies without compensating us. The protection of proprietary technology through claims of trade secret status has been the subject of increasing claims and litigation by various companies both in order to protect proprietary rights as well as for competitive reasons, even when proprietary claims are unsubstantiated. The prosecution of litigation to protect our trade secrets or the defense of such claims is costly and unpredictable given the uncertainty and rapid development of the principles of law pertaining to this area. We may also be subject to claims by other parties with regard to the use of technology information and data that may be deemed proprietary to others. The independent development of technologies that are similar or superior to our technology or the reverse engineering of our products by third parties would have a material adverse effect on our business and results of operations. In addition, the loss of our ability to use any of our trade secrets or other proprietary technology would have a material adverse effect on our business and results of operations. Because trade secrets do not ensure exclusivity and pose such issues with respect to enforcement, third parties may decline to partner with us or may pay lesser compensation for use of our technology which is protected only by trade secrets.

Our business depends on the protection of our patents and other intellectual property and may suffer if we are unable to adequately protect such intellectual property.

Our success and ability to compete are substantially dependent upon our intellectual property. We rely on patent, trademark and copyright laws, trade secret protection and confidentiality or license agreements with our employees, customers, strategic partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate. There are events that are outside of our control that pose a threat to our intellectual property rights as well as to our products and services. For example, effective intellectual property protection may not be available in every country in which we license our technology or our products are distributed. Also, the efforts we have taken to protect our proprietary rights may not be sufficient or effective. Any impairment of our intellectual property rights could harm our business and our ability to compete. Also, protecting our intellectual property rights is costly and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and harm our operating results. In addition, other parties may independently develop similar or competing technologies designed around any patents that may be issued to us.

We have been granted a number of U.S. patents and have several U.S. patent applications pending relating to certain aspects of our manufacturing technology and use of polyurethane to make tires and we may seek further patents on future innovations. Our ability to either manufacture products or license our technology is substantially dependent on the validity and enforcement of these patents and patents pending. We cannot guarantee that our patents will not be invalidated, circumvented or challenged, that patents will be issued for our patents pending, that the rights granted under the patents will provide us competitive advantages or that our current and future patent applications will be granted.

Third parties may invalidate our patents

Third parties may seek to challenge, invalidate, circumvent or render unenforceable any patents or proprietary rights owned by or licensed to us based on, among other things:

- subsequently discovered prior art;
- lack of entitlement to the priority of an earlier, related application; or
- failure to comply with the written description, best mode, enablement or other applicable requirements.

United States patent law requires that a patent must disclose the “best mode” of creating and using the invention covered by a patent. If the inventor of a patent knows of a better way, or “best mode,” to create the invention and fails to disclose it, that failure could result in the loss of patent rights. Our decision to protect certain elements of our proprietary technologies as trade secrets and to not disclose such technologies in patent applications, may serve as a basis for third parties to challenge and ultimately invalidate certain of our related patents based on a failure to disclose the best mode of creating and using the invention claimed in the applicable patent. If a third party is successful in challenging the validity of our patents, our inability to enforce our intellectual property rights could seriously harm our business.

We may be liable for infringing the intellectual property rights of others.

Our products and technologies may be the subject of claims of intellectual property infringement in the future. Our technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time-consuming, expensive to litigate or settle, could divert resources and attention and could require us to obtain a license to use the intellectual property of third parties. We may be unable to obtain licenses from these third parties on favorable terms, if at all. Even if a license is available, we may have to pay substantial royalties to obtain it. If we cannot defend such claims or obtain necessary licenses on reasonable terms, we may be precluded from offering most or all of our products or services and our business and results of operations will be adversely affected.

Because our proposed tire products are derived from new technology, our product liability insurance costs will likely increase and we may be exposed to product liability risks that could adversely affect profitability.

Even if tests indicate that our tires meet performance standards and our new highway-use tire products are approved for use, these products may subject us to significant product liability claims because the technology is new and there is little history of on-road use. Moreover, because our products are and will be used in applications where their failure could result in substantial injury or death, we could also be subject to product liability claims. Introduction of such new products and increased use of our existing products will most likely increase our product liability premiums and defense of potential claims could increase insurance costs even further, which could substantially increase our expenses. Any insurance we obtain may not be sufficient to cover the losses incurred through such lawsuits.

Significant increases in the price of chemical raw materials, steel and other raw materials used in our products could increase our production costs and decrease our profit margins or make our products less competitive in the marketplace due to price increases.

The materials used to produce our products are susceptible to price fluctuations due to supply and demand trends, the economic climate and other unforeseen trends. With respect to both polyols and isocyanates, worldwide demand is increasing and may exceed current capacity. If we are successful in implementing our business strategy, the quantities of chemical raw materials required by us or by others that utilize our technology may increase significantly. Shortages, if any, may result in chemical price increases. We have experienced increases in the cost of wheel components due to the increased cost of steel, but no supply delays or shortages. However, we anticipate that we may experience an increase in steel wheel components at such time as the Chinese government cancels any export rebates it may be currently providing Chinese wheel manufacturers. Our raw materials pricing could increase further in the future. Because we are introducing products that will compete, in part, on the basis of price, we may be unable to pass cost increases on to our customers. If we are unable to pass on raw material cost increases to our customers, our future results of operations and cash flow will be materially adversely affected.

Our ability to execute our business plan would be harmed if we are unable to retain or attract key personnel.

Our polyurethane technology has been developed by a small number of the members of our management team and only a limited number of the members of our management team maintain the technical knowledge to produce our products. Our future success depends, to a significant extent, upon our ability to retain and attract the services of these and other key personnel. The loss of the services of one or more members of our management team could hinder our ability to effectively manage our business and implement our growth strategies. Finding suitable replacements could be difficult, and competition for such personnel of similar experience is intense. We do not carry key person insurance on any of our officers.

Shareholders and potential investors may experience some difficulty trading our stock since it is only quoted on the National Association of Securities Dealers (NASD) Over the Counter Bulletin Board.

Our common stock is quoted on NASD OTC Bulletin Board. As a result, secondary trading of our shares may be subject to certain state imposed restrictions and the ability of individual stockholders to trade their shares in a particular state may be subject to various rules and regulations of that state. A number of states require that an issuer's securities be registered in their state or appropriately exempted from registration before the securities are permitted to trade in that state. Further, our shares may be subject to the provisions of Section 15(g) and Rule 15g-9 of the Exchange Act, commonly referred to as the "penny stock" rule. Broker-dealers who sell penny stocks to persons other than established customers and accredited investors (generally persons with assets in excess of \$1,000,000, excluding the value of a principal residence, or annual income exceeding \$200,000 by an individual, or \$300,000 together with his or her spouse), are subject to additional sales practice requirements.

For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of such securities and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the securities. Finally, monthly statements must be sent to clients disclosing recent price information for the penny stocks held in the account and information on the limited market in penny stocks. Consequently, these rules may restrict the ability of broker-dealers to trade and/or maintain a market in our common stock and may affect the ability of stockholders to sell their shares.

ITEM 1B. UNRESOLVED STAFF COMMENTS

As of June 30, 2013, we did not have any unresolved comments with the staff of the Securities and Exchange Commission.

ITEM 2. PROPERTIES

In June 2012, we negotiated a two year extension of the lease on our executive office and manufacturing facility located at 1501 Industrial Road, Boulder City, Nevada. The property consists of a 49,200 square foot building, which includes approximately 5,500 square feet of office space, situated on approximately 4.15 acres. The extended lease commenced on July 1, 2012 and reduced the base rent to \$11,000 per month. All other terms and conditions of the building lease remain in effect.

ITEM 3. LEGAL PROCEEDINGS

As of June 30, 2013, we were not involved in any legal proceedings.

ITEM 4. NOT APPLICABLE

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our common stock traded on the NASDAQ Capital Market under the symbol "AMTY" through February 3, 2010. Subsequent to that date, our common stock is quoted on the NASD OTC Bulletin Board. The following table sets forth for the periods indicated the high and low sale prices of our common stock. Prices represent inter-dealer quotations without adjustment for retail markups, markdowns or commissions and may not represent actual transactions.

Fiscal year ended June 30,	High		Low	
2013				
Fourth Quarter	\$	0.13	\$	0.03
Third Quarter	\$	0.15	\$	0.12
Second Quarter	\$	0.20	\$	0.13
First Quarter	\$	0.29	\$	0.20
2012				
Fourth Quarter	\$	0.39	\$	0.16
Third Quarter	\$	0.40	\$	0.26
Second Quarter	\$	0.46	\$	0.26
First Quarter	\$	0.50	\$	0.16

The closing price of our common stock on the NASD OTC Bulletin Board on September 20, 2013 was \$0.16 per share. As of September 20, 2013, there were approximately 479 holders of record of our common stock and 39,741,620 shares of common stock outstanding based on information provided by our transfer agent, Interwest Transfer Company, 1981 E. Murray-Holladay Road, Holladay, Utah 84117.

On September 3, 2010, we closed a private placement of secured convertible promissory notes (the "Notes"). We sold an aggregate of \$755,800 in Notes. The Notes are for a term of one year with simple interest of 6%. The principal and interest are due at maturity if the note holders decide not to convert the note into common shares. The Notes are convertible at the holders' option to our common stock at a conversion rate of \$0.35 per share. If the holder elects such conversion, for each two shares in the conversion, the holder shall also receive one warrant to purchase an additional share, exercisable at \$0.60 per share for an exercise period of 2 years from the date of conversion. No officers, directors or affiliates of the Company participated in the private placement. The Notes were sold pursuant to subscription documents between the Company and each investor. We believe the offer and sale of the securities described above were exempt from the registration requirements of the Securities Act of 1933, as amended (the "Act"), for the private placement of these securities pursuant to Section 4(2) of the Act and/or Regulation D thereunder because the securities were sold to accredited investors in a transaction not involving a public offering. As of June 30, 2013, \$460,000 of the Notes were redeemed; \$195,800 of the Notes converted into 559,429 shares of common stock; and \$100,000 of the Notes extended maturity until March 31, 2014. Interest due on the outstanding Note as of June 30, 2012 was \$4,500.

Dividends

We have not paid any dividends on our common stock since our inception and do not anticipate paying any dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board of Directors and will be dependent upon then-existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors our Board of Directors deems relevant.

ITEM 6. SELECTED FINANCIAL DATA

We are "Smaller Reporting Company" as defined under §229.10(f)(1) of Regulation S-K and are not required to provide the information required by this Item.

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

This discussion and analysis contains statements of a forward-looking nature relating to future events or our future financial performance or financial condition. Such statements are only predictions and the actual events or results may differ materially from the results discussed in or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Part I. Item 1A. Risk Factors" as well as those discussed elsewhere in this report. The historical results set forth in this discussion and analyses are not necessarily indicative of trends with respect to any actual or projected future financial performance. This discussion and analysis should be read in conjunction with the financial statements and the related notes thereto included elsewhere in this report.

Overview

Amerityre engages in the research and development, manufacturing and sale of polyurethane tires. We believe that we have developed unique polyurethane formulations that allow us to make products with superior performance characteristics, including abrasion resistance and energy efficiency, than conventional rubber tires. We also believe that our manufacturing processes are more energy efficient than traditional rubber tire manufacturing processes, in part because our polyurethane compounds do not require the multiple processing steps, extreme heat, and high pressure that are necessary to cure rubber. Using our polyurethane technologies, we believe tires can be produced which last longer, are less susceptible to failure and offer improved fuel economy.

We are concentrating on three segments of the tire market: closed-cell polyurethane foam tires, polyurethane elastomer forklift tires and agricultural tires. Our most recent activities in these areas are set forth below:

Closed-Cell Polyurethane Tires – The sale of polyurethane foam tires to original equipment manufacturers, distributors and dealers accounts for most of our revenue at this time. We have the ability to produce a broad range of products for the low duty cycle tire market. Marketing efforts are focused on building customer relationships with original equipment manufacturers and further develop distribution to expand business and product sales.

Polyurethane Elastomer Forklift tires – During 2013, the forklift product line was reintroduced into the marketplace. This process has been slow given the poor product performance experienced in 2011 and 2012. Results have been below expectation, however the product is now reviving marketplace acceptance. Manufacturing was suspended in the second quarter of fiscal 2012 due to quality and process issues. We engaged a polyurethane specialist to lead the corrective action efforts and complete the development of a marketable forklift tire.

Agricultural tires – The Company made progress with this new product line resulting in additional sales to new customers seeking solutions to existing rubber tire problems. Test sites are up and running in twenty-four locations across the country. Product performance to date has met or exceeded customer expectations. This is evidenced by receipt of additional orders from these new customers. We will continue to seek product improvements as we penetrate this important market segment.

Due to the Company's limited resources, tire projects which are contingent on additional development, such as composite and automotive tires, have been put on hold and will be revisited at a later date.

Factors Affecting Results of Operations

Our operating expenses consisted primarily of the following:

- Cost of sales, which consists primarily of raw materials, components and production of our products, including applied labor costs and benefits expenses, maintenance, facilities and other operating costs associated with the production of our products;
- Selling, general and administrative expenses, which consist primarily of salaries, commissions and related benefits paid to our employees and related selling and administrative costs including professional fees;
- Research and development expenses, which consist primarily of equipment and materials used in the development of our technologies;
- Consulting expenses, which consist primarily of amounts paid to third-parties for outside services;
- Depreciation and amortization expenses which result from the depreciation of our property and equipment, including amortization of our intangible assets; and
- Amortization of deferred compensation that results from the expense related to certain stock options to our employees.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates, including those related to uncollectible receivables, inventory valuation, deferred compensation and contingencies. We base our estimates on historical performance and on various other assumptions that we believe to be reasonable under the circumstances. These estimates allow us to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

We believe the following accounting policies are our critical accounting policies because they are important to the portrayal of our financial condition and results of operations and they require critical management judgments and estimates about matters that may be uncertain. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition and results of operations for future periods could be materially affected.

Revenue Recognition

Revenue for products is recognized when the sales amount is determined, shipment of goods to the customer has occurred and collection is reasonably assured. Generally, we ship all of our products FOB origination.

Valuation of Intangible Assets and Goodwill

At June 30, 2013, the Company had capitalized patent and trademark costs, net of accumulated amortization, totaling \$505,006. The patents which have been granted are being amortized over a period of 20 years. Patents which are pending or are being developed are not amortized until a patent has been issued. We evaluate the recoverability of intangibles and review the amortization period on a continual basis utilizing the guidance of Accounting Standards Codification 350, *Intangibles – Goodwill and Other* (ASC 350). We test our patents and trademarks for impairment at least annually and whenever events or changes in circumstances indicated that the carrying value may not be recoverable. We consider the following indicators, among others, when determining whether or not our patents are impaired:

- any changes in the market relating to the patents that would decrease the life of the asset;
- any adverse change in the extent or manner in which the patents are being used;
- any significant adverse change in legal factors relating to the use of the patents;
- current period operating or cash flow loss combined with our history of operating or cash flow losses;
- future cash flow values based on the expectation of commercialization through licensing; and
- current expectations that, more likely than not, the patents will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

Inventory

Inventory is stated at the lower of cost (computed on a first-in, first-out basis) or market. The inventory consists of chemicals, finished goods produced in our plant and products purchased for resale.

Stock-Based Compensation

Equity securities issued for services rendered have been accounted for at the fair market value of the securities on the date of authorization. Per the provisions of Accounting Standards Codification 718, *Compensation – Stock Compensation* (ASC 718), stock-based compensation expense recognized for the fiscal years ended June 30, 2013 and 2012 was \$103,971 and \$480,160 respectively.

Seasonality

A substantial majority of our sales are to customers within the United States. We experience some seasonality in the sale of our closed-cell polyurethane foam tires for bicycles and lawn and garden products because sales of these products generally decline during the winter months in the United States. Sales of our closed-cell polyurethane form tire products generally peak during the spring and summer months; typically resulting in greater sales volumes during the third and fourth quarters of the fiscal year. With expanding original equipment manufacturer relationships the second quarter will show positive effects as the pipeline begins to fill.

Results of Operations

Our management reviews and analyzes several key performance indicators in order to manage our business and assess the quality and potential variability of our revenues and cash flows. These key performance indicators include:

- Net revenues, which consists of product sales revenues and equipment sales revenues, if any;
- Sales revenue, net of returns and trade discounts, which is an indicator of our overall business growth and the success of our sales and marketing efforts;
- Gross profit, which is an indicator of both competitive pricing pressures and the cost of sales of our products;
- Growth in our customer base, which is an indicator of the success of our sales efforts; and
- Distribution of revenue across our products offered.

The following summary table presents a comparison of our results of operations for the fiscal years ended June 30, 2013 and 2012 with respect to certain key financial measures. The comparisons illustrated in the table are discussed in greater detail below.

	Fiscal Year Ended June 30, (in 000's)		Percent Change
	2013	2012	2013 vs. 2012
Net revenues	\$ 3,635	\$ 4,365	(16.7)%
Cost of revenues	2,403	2,833	(15.2)%
Gross profit	1,232	1,531	(19.5)%
Selling, general, and administrative expenses (1)	2,015	2,371	(15.0)%
Research and development expenses	1	10	(90.0)%
Consulting expenses	70	90	(22.2)%
Depreciation and amortization expenses	207	212	(2.4)%
Gain on sales of assets	44	9	388.9%
Other Income/(Expense)	(73)	(23)	87.0%
Net loss	\$ (1,135)	\$ (1,175)	(3.4)%

(1) Includes stock-based compensation expense of \$103,971 and \$480,160 for the fiscal years ended June 30, 2013 and 2012, respectively.

Year Ended June 30, 2013 Compared to the Year Ended June 30, 2012

Net revenues. Net revenues of \$3,634,676 for the year ended June 30, 2013, represents a \$730,080 or 16.7% decrease over net revenues of \$4,364,756 the year ended June 30, 2012. The overall decrease in revenues was largely due to the loss of business from our largest customer previously serviced through the distribution network. This business has been fully restored on a direct line basis. In addition, licensed chemical sales decreased due to competitive market conditions. The net effect impacted hand truck tire and wheel assembly sales which decreased approximately \$330,000 or approximately 27%. Forklift tire sales decreased approximately \$150,000 or approximately 40% primarily due to performance issues related to prior tire failures. Revenues from the sale of licensed chemicals and equipment decreased approximately \$134,000 or approximately 99% primarily due to chemical pricing.

Cost of revenues. Cost of revenues for the year ended June 30, 2013 was \$2,402,880 or 66.1% of revenues compared to \$2,833,385 or 64.9% of revenues for fiscal 2012. The increase as a percent of revenue was largely due to under-utilization of the factory, increased inventory reserves for forklift tires and the decrease in revenues. The Company maintains sufficient production capacity to meet anticipated customer demand without incurring a proportionate increase in overall production costs.

Gross profit. Gross profit for the year ended June 30, 2013 of \$1,231,796 represents a 19.5% decrease over gross profit of \$1,531,371 for the same period in 2012. The fiscal 2013 gross profit reflects a 33.9% gross margin for product sales compared to a gross margin on product sales of 35.1% for fiscal 2012.

Selling, general and administrative expenses. Selling, general and administrative expenses (SG&A) of \$2,015,108 for the year ended June 30, 2013 represents a 15.0% decrease over SG&A expenses of \$2,370,858 for the same period in 2012. The decrease in SG&A expenses over the prior year is largely due to a decrease in stock-based compensation for services; an increase in bad debt recoveries; a decrease in commissions related licensed chemical sales; and a decrease in facility rental costs resulting from the building lease renegotiation.

Research and development expenses. Research and development expenses for the year ended June 30, 2013 were \$1,395, an 86.1% decrease in the research and development expenses for fiscal 2012 of \$10,032. Research and development expenses are largely limited to product improvement and specific customer requests.

Consulting expenses. Consulting expenses for the year ended June 30, 2013 were \$70,196 compared to consulting expenses of \$90,257 for fiscal 2012. The Board of Directors has engaged a number of management, financial and manufacturing consultants assisting to improve operations where internal resources are unavailable. Consulting expenses are expected to fluctuate from time to time due to the need for qualified personnel to assist us with production and system needs.

Depreciation and amortization expenses. Depreciation and amortization for the year ended June 30, 2013 were \$206,705 compared to \$212,056 for fiscal 2012. The 2.4% decrease between years was primarily a result of fully depreciated assets that offset the asset additions.

Net loss. The net loss for the year ended June 30, 2013 of \$1,134,625 represents a 3.4% decrease from the net loss for the year ended June 30, 2012 of \$1,175,019. The decrease in the net loss is primarily due to the decreases in SG&A. The net loss also includes a \$43,702 loss on the disposal of assets relating to the disposition of fixed assets from fiscal 2007.

Liquidity and Capital Resources

Our principal sources of liquidity consist of cash and payments received from our customers. We do not have any significant credit arrangements. Historically, our expenses have exceeded our revenues, resulting in operating losses. From time to time we have obtained additional liquidity to fund our operations through the sale of shares of our common and preferred stock, and the placement of short-term debt instruments. In assessing our liquidity, management reviews and analyzes our current cash, short-term investments, accounts receivable, accounts payable, capital expenditure commitments and other obligations.

Cash Flows

The following table sets forth our consolidated cash flows for the fiscal years ended June 30, 2013 and 2012.

	Years ended June 30,	
	(in 000's)	
	2013	2012
Net cash used by operating activities	\$ (641)	\$ (213)
Net cash used in investing activities	(224)	(99)
Net cash provided by financing activities	866	289
Net increase (decrease) in cash and cash equivalents during period	\$ 3	\$ (23)

Net Cash Used By Operating Activities. Our primary sources of operating cash during fiscal 2013 came from collected accounts receivable and extended credit terms on vendor accounts. Net cash used by operating activities was \$640,988 for the year ended June 30, 2013 compared to \$212,509 for the same period in 2012.

Non-cash items include depreciation and amortization, stock based compensation and a loss on disposal of assets. Our net loss was \$1,134,625 for the year ended June 30, 2013 compared to a net loss of \$1,175,019 for the same period in 2012. The net loss for fiscal 2013 included non-cash expenses for stock-based compensation of \$30,250, for the loss on disposal of assets of \$43,702 and for accrued stock-based compensation for services of \$73,721. In fiscal 2012, stock-based compensation and accrued stock-based compensation for services were \$330,160 and \$150,000, respectively.

Net Cash Used In Investing Activities. Net cash used by investing activities was \$224,147 for the year ended June 30, 2013 and \$98,603 for the same period in 2012. The primary use of cash from investing activities for the year ended June 30, 2013 relate to the acquisition of property and equipment of \$225,742.

Net Cash Provided by Financing Activities. During the fiscal year ended June 30, 2013, the primary sources of cash from financing activities were the proceeds from sale of notes in a private offering of \$285,000 and preferred stock subscriptions of \$814,689. The primary use of cash from financing activities was for the redemption of convertible secured notes of \$350,000.

Contractual Obligations and Commitments

The following table summarizes our contractual cash obligations and other commercial commitments at June 30, 2013.

	Payments due by period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
Facility lease (1)	\$ 132,000	\$ 132,000	\$ -	\$ -	\$ -
Total contractual cash obligations	\$ 132,000	\$ 132,000	\$ -	\$ -	\$ -

(1) In June 2012, we negotiated an extension to the lease for our executive and manufacturing facilities located at 1501 Industrial Road, Boulder City, Nevada. The property consists of a 49,200 square-foot building, which includes approximately 5,500 square-feet of office space, situated on approximately 4.15 acres. The two year lease extension commenced on July 1, 2012 and the base rent was reduced \$4,000 per month to \$11,000 per month. All other terms and conditions of the building lease remain in effect.

Cash Position, Outstanding Indebtedness, and Future Capital Requirements

Our total indebtedness at June 30, 2013 was \$1,269,879 and our total cash was \$108,747, none of which is restricted. Our total indebtedness at June 30, 2013 includes \$493,723 in accounts payable, \$167,937 in accrued expenses, \$100,000 in convertible notes, \$409,200 in unsecured notes and short-term borrowings, \$18,888 in current portion of long term debt, \$19,004 in convertible note accrued interest and \$7,293 in deferred revenues. We also have \$53,840 in long-term liabilities.

Our financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. We have historically incurred significant losses, which have resulted in a total retained deficit of \$59,196,728 at June 30, 2013, which raises a doubt about our ability to continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty.

Over the past year, management has been working on various proposals to secure short-term loans as well as long-term bank financing and equity based investments. During the third quarter of fiscal 2013, we were reasonably assured that at least \$800,000 could be raised in a private offering of unsecured notes. However we only received \$285,000 in cash proceeds from that offering. At the same time, we were informed that the support we anticipated for the bank financing would not be forthcoming. The reduced funding under the private offering along with the lack of support for the bank financing resulted in the reinstatement of the going concern opinion. In September 2013, we entered into a non-binding agreement in principle with a group of investors which would again allow us to pursue long-term bank financing. We are currently working with that group to prepare financial information for a bank loan application. It is estimated that the loan application process may take 2-3 months to complete. In the meantime, we will continue to pursue other financing opportunities.

The Company currently does not have an existing credit facility. Over the past year, management has worked with our vendors to obtain extended credit terms and increase credit lines. We also continue to maintain strong customer credit policies and procedures and aggressively pursue receivable collections.

Management is intent, in spite of losing a significant number of revenue growth opportunities due to cash flow constraints, on focusing on the sale and distribution of profitable product lines. Therefore Management is aggressively pursuing an expand and grow business plan that will require securing a financial facility required to maintain sufficient raw material and finished goods inventory levels to capitalize on revenue growth opportunities. No additional capital expenditures are anticipated over the next twelve months unless they support sales development and product improvement. Management is also working to reduce its overall costs as well.

The Company has increased its efforts to obtain financing through means that previously were not considered such as preferred stock offerings, structured debt, private equity funding and asset based lending. On September 30, 2012, we completed a private offering of convertible preferred stock, which generated net proceeds of \$1,074,864. In January 2013, the Company received \$285,000 in cash receipts from the sale of unsecured notes. To date, we have also redeemed or converted a total of \$655,800 of the \$755,800 in secured convertible promissory notes (the "Notes") placed in September 2010. We will continue to pursue approval for financing in the form of structured debt.

At the Annual Stockholder's Meeting, held on December 4, 2012, the stockholders voted to amend the Company's Article of Incorporation to increase the number of authorized shares of common stock from 40,000,000 shares to 55,000,000 shares. The increase allowed us to convert the preferred stock mentioned above into common stock. In addition, the increase provided the Company with approximately 11,133,000 shares authorized and available for issuance. These authorized but unissued and unreserved shares of our common stock can be utilized as necessary to fund the expansion of our manufacturing operations or to obtain additional working capital.

In connection with the preparation of our financial statements for the year ended June 30, 2013, we have analyzed our cash needs for the next twelve months. We have concluded that our available cash and accounts receivables are not sufficient to meet our current minimum working capital, capital expenditure and other cash requirements for this period. Moreover, we cannot assure that we will be able to obtain financing on favorable terms or at all. If we cannot obtain equity or bank financing, generate adequate sales of our products or increase our revenues through other means, then we may be forced to cease operations.

The accompanying financial statements do not include any adjustments that might be necessary in the event we are unable to continue as a going concern.

Off-Balance Sheet Arrangements

We do not currently have any relationships 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. In addition, we do not engage in trading activities involving non-exchange traded contracts.

Recent Accounting Pronouncements

In the first quarter of 2010, the FASB issued ASU 2010-09, Subsequent Events: Amendments to Certain Recognition and Disclosure Requirements (ASU 2010-09). ASU 2010-09 amends ASC 855, Subsequent Events, so that SEC filers are no longer required to disclose the date through which subsequent events have been evaluated in financial statements. We adopted the provisions of ASU 2010-09 in the first quarter of 2010. This adoption did not affect our financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to changes in prevailing market interest rates affecting the return on our investments but do not consider this interest rate market risk exposure to be material to our financial condition or results of operations. We invest primarily in United States Treasury instruments with short-term (less than one year) maturities. The carrying amount of these investments approximates fair value due to the short-term maturities. Under our current policies, we do not use derivative financial instruments, derivative commodity instruments or other financial instruments to manage our exposure to changes in interest rates or commodity prices.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements required by this item are included on the pages immediately following the Index to Financial Statements appearing on page F-1.

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

There have been no changes in our independent accountants, HJ & Associates, LLC, or disagreements with them on matters of accounting or financial disclosure.

ITEM 9A. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, our management, including our Chief Executive Officer and our Chief Financial Officer, concluded that the design and operation of these disclosure controls and procedures were effective at the reasonable assurance level. There has been no change in our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for the preparation and integrity of our published financial statements. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and, accordingly, include amounts based on judgments and estimates made by our management. The Company's management also prepared the other information included in the annual report and is responsible for its accuracy and consistency with the financial statements.

The Company's management is responsible for establishing and maintaining a system of internal control over financial reporting, which is intended to provide reasonable assurance to our management and the Board of Directors regarding the reliability of our financial statements. The system includes but is not limited to:

- a documented organizational structure and division of responsibility;
- established policies and procedures, including a code of conduct to foster a strong ethical climate which is communicated throughout the company;
- regular reviews of our financial statements by qualified individuals; and
- the careful selection, training and development of our people.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Also, the effectiveness of an internal control system may change over time. We have implemented a system of internal control that was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

The Company's management has assessed our internal control system in relation to criteria for effective internal control over financial reporting described in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on its assessment, the Company's management has concluded that, as of June 30, 2013, the Company's system of internal controls over financial reporting was effective to provide reasonable assurance based on those criteria.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the company to provide only management's report in this annual report.

ITEM 9B. OTHER INFORMATION

None.

PART III

The information called for by Part III of Form 10-K (Item 10—Directors, Executive Officers and Corporate Governance of the Registrant, Item 11—Executive Compensation, Item 12—Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters, Item 13—Certain Relationships and Related Transactions, and Director Independence, and Item 14—Principal Accounting Fees and Services) is incorporated by reference from our Proxy Statement related to our 2013 Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission not later than October 28, 2013 (120 days after the end of the fiscal year covered by this Annual Report on Form 10-K).

PART IV**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

- (a) Documents filed with this report.
1. Financial Statements:
See Index to Financial Statements on page F-1
 2. Financial Statement Schedules:
Financial statement schedules are omitted because they are not required or are not applicable or the required information is shown in the financial statements or notes thereto.
 3. Exhibits:
The exhibits to this report are listed on the Exhibit Index below.
- (b) Description of exhibits

Exhibit Number	Description
3.1	Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.01 to our registration statement on Form 8-A12G (File No. 000-50053)).
3.2	Certificate of Amendment to the Articles of Incorporation of the Company (incorporated by reference to Exhibit 3(i) in our Form 10Q for the quarter ended December 31, 2012 (File No. 000-50053)).
3.3	Bylaws of the Company (incorporated by reference to our Form 8K dated September 25, 2013 (File No. 000-50053)).
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 INS	XBRL Instance Document
101 SCH	XBRL Taxonomy Extension Schema Document
101 CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101 DEF	XBRL Taxonomy Extension Definition Linkbase Document
101 LAB	XBRL Taxonomy Extension Label Linkbase Document
101 PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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, thereunto duly authorized.

Dated: September 27, 2013

AMERITYRE CORPORATION

By:

/s/ Timothy L. Ryan

Timothy L. Ryan

Chief Executive Officer

/s/ L. Wayne Arnett

L. Wayne Arnett

Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 27th day of September 2013.

/s/ Timothy L. Ryan

Timothy L. Ryan

Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

/s/ John J. Goldberg

John J. Goldberg

Director

/s/ L. Wayne Arnett

L. Wayne Arnett

Director and Chief Financial Officer
(Principal Financial Officer)

/s/ Glenn D. Bougie

Glenn D. Bougie

Director

AMERITYRE CORPORATION
INDEX TO FINANCIAL STATEMENTS

Audited Financial Statements

Report of Independent Registered Public Accounting Firm	F-2
Balance Sheets as of June 30, 2013 and 2012	F-3
Statements of Operations for the years ended June 30, 2013 and 2012	F-5
Statements of Stockholders' Equity for the years ended June 30, 2013 and 2012	F-6
Statements of Cash Flows for the years ended June 30, 2013 and 2012	F-8
Notes to Financial Statements	F-9

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Amerityre Corporation
Boulder City, Nevada

We have audited the accompanying balance sheets of Amerityre Corporation as of June 30, 2013 and 2012, and the related statements of operations, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amerityre Corporation as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 5 to the financial statements, the Company has suffered recurring losses from operations that have resulted in an accumulated deficit. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 5. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ HJ & Associates, LLC
Salt Lake City, Utah
September 27, 2013

AMERITYRE CORPORATION
Balance Sheets

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 108,747	\$ 105,838
Accounts receivable - net	338,242	400,458
Accounts receivable - related party - net	30,018	22,981
Inventory - net	543,752	553,578
Deferred debt issuance cost	30,000	-
Prepaid and other current assets	84,770	67,210
	<u>1,135,529</u>	<u>1,150,065</u>
Total Current Assets		
PROPERTY AND EQUIPMENT		
Leasehold improvements	162,683	162,683
Molds and models	804,359	744,611
Equipment	3,109,440	2,959,233
Leased equipment	27,900	27,900
Furniture and fixtures	100,142	100,142
Construction in progress	-	30,122
Software	311,632	309,425
Less – accumulated depreciation	(3,841,200)	(3,651,903)
	<u>674,956</u>	<u>682,213</u>
Total Property and Equipment		
OTHER ASSETS		
Patents and trademarks – net	505,006	531,222
Deposits	11,000	36,000
	<u>516,006</u>	<u>567,222</u>
Total Other Assets		
TOTAL ASSETS	<u>\$ 2,326,491</u>	<u>\$ 2,399,500</u>

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

AMERITYRE CORPORATION
Balance Sheets (Continued)

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 493,723	\$ 376,721
Convertible notes	100,000	450,000
Unsecured notes and short-term borrowings	409,200	-
Accrued expenses	167,931	356,986
Current portion of long-term debt	18,888	27,014
Accrued interest	19,004	9,018
Deferred revenue	7,293	3,345
	<u>1,216,039</u>	<u>1,223,084</u>
Total Current Liabilities	<u>1,216,039</u>	<u>1,223,084</u>
Long-term debt	53,840	53,840
	<u>53,840</u>	<u>53,840</u>
Total Long-Term Debt	<u>53,840</u>	<u>53,840</u>
TOTAL LIABILITIES	<u>1,269,879</u>	<u>1,276,924</u>
COMMITMENTS AND CONTINGENCIES (NOTE 2)		
STOCKHOLDERS' EQUITY		
Preferred stock: 5,000,000 shares authorized of \$0.001 par value, -0- shares issued and outstanding	-	-
Common stock: 55,000,000 shares authorized of \$0.001 par value, 39,741,620 and 34,176,620 shares issued and outstanding, respectively	39,741	34,176
Additional paid-in capital	60,213,599	58,890,503
Preferred stock subscribed	-	260,000
Retained deficit	(59,196,728)	(58,062,103)
	<u>1,056,612</u>	<u>1,122,576</u>
Total Stockholders' Equity	<u>1,056,612</u>	<u>1,122,576</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,326,491</u>	<u>\$ 2,399,500</u>

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

AMERITYRE CORPORATION
Statements of Operations

	For the Years Ended June 30,	
	2013	2012
NET REVENUES		
Products	\$ 3,634,676	\$ 4,315,756
Equipment	-	49,000
Total Net Revenues	3,634,676	4,364,756
COST OF REVENUES		
Products	2,402,880	2,793,540
Equipment	-	39,845
Total Cost of Revenues	2,402,880	2,833,385
GROSS PROFIT	1,231,796	1,531,371
EXPENSES		
Consulting	70,196	90,257
Depreciation and amortization	206,705	212,056
Research and development	1,395	10,032
Bad debt expense	(26,450)	18,805
Selling, general and administrative	2,041,558	2,352,053
Total Expenses	2,293,404	2,683,203
LOSS FROM OPERATIONS	(1,061,608)	(1,151,832)
OTHER INCOME/(EXPENSE)		
Gain/(loss) on disposal of assets	(43,702)	9,031
Interest income	568	9,332
Interest expense	(29,883)	(41,550)
Total Other Income/Expense	(73,017)	(23,187)
NET LOSS	\$ (1,134,625)	\$ (1,175,019)
BASIC AND DILUTED LOSS PER SHARE	\$ (0.03)	\$ (0.04)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	36,620,798	33,377,620

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

AMERITYRE CORPORATION
Statements of Stockholders' Equity

	Preferred Stock		Common Stock		Additional Paid-in Capital	Notes Receivable/ Stock Subscriptions	Accumulated Deficit
	Shares	Amount	Shares	Amount			
Balance, June 30, 2011	-	\$ -	32,251,297	\$ 32,251	\$ 58,500,707	\$ (343,238)	\$ (56,887,084)
Common stock issued to director for additional services at \$0.17 per share	-	-	100,000	100	16,900	-	-
Common stock issued for officer compensation at \$0.17 per share	-	-	100,000	100	16,900	-	-
Common stock issued for consulting services at \$0.24 per share	-	-	100,000	100	23,900	-	-
Common stock issued for conversion of note payable at \$0.35 per share	-	-	516,571	516	180,283	-	-
Common stock issued to directors for additional services at \$0.40 per share	-	-	94,000	94	37,506	-	-
Common stock issued for officer compensation at \$0.40 per share	-	-	50,000	50	19,950	-	-
Common stock issued in conversion of notes payable at \$0.35 per share	-	-	42,858	43	14,957	-	-
Common stock issued to directors for additional services at \$0.27 per share	-	-	160,000	160	43,040	-	-
Common stock Issued as officer compensation at \$0.27 per share	-	-	100,000	100	26,900	-	-
Common stock issued in option exercise at \$0.17 per share	-	-	300,000	300	50,700	-	-
Common stock issued to director for additional services at \$0.34 per share	-	-	100,000	100	33,900	-	-
Common stock issued for board compensation at \$0.29 per share	-	-	211,894	212	61,237	-	-
Common stock issued for employee compensation at \$0.28 per share	-	-	50,000	50	13,950	-	-
Stock based compensation expense	-	-	-	-	92,911	-	-
Deposits on preferred stock subscriptions	-	-	-	-	-	260,000	-
Settlement of note payable	-	-	-	-	(243,238)	343,238	-
Net loss for the year ended June 30, 2012	-	-	-	-	-	-	(1,175,019)
Balance, June 30, 2012	-	\$ -	34,176,620	\$ 34,176	\$ 58,890,503	\$ 260,000	\$ (58,062,103)

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

AMERITYRE CORPORATION
Statements of Stockholders' Equity

	Preferred Stock		Common Stock		Additional Paid-in Capital	Notes Receivable/ Stock Subscriptions	Accumulated Deficit
	Shares	Amount	Shares	Amount			
Balance, June 30, 2012	-	\$ -	34,176,620	\$ 34,176	\$ 58,890,503	\$ 260,000	\$ (58,062,103)
Deposits on preferred stock subscriptions	-	-	-	-	-	875,000	-
Preferred stock issued for subscriptions at \$0.001 par value	1,135,000	1,135	-	-	1,133,865	(1,135,000)	-
Preferred stock subscription and issuance costs	-	-	-	-	(60,311)	-	-
Common stock issued for directors for additional services at \$0.20 per share	-	-	750,000	750	149,250	-	-
Common stock issued to director for additional services at \$0.11 per share	-	-	250,000	250	27,250	-	-
Common stock issued to employee as performance bonus at \$0.11 per share	-	-	25,000	25	2,725	-	-
Common stock issued for convertible preferred stock at 4:1 conversion rate	(1,135,000)	(1,135)	4,540,000	4,540	(3,405)	-	-
Stock option based compensation expense for board and employee service	-	-	-	-	73,721	-	-
Net loss for the year ended June 30, 2013	-	-	-	-	-	-	(1,134,625)
Balance, June 30, 2013	-	\$ -	39,741,620	\$ 39,741	\$ 60,213,599	\$ -	\$ (59,196,728)

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

AMERITYRE CORPORATION
Statements of Cash Flows

	For the Years Ended June 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	\$ (1,134,625)	\$ (1,175,019)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization expense	213,919	243,930
Change in allowance for bad debt	(29,106)	(21,819)
Stock based compensation related to director and employee stock options	73,721	150,000
Stock based compensation	30,250	330,160
(Gain)/loss on disposal of assets	43,702	(9,031)
Changes in operating assets and liabilities:		
Decrease in accounts receivable	84,285	186,379
(Increase)/decrease in prepaid and other current assets	(22,559)	14,955
Decrease in inventory and change in inventory reserve	9,825	148,258
(Decrease)/increase in accounts payable and accrued expenses	89,600	(80,322)
Net Cash Used by Operating Activities	<u>(640,988)</u>	<u>(212,509)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(225,742)	(100,249)
Cash (paid for)/recovered from patents and trademarks	1,595	(18,854)
Proceeds from the sale of equipment	-	20,500
Net Cash Used by Investing Activities	<u>(224,147)</u>	<u>(98,603)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of unsecured note payables	409,200	-
Redemption of convertible note payables	(350,000)	(110,000)
Proceeds from the settlement of note receivable	-	100,000
Payments on current portion of long-term debt	(5,845)	(12,040)
Stock issuance of for exercise of options	-	51,000
Proceeds from stock subscription	814,689	260,000
Net Cash Provided by Financing Activities	<u>868,044</u>	<u>288,960</u>
NET (DECREASE) INCREASE IN CASH	<u>2,909</u>	<u>(22,152)</u>
CASH AT BEGINNING OF YEAR	<u>105,838</u>	<u>127,990</u>
CASH AT END OF YEAR	<u><u>\$ 108,747</u></u>	<u><u>\$ 105,838</u></u>

NON-CASH FINANCING ACTIVITIES

During the years ended June 30, 2013 and 2012, the Company paid \$20,836 and \$63,234 for interest, respectively. Also, there were no cash payments of taxes for the years ended June 30, 2013 and 2012, respectively.

	For the Years Ended June 30,	
	2013	2012
SUPPLEMENTAL SCHEDULE OF CASH FLOW ACTIVITIES		
Common stock issued on note conversion	\$ -	\$ 195,800
Common stock issued for accrued stock compensation	\$ -	\$ 58,000
Commission accrual decreasing current portion of long-term debt	\$ 8,057	\$ 3,106

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

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2013 and 2012

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

Amerityre Corporation, (the “Company”) was incorporated under the laws of the State of Nevada on January 30, 1995, under the name American Tire Corporation. The Company was organized to take advantage of existing proprietary and non-proprietary technology available for the manufacturing of specialty tires. The Company engages in the manufacturing, marketing, distribution and sales of “flat free” specialty tires and tire-wheel assemblies and currently is manufacturing these tires at its manufacturing facility located in Boulder City, Nevada. During the year ended June 30, 2001, the name of the Company was changed to Amerityre Corporation.

b. Accounting Method

The Company’s financial statements are prepared using the accrual method of accounting. The Company has elected a June 30 year-end.

c. Reclassifications

Prior period amounts have been adjusted to conform to the current year presentation.

d. Basic and Fully Diluted Net Loss per Share

Basis and Fully Diluted net loss per share is computed using the weighted-average number of common shares outstanding during the period.

	2013	2012
Loss (numerator)	\$ (1,134,625)	\$ (1,175,019)
Shares (denominator)	36,620,798	33,377,620
Per share amount	\$ (0.03)	\$ (0.04)

The Company’s outstanding stock options, warrants, and shares issuable upon conversion of outstanding convertible notes have been excluded from the diluted net loss per share calculation. The Company excluded a total of 2,612,286 and 2,644,429 common stock equivalents for the years ended June 30, 2013 and 2012, respectively because they are anti-dilutive.

e. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

f. Income Taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry-forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2013 and 2012

Net deferred tax assets consist of the following components as of June 30, 2013 and 2012:

	2013	2012
Deferred tax assets:		
NOL Carryover	\$ 16,690,000	\$ 17,563,700
Section 1231 Loss Carryover	1,300	1,000
Allowance for Doubtful Accounts	3,100	14,500
Related Party Accruals	24,400	24,400
Inventory Reserve	24,300	13,000
R & D Carryover	195,400	195,400
Accrued Vacation	4,600	5,000
Deferred tax liabilities:		
Depreciation	(162,900)	(154,800)
Valuation Allowance	(16,780,200)	(17,662,200)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income from continuing operations for the years ended June 30, 2013 and 2012 due to the following:

	2013	2012
Book Income	\$ (442,500)	\$ (458,300)
Depreciation	(8,100)	18,900
Meals & Entertainment	6,900	3,600
Stock for Services	40,500	187,300
Accrued Vacation	(300)	1,100
Inventory Reserve	11,200	(4,500)
Receivable Reserve	(11,400)	(8,500)
Gain/(Loss) on Asset Disposal	-	2,600
Accrued Compensation	-	(46,500)
Valuation Allowance	403,700	304,300
	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2013, the Company had net operating loss carry-forwards of approximately \$42,795,000 that may be offset against future taxable income from the year 2013 through 2032. No tax benefit has been reported in the June 30, 2013 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount. Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry-forwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry-forwards may be limited as to use in future years.

ASC 740 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. As a result of the implementation of ASC 740, the Company performed a review of its material tax positions in accordance with recognition and measurement standards established by ASC 740.

The Company files income tax returns in the U.S. federal jurisdiction, and in Utah. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2009.

We adopted the provisions of Accounting Standards Codification 740, *Income Taxes (ASC 740)*, on January 1, 2007. The Company's policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. As of June 30, 2013 the Company had no accrued interest or penalties related to uncertain tax positions.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2013 and 2012

g. Inventory

Inventory is stated at the lower of cost (computed on a first-in, first-out basis) or market. The cost of finished goods includes the cost of raw material, direct and indirect labor, and other indirect manufacturing costs. The inventory consists of chemicals, finished goods produced in the Company's plant and products purchased for resale.

	2013	2012
Raw Materials	\$ 230,030	\$ 201,651
Finished Goods	313,722	351,927
Total Inventory	<u>\$ 543,752</u>	<u>\$ 553,578</u>

We had an inventory reserve amount of \$62,186 and \$33,448 recorded as of June 30, 2013 and 2012, respectively, for items that were deemed to be slow moving based on an analysis of all inventories on hand.

h. Property and Equipment

Property and equipment are stated at cost. Expenditures for small tools, ordinary maintenance and repairs are charged to operations as incurred. Major additions and improvements are capitalized. When we retire or dispose of assets, the costs and accumulated depreciation or amortization are removed from the respective accounts and we recognize any related gain or loss. Repairs and maintenance are charged to expense when incurred. Major replacements that substantially extend the useful life of an asset are capitalized and depreciated. Depreciation is computed using the straight-line method over estimated useful lives as follows:

Leasehold improvements	5 years, or over lease term
Equipment	5 to 10 years
Furniture and fixtures	7 years
Automobiles	5 years
Software	3 years

Depreciation expense for the years ended June 30, 2013 and 2012 was \$189,297 and \$214,472, respectively.

i. Revenue Recognition

Revenue for products is recognized when the sales amount is determined, shipment of goods to the customer has occurred and collection is reasonably assured. Generally, we ship all of our products FOB origination. License fee revenue is recognized as earned, and no revenue is recognized until the inception of the license term.

j. Patents and Trademarks

Patent and trademark costs have been capitalized at June 30, 2013, totaling \$758,935 with accumulated amortization of \$253,929 for a net book value of \$505,006. Patent and trademark costs capitalized at June 30, 2012, totaled \$760,530 with accumulated amortization of \$229,308 for a net book value of \$531,222. The patents which have been granted are being amortized over a period of 20 years. Patents which are pending or are being developed are not being amortized. Amortization will begin once the patents have been issued. Included in the total patent and trademark costs are \$245,823 of patent and trademark costs pending that are not currently being amortized. Amortization expense for the years ended June 30, 2013 and 2012 was \$24,621 and \$29,458 respectively. The Company evaluates the recoverability of intangibles and reviews the amortization period on a continual basis utilizing the guidance of Accounting Standards Codification 350, *Intangibles – Goodwill and Other* (ASC 350). Several factors are used to evaluate intangibles, including, but not limited to, management's plans for future operations, recent operating results and projected, undiscounted cash flows.

The estimated amortization expense, based on current intangible balances, for the next five fiscal years beginning July 1, 2013 is as follows:

2014	\$ 28,610
2015	\$ 28,610
2016	\$ 28,610
2017	\$ 28,610
2018	\$ 28,610

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2013 and 2012

k. Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the years ended June 30, 2013 and 2012 was \$13,108 and \$19,154, respectively.

l. Stock Based-Compensation Expense

Since July 2005, we account for stock-based compensation under the provisions of Accounting Standards Codification 718, *Compensation – Stock Compensation* (ASC 718), formerly SFAS 123(R). Our financial statements as of and for the fiscal years ended June 30, 2013 and 2012 reflect the impact of ASC 718. Stock-based compensation expense recognized under ASC 718 for the fiscal years ended June 30, 2013 and 2012 was \$73,721 and \$92,910, respectively, related to employee stock options.

ASC 718 requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in our Statement of Operations. Stock-based compensation expense recognized in our Statements of Operations for fiscal years ended June 30, 2013 and 2012 assume all awards will vest; therefore no reduction has been made for estimated forfeitures.

m. Recent Accounting Pronouncements

There were no recent accounting pronouncements adopted by the Company during the year ended June 30, 2013.

n. Shipping and Handling

Shipping and Handling Fees require that freight costs charged to customers be classified as revenues. Freight expenses are included in costs of sales.

o. Trade Receivables

We generally charge-off trade receivables that are more than 120 days outstanding as bad-debt expense, unless management believes the amount to be collectable. The charge-off amounts are included in selling, general and administrative expenses. For the fiscal years ended June 30, 2013 and 2012, our bad debt (recovery) expense was (\$26,450) and \$18,805, respectively.

p. Equity Securities

Equity securities issued for services rendered have been accounted for at the fair market value of the securities on the date of authorization.

q. Concentrations of Risk

The Company maintains several accounts with financial institutions. Currently, the accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Credit losses, if any, have been provided for in the financial statements and are based on management's expectations. The Company's accounts receivable are subject to potential concentrations of credit risk. The Company does not believe that it is subject to any unusual risks or significant risks in the normal course of its business.

We have two customers who accounted for 22% and 33% of our sales for the years ended June 30, 2013 and 2012, respectively.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2013 and 2012

r. Valuation of Options and Warrants

The valuation of options and warrants granted to unrelated parties for services are measured as of the earlier of (1) the date at which a commitment for performance by the counterparty to earn the equity instrument is reached, or (2) the date the counterparty's performance is complete. The options and warrants will continue to be revalued in situations where they are granted prior to the completion of the performance.

s. Sales Tax

In accordance with FASB ASC 605-45, formerly EITF Issue No. 06-3, *How Taxes Collected from Customers and Remitted to Government Authorities Should Be Presented in the Income Statement*, the Company accounts for sales taxes and value added taxes imposed on its good and services on a net basis in the consolidated statement of operations.

t. Cash and Cash Equivalents

We consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

u. Product Warranties

The Company's standard sales terms include a limited warranty on workmanship and materials to the original purchaser if items sold are used in the service for which they are intended. Specifically the Company warrants wheels, bearings, and bushings for one year from the date of purchase. The Company estimates its warranty reserve based on historical experience with warranty claims and returns for defective items. As of June 30, 2013 and 2012, the Company has estimated its warranty reserve and has recorded a liability of \$0 and \$0, respectively.

v. Related Party Transactions

Amerityre's Chairman of the Board and Chief Executive Officer, Timothy L. Ryan, is also the principal owner of Rhino Rubber LLC, a manufacturing and distribution company for solid industrial tires and wheels. During fiscal 2013 and fiscal 2012, Rhino Rubber LLC purchased a total of \$6,210 and \$24,141, respectively, in tire products from Amerityre. As of June 30, 2013 and 2012, the accounts receivable balances for Rhino Rubber LLC were \$30,018 and \$22,981, respectively. The terms and conditions of those related-party sales transactions were the same as those afforded to any of Amerityre's customers.

A former board member, Silas O. Kines, who passed away on January 11, 2012, was also the principal owner of Forklift Tire of Florida and K-2 Industrial Tire, Inc. Forklift Tire of Florida is a distributor primarily of Amerityre's forklift product line. During fiscal 2013 and fiscal 2012, Forklift Tire of Florida purchased a total \$0 and \$21,663, respectively, in tire products from Amerityre. As of June 30, 2013 and 2012, the accounts receivable balances for Forklift Tire of Florida were \$0 and \$9,255, respectively. The terms and conditions of those related-party sales transactions were the same as those afforded to any of Amerityre's customers. In accordance with the Commission Agreement, dated February 2, 2011, between Amerityre Corporation and K-2 Industrial Tire, Inc., K-2 is due a five percent (5%) commission on all forklift tire sales. In exchange for the forklift models transferred to Amerityre under that agreement, the first \$96,000 in commission payments will be used to extinguish to the long term liability recorded on the transaction. As of June 30, 2013, \$18,888 and \$53,840 were recorded for the current and long-term portion, respectively, of the related liability. Since his passing, Mr. Kines is no longer considered a related party. As a result, the related receivables are not reflected as related party receivables on the balance sheet for the years ended June 30, 2013 and 2012.

NOTE 2 – COMMITMENTS AND CONTINGENCIES

In June 2012, we negotiated a two year extension of the lease on our executive office and manufacturing facility located at 1501 Industrial Road, Boulder City, Nevada. The property consists of a 49,200 square foot building, which includes approximately 5,500 square feet of office space, situated on approximately 4.15 acres. The extended lease commenced on July 1, 2012 and reduced the base rent to \$11,000 per month. All other terms and conditions of the building lease remain in effect.

Also in April 2009, the Company terminated the consulting agreements between the Company and Richard A. Steinke and Manuel Chacon, who had been providing the Company with technology development and chemical formulating services, respectively. Each consulting agreement had an expiration date of August 31, 2009. The consulting agreements did not have a provision for early termination. At June 30, 2009, the Company provided for the contingent liability resulting from these early terminations.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2013 and 2012

NOTE 3 – STOCK TRANSACTIONS

During the year ended June 30, 2013, the Company had the following stock transactions:

On August 1, 2012, the Board of Directors authorized an aggregate of 750,000 shares of restricted common stock to its directors for additional services provided during the six months ended June 30, 2012. The total value of the shares issued was \$150,000 based on the closing market price on the authorization date of \$0.20 per share. The value of the shares was accrued as stock-based compensation expense for the year ended June 30, 2012. The shares were issued in September 2012.

On March 5, 2013, the Company issued 250,000 shares of restricted common stock to a director for additional services provided during the six months ended December 31, 2012. The Company also issued 25,000 shares of restricted common stock to an employee as a performance bonus. The total value of the shares issued was \$27,500 based on the market closing price on the authorization date of \$0.10 per share.

NOTE 4 – STOCK OPTIONS AND WARRANTS

General Option Information

On July 6, 2011, the Board of Directors cancelled the “2004 Non-Employee Directors’ Stock Incentive Plan” and approved the “Directors’ 2011 Stock Option and Award Plan”. The Company also maintains the 2005 Stock Option and Award Plan, which was previously approved by shareholders, for the purpose of granting option awards to its employees and consultants. Under the 2011 Plan, a total of 3,300,000 shares are authorized for issuance. Each non-executive director is eligible to receive, based on their length of service, options to purchase a total of 300,000 shares at that day’s closing price, \$0.17. Any options issued will vest over a three year service period as follows: 100,000 on June 30, 2012, 100,000 on June 30, 2013 and 100,000 on June 30, 2014. These options expire two years after vesting. The Director who serves as Audit Chair during the fiscal year will receive an additional 50,000 options per year under the same terms. CEO Timothy L. Ryan was granted 200,000 options per year under the same terms, under the 2005 Stock Option and Award Plan.

During the fiscal year ended June 30, 2013, the Company granted a total of 300,000 options to a director for his services on the Board of Directors. Those options were all cancelled during the year ended June 30, 2013, upon the director’s resignation from the Board. The Company also recognized \$73,721 in expense related to the continued vesting of options that were granted during prior years.

We use the Black-Scholes model to value stock options. The Black-Scholes model requires the use of employee exercise behavior data and the use of a number of assumptions including volatility of our stock price, the weighted average risk-free interest rate, and the weighted average expected life of the options. Because we do not pay dividends, the dividend rate variable in the Black-Scholes model is zero.

We estimated the fair value of the stock options at the grant date based on the following weighted average assumptions:

	2013	2012
Risk free interest rate	.33% - .75%	.33% - .75%
Expected life	3.0 Years	3.0 Years
Expected volatility	47.64% - 84.38%	47.64% - 84.38%
Dividend yield	0.00%	0.00%

A summary of the status of our outstanding stock options as of June 30, 2013 and June 30, 2012 and changes during the periods then ended is presented below:

	June 30, 2013		June 30, 2012	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding beginning of period	2,579,000	\$ 0.45	675,000	\$ 1.26
Granted	300,000	\$ 0.26	2,554,000	\$ 0.18
Expired/Cancelled	(975,000)	\$ 0.81	(350,000)	\$ 0.31
Exercised	-	\$ -	(300,000)	\$ 0.17
Outstanding end of period	<u>1,904,000</u>	<u>\$ 0.23</u>	<u>2,579,000</u>	<u>\$ 0.45</u>
Exercisable	<u>1,204,000</u>	<u>\$ 0.34</u>	<u>1,079,000</u>	<u>\$ 0.73</u>

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2013 and 2012

The following table summarizes the range of outstanding and exercisable options as of June 30, 2013:

Range of Exercise Prices	Outstanding			Exercisable	
	Number Outstanding at June 30, 2013	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at June 30, 2013	Weighted Average Remaining Contractual Life
\$ 0.17	650,000	1.00	\$ 0.17	650,000	1.00
\$ 0.17	400,000	2.00	\$ 0.17	400,000	2.00
\$ 0.17	400,000	3.00	\$ 0.17	-	-
\$ 0.29	154,000	2.00	\$ 0.29	154,000	2.00
\$ 0.50	300,000	0.02	\$ 0.50	-	-
	<u>1,904,000</u>			<u>1,204,000</u>	

As of June 30, 2013 and 2012, there was no unrecognized stock-based compensation related to stock options.

General Warrant Information

During the year ended June 30, 2013, none of the outstanding secured convertible promissory notes (the “Notes”) converted to common stock. As of June 30, 2013, there were 279,715 warrants issued and outstanding.

NOTE 5 – GOING CONCERN

Our financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. We have historically incurred significant losses, which have resulted in a total retained deficit of \$59,196,728 at June 30, 2013, which raises a doubt about our ability to continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty.

Over the past year, management has been working on various proposals to secure short-term loans as well as long-term bank financing and equity based investments. During the third quarter of fiscal 2013, we were reasonably assured that at least \$800,000 could be raised in a private offering of unsecured notes. However we only received \$285,000 in cash proceeds from that offering. At the same time, we were informed that the support we anticipated for the bank financing would not be forthcoming. The reduced funding under the private offering along with the lack of support for the bank financing resulted in the reinstatement of the going concern opinion. In September 2013, we entered into an agreement in principle with a group of investors which would again allow us to pursue long-term bank financing. We are currently working with that group to prepare financial information for a bank loan application. It is estimated that the loan application process may take 2-3 months to complete. In the meantime, we will continue to pursue other financing opportunities.

The Company currently does not have an existing credit facility. Over the past year, management has worked with our vendors to obtain extended credit terms and increase credit lines. We also continue to maintain strong customer credit policies and procedures and aggressively pursue receivable collections.

Management is intent, in spite of losing a significant number of revenue growth opportunities due to cash flow constraints, on focusing on the sale and distribution of profitable product lines. Therefore Management is aggressively pursuing an expand and grow business plan that will require securing a financial facility required to maintain sufficient raw material and finished goods inventory levels to capitalize on revenue growth opportunities. No additional capital expenditures are anticipated over the next twelve months unless they support sales development and product improvement. Management is also working to reduce its overall costs as well.

The Company has increased its efforts to obtain financing through means that previously were not considered such as preferred stock offerings, structured debt, private equity funding and asset based lending. On September 30, 2012, we completed a private offering of convertible preferred stock, which generated net proceeds of \$1,074,864. In January 2013, the Company received \$285,000 in cash receipts from the sale of unsecured notes. We have also redeemed or converted \$655,800 of the \$755,800 in secured convertible promissory notes (the “Notes”) placed in September 2010. We will continue to pursue approval for financing in the form of structured debt.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2013 and 2012

At the Annual Stockholder's Meeting, held on December 4, 2012, the stockholders voted to amend the Company's Article of Incorporation to increase the number of authorized shares of common stock from 40,000,000 shares to 55,000,000 shares. The increase allowed us to convert the preferred stock mentioned above into common stock. In addition, the increase provided the Company with approximately 11,133,000 shares authorized and available for issuance. These authorized but unissued and unreserved shares of our common stock can be utilized as necessary to fund the expansion of our manufacturing operations or to obtain additional working capital.

In connection with the preparation of our financial statements for the year ended June 30, 2013, we have analyzed our cash needs for the next twelve months. We have concluded that our available cash and accounts receivables are not sufficient to meet our current minimum working capital, capital expenditure and other cash requirements for this period. Moreover, we cannot assure that we will be able to obtain financing on favorable terms or at all. If we cannot obtain equity or bank financing, generate adequate sales of our products or increase our revenues through other means, then we may be forced to cease operations.

The accompanying financial statements do not include any adjustments that might be necessary in the event we are unable to continue as a going concern.

NOTE 6 – NOTE RECEIVABLE

In June 2007, we issued 200,000 shares of common stock in connection with the exercise of 200,000 options at an exercise price of \$4.00 per share for aggregate proceeds of \$200,000 in cash and an additional two (2) notes in the amount of \$300,000 each. The notes were payable in equal annual installments over a 3 year period and bear interest at 8.5% per annum.

In December 2008, the original notes were replaced with a single note in the amount of \$439,502. The note was payable in four (4) equal installments and bear interest of 4.5% per annum, together with accrued interest, commencing on November 30, 2009. A forbearance agreement, signed in December 2009, modified the November 30, 2009 payment to include the payment of unpaid interest plus monthly installments of \$7,500 through October 2010 with a balance payment of \$27,500 plus accrued interest due on November 1, 2010 which has been received. During October 2010 and November 2010, we received 20,000 shares each month of our restricted common stock as part of the monthly installment related to our note receivable. In November 2010, we also received 80,000 shares of our restricted common stock as final payment for the forbearance agreement dated December 2009. The shares were returned to the company for cancellation and are included in the Company's authorized and unissued shares. Payment of the remaining balance of \$343,238 was renegotiated with interest-only monthly installment payments beginning January 1, 2011 and five annual principal payments of approximately \$69,000 due beginning December 1, 2011. In November 2011, the Board of Director's negotiated a settlement to retire the Note Receivable entered into in June 2007 for the purchase of its common stock. Under the terms of the settlement agreement, the debtor paid the Company \$100,000 and accrued interest of \$1,287 in full settlement of the note receivable. As a related-party transaction, the Note Receivable has been included in the equity section of the balance sheet since its inception. The outstanding principal balance on the Note Receivable as of October 31, 2011 was \$343,238. The difference between the outstanding balance and the settlement amount was charged against additional paid-in capital during the quarter ending March 31, 2012. Over the term of the Note, in addition to cash payments, the debtor has surrendered a large portion of the shares acquired in the original transaction.

NOTE 7 – NOTES PAYABLE AND SHORT-TERM BORROWINGS

In September 2010, we closed a private placement of secured convertible promissory notes (the "Notes"). We sold an aggregate of \$755,800 in Notes. The Notes had a one year term with simple interest of 6.0%. The Notes are convertible at the holders' option to our common stock at a conversion rate of \$0.35 per share. The Notes are secured by all assets of the Company. Principal and interest are due at maturity of the Notes if the Notes are not converted. If the holder elects such conversion, for each two shares in the conversion, the holder shall also receive one warrant to purchase an additional share, exercisable at \$0.60 per share for an exercise period of 2 years from the date of conversion. No officers, directors or affiliates of the Company participated in the private placement. The Notes were sold pursuant to subscription documents between the Company and each investor. In connection with the private placement of secured convertible promissory notes, on September 15, 2010, the Company issued 142,856 shares of restricted common stock as finders' fees. The aggregate value of the shares issued as finders' fees was \$50,000, based on the closing price of \$0.36 per share. As of June 30, 2012, \$460,000 of the Notes were redeemed; \$195,800 of the Notes converted into 559,429 shares of common stock; and \$100,000 of the Notes extended maturity until March 31, 2014. Interest due on the Notes as of June 30, 2013 was \$4,500.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2013 and 2012

In February 2013, we closed a private placement of unsecured promissory notes (the “Unsecured Notes”). We sold an aggregate of \$285,000 in Unsecured Notes. The Unsecured Notes mature on June 30, 2014 with a simple interest of 12 percent and no convertible provision. Interest due on the Unsecured Notes as of June 30, 2012 was \$14,504.

In May 2013, we entered into a short-term loan agreement with a shareholder to finance bulk chemical purchases for a large customer order. The loan agreement is secured by customer purchase orders and uses a 2.0% factoring rate to determine the amount of the repayment. As of June 30, 2013, the Company had \$124,200 in short-term loans outstanding.

NOTE 8 – SUBSEQUENT EVENTS

In March 2013, the U.S. Environmental Protection Agency (USEPA) began an audit of the Company for the calendar years 2008-2011. The Company was selected at random for the audit from the USEPA’s database of manufacturing companies located in Clark County, Nevada. In August 2013, the Company was notified by the USEPA of its initial findings of a “failure to report in a timely manner” and a “failure to provide supplier notification” regarding the usage of two chemicals used in our manufacturing process. The USEPA found no instances in which the Company had discharged any chemicals into the environment. Management is fully cooperating with the USEPA in resolving its failures to report, and has retroactively filed all necessary reports. Management is unable to determine the amount of penalties that may ultimately be assessed by the USEPA on these matters, if any. Accordingly, no accrual for any potential liability resulting from this matter is included in the accompanying financial statements.

In September 2013, the Company obtained an extension on the remaining \$100,000 secured convertible promissory note that was issued in the private placement that closed in September 2010. Under the terms of the agreement, the maturity date on the note is extended through March 31, 2014. In exchange for the extension, the note holder will receive 500,000 stock warrants and \$6,500 in accrued interest and fees. The stock warrants expire three years from the date of issuance, are exercisable at \$0.13 per share, and vest on the next date the value of Amerityre common stock reaches \$0.25 per share.

On September 18, 2013, the Board of Directors passed a resolution to extend the maturity date and reduce the exercise price on the warrants issued upon conversion of secured convertible promissory notes into common stock. The warrant maturity date was extended 60 days and the warrant exercise price was reduced from \$0.60 per share to \$0.15 per share. As of this filing, there were 279,715 warrants issued and outstanding.

Subsequent to June 30, 2013, the Company entered into three additional short-term borrowing agreements to finance bulk chemicals purchases for customer orders. All of the loan agreements are secured by customer purchase orders and use a 2.0% factoring rate to determine the amount of the repayment. As of September 20, 2013, the Company had \$170,200 in short-term loans outstanding.

Management has evaluated subsequent events per the requirements of Topic 855 and has determined that there are no additional subsequent events to be reported.

EXHIBIT 31.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, TIMOTHY L. RYAN, certify that:

1. I have reviewed this annual report on Form 10-K of Amerityre Corporation for the year ended June 30, 2013;
2. Based on my knowledge, this annual 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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and I have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my 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 my 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) presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on our 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 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.
5. 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 27, 2013

/s/ Timothy L. Ryan
Timothy L. Ryan
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of Amerityre Corporation (the "Company") on Form 10-K for the year ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Timothy L. Ryan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Timothy L. Ryan
Timothy L. Ryan
Chief Executive Officer
(Principal Executive Officer)

September 27, 2013

EXHIBIT 32.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, L. WAYNE ARNETT, certify that:

1. I have reviewed this annual report on Form 10-K of Amerityre Corporation for the year ended June 30, 2013;
2. Based on my knowledge, this annual 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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and I have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my 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 my 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) presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on our 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 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.
5. 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 27, 2013

/s/ L. Wayne Arnett
L. Wayne Arnett
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of Amerityre Corporation (the "Company") on Form 10-K for the year ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, L. Wayne Arnett, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ L. Wayne Arnett
L. Wayne Arnett
Chief Financial Officer
(Principal Financial Officer)

September 27, 2013