

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

RISK GEORGE INDUSTRIES INC  
Form 10QSB  
December 15, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-QSB

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarter ended October 31, 2003

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-5378

GEORGE RISK INDUSTRIES, INC.  
(Exact name of small business issuer as specified in its charter)

Colorado 84-0524756  
(State of incorporation) (IRS Employers Identification No.)

802 South Elm St.  
Kimball, NE 69145  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (308) 235-4645

APPLICABLE ONLY TO CORPORATE ISSUERS

The number of shares of the Registrant's Common Stock outstanding, as of December 15, 2003 was 5,402,528.

Transitional Small Business Disclosure Format: Yes  No

GEORGE RISK INDUSTRIES, INC.

PART I. FINANCIAL INFORMATION

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Item 1. Financial Statements

The unaudited financial statements for the three month period ended October 31, 2003, are attached hereto.

GEORGE RISK INDUSTRIES, INC.  
BALANCE SHEET  
OCTOBER 31, 2003

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 3,412,000
Marketable securities (Note 2)	10,388,000
Accounts receivable:	
Trade, net of \$50,000 doubtful account allowance	1,997,000
Other	1,000
Income tax overpayment	1,000
Inventories (Note 3)	2,256,000
Prepaid expenses	103,000
Deferred income taxes	113,000
	-----
Total Current Assets	\$ 18,271,000
Property and Equipment, net at cost	\$ 907,000
Other Assets	
Investment in Land Limited Partnership, at cost	200,000
Projects in process	14,000
Other	2,000
	-----
Total Other Assets	\$ 216,000
TOTAL ASSETS	\$ 19,394,000 =====

GEORGE RISK INDUSTRIES, INC.  
BALANCE SHEET  
OCTOBER 31, 2003

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities	
Accounts payable, trade	\$ 93,000
Accrued expenses	
Payroll and related expenses	344,000
Property taxes	(5,000)
Notes payable, current	195,000
	-----
Total Current Liabilities	\$ 627,000
Long-Term Liabilities	

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Notes payable	0
	-----
Total Long-Term Liabilities	\$ 0
Stockholders' Equity	
Convertible preferred stock, 1,000,000 shares authorized, Series 1-noncumulative, \$20 stated value, 25,000 shares authorized, 5,350 issued and outstanding	107,000
Common stock, Class A, \$.10 par value, 10,000,000 shares authorized, 8,502,832 shares issued and outstanding	850,000
Additional paid-in capital	1,736,000
Accumulated other comprehensive income	(953,000)
Retained earnings	18,790,000
Less: cost of treasury stock, 3,100,304 shares, at cost	(1,763,000)
	-----
Total Stockholders' Equity	\$ 18,767,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 19,394,000 =====

GEORGE RISK INDUSTRIES, INC.  
INCOME STATEMENT

	Three months ended October 31, 2003	Six months ended October 31, 2003	Three months ended October 31, 2002	Six months ended October 31, 2002
	-----			
Net Sales	\$ 3,406,000	\$ 6,428,000	\$ 3,564,000	\$ 6,585,000
Less: cost of goods sold	(1,748,000)	(3,160,000)	(1,490,000)	(3,166,000)
	-----			
Gross Profit	\$ 1,658,000	\$ 3,268,000	\$ 2,074,000	\$ 3,419,000
Operating Expenses:				
General and administrative	174,000	343,000	178,000	337,000
Selling	578,000	1,125,000	627,000	1,214,000
Engineering	19,000	36,000	16,000	34,000
Rent paid to related parties	11,000	26,000	11,000	26,000
	-----			
Total Operating Expenses	\$ 782,000	\$ 1,530,000	\$ 832,000	\$ 1,611,000
Income From Operations	876,000	1,738,000	1,242,000	1,808,000
Other Income (Expense)				
Other	0	(4,000)	(10,000)	(10,000)
Dividend and interest income	72,000	159,000	75,000	158,000
Gain (loss) on sale of investments	7,000	28,000	(175,000)	(171,000)
Gain (loss) on sale of assets	4,000	4,000	0	0
	-----			
	\$ 83,000	\$ 187,000	\$ (110,000)	\$ (23,000)
Income Before Provisions for Income Tax	959,000	1,925,000	1,132,000	1,785,000

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Provisions for Income Tax	(401,000)	(803,000)	(473,000)	(745,000)
Net Income	\$ 558,000	\$ 1,122,000	\$ 659,000	\$ 1,040,000
Retained Earnings, beginning of period	\$18,232,000	\$17,668,000	\$15,764,000	\$15,383,000
Retained Earnings, end of period	\$18,790,000	\$18,790,000	\$16,423,000	\$16,423,000
Income Per Share of Common Stock: (Note 6)				
Basic	\$ .10	\$ .21	\$ .12	\$ .19
Assuming Dilution	\$ .10	\$ .21	\$ .12	\$ .19

GEORGE RISK INDUSTRIES, INC.  
STATEMENT OF COMPREHENSIVE INCOME

	Three months ended October 31, 2003	Six months ended October 31, 2003	Three months ended October 31, 2002	Six months ended October 31, 2002
Net Income	\$ 558,000	\$ 1,122,000	\$ 659,000	\$ 1,040,000
Other Comprehensive Income, net of tax				
Unrealized gain (loss) on securities:				
Unrealized holding gains (losses) arising during period	219,000	470,000	(85,000)	(466,000)
Reclassification adjustment for (gains) losses included in net income	(8,000)	(28,000)	175,000	171,000
Other Comprehensive Income	\$ 211,000	\$ 442,000	\$ 90,000	\$ (295,000)
Comprehensive Income	\$ 769,000	\$ 1,564,000	\$ 749,000	\$ 745,000

GEORGE RISK INDUSTRIES, INC.  
STATEMENT OF CASH FLOWS

	Three months ended October 31, 2003	Six months ended October 31, 2003	Three months ended October 31, 2002	Six months ended October 31, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income	\$ 558,000	\$ 1,122,000	\$ 659,000	\$ 1,040,000
Adjustments to reconcile net income to net cash provided by operating				

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activities:				
Depreciation	57,000	114,000	65,000	129,000
(Gain) Loss on sale of property and equipment	(4,000)	(4,000)	0	0
Change in unrealized gain/(loss) on investments	211,000	442,000	90,000	(295,000)
Changes in assets and liabilities:				
(Increase) decrease in:				
Investments/securities	(319,000)	(707,000)	63,000	162,000
Accounts receivable	(303,000)	(444,000)	(450,000)	(64,000)
Inventories	248,000	174,000	(117,000)	0
Prepaid expenses	(5,000)	33,000	(1,000)	5,000
Other assets	32,000	64,000	(207,000)	(200,000)
Receivables-officers and employees	0	1,000	(1,000)	(1,000)
Increase (decrease) in:				
Accounts payable	(65,000)	(36,000)	80,000	83,000
Accrued expenses	107,000	55,000	(48,000)	22,000
Income tax payable	(333,000)	69,000	10,000	282,000
	-----	-----	-----	-----
Net cash provided by (used in) operating activities	\$ 184,000	\$ 883,000	\$ 110,000	\$ 806,000
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	(70,000)	(134,000)	(16,000)	(38,000)
Purchase of treasury stock	0	0	0	0
	-----	-----	-----	-----
Net cash provided by (used in) investing activities	\$ (70,000)	\$ (134,000)	\$ 16,000	\$ (38,000)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Principal payments on long-term debt	0	(40,000)	(1,000)	(4,000)
Proceeds from sale of property and equipment	4,000	4,000	0	0
Treasury stock issued	0	0	0	0
	-----	-----	-----	-----
Net cash provided by (used in) financing activities	\$ 4,000	\$ (36,000)	\$ (1,000)	\$ (4,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 118,000	\$ 713,000	\$ 126,000	\$ 797,000
	=====	=====	=====	=====
Cash and cash equivalents, beginning of period	\$ 3,294,000	\$ 2,699,000	\$ 1,765,000	\$ 1,094,000
Cash and cash equivalents, end of period	\$ 3,412,000	\$ 3,412,000	\$ 1,891,000	\$ 1,891,000

GEORGE RISK INDUSTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2003

Note 1 Unaudited Interim Financial Statements

The accompanying financial statements have been prepared in accordance with the instructions for Form 10QSB and do not include all of the inform-

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ation and footnotes required by generally accepted accounting principals for complete financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments considered necessary for a fair presentation, have been included. Operating results for any quarter are not necessarily indicative of the results for any other quarter or for the full year.

### Note 2     Marketable Securities

Marketable equity securities are recorded at the lower of cost or market and are classified as available-for-sale securities. The cost of marketable securities sold is determined on the average cost method with realized gains or losses being reflected in the income statement and any unrealized gains or losses being reported as a separate component of stockholder's equity until realized. Dividend and interest income are accrued as earned.

Marketable equity securities and unrealized gains and losses consist of the following as of October 31, 2003 and October 31, 2002:

Cost Basis	\$ 11,341,000	\$ 10,523,000
Market Value	10,388,000	8,801,000
	-----	-----
Net Unrealized Gain (Loss)	\$ (953,000)	\$ (1,722,000)

### Note 3     Inventories

At October 31, 2003 and October 31, 2002, respectively, inventories consisted of the following:

Raw Materials	\$ 1,547,000	\$ 1,581,000
Work in Process	464,000	646,000
Finished Goods	236,000	191,000
Warehouse in England	79,000	80,000
	-----	-----
	\$ 2,326,000	\$ 2,498,000
Less: allowance for obsolete inventory	(70,000)	(70,000)
	-----	-----
Net Inventories	\$ 2,256,000	\$ 2,428,000
	=====	=====

### Note 4     Business Segments

The following is financial information relating to industry segments:

	For the quarter ended		
	2003	2002	October 31,
Net revenue:			
Pool alarm products	\$ 282,000	\$ 333,000	
Keyboard products	111,000	250,000	
Security alarm and other products	3,013,000	2,981,000	
	-----	-----	
Total net revenue	\$ 3,406,000	\$ 3,564,000	
Income from operations:			
Pool alarm products	\$ 72,000	\$ 116,000	

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Keyboard products	29,000	87,000
Security alarm and other products	775,000	1,039,000
	-----	-----
Total income from operations	\$ 876,000	\$ 1,242,000
Identifiable assets:		
Pool alarm products	\$ 273,000	\$ 243,000
Keyboard products	194,000	415,000
Security alarm and other products	4,301,000	4,256,000
Corporate general	14,626,000	11,547,000
	-----	-----
Total assets	\$ 19,394,000	\$ 16,461,000
Depreciation and amortization:		
Pool alarm products	\$ 2,000	\$ 0
Keyboard products	1,000	2,000
Security alarm and other products	35,000	40,000
Corporate general	19,000	23,000
	-----	-----
Total depreciation and amortization	\$ 57,000	\$ 65,000
Capital expenditures:		
Pool alarm products	\$ 0	\$ 0
Keyboard products	0	0
Security alarm and other products	51,000	16,000
Corporate general	19,000	0
	-----	-----
Total capital expenditures	\$ 70,000	\$ 16,000

Note 5 Revenue Recognition

George Risk Industries recognizes its revenues when goods are shipped and billed to its customers. There is a \$50,000 allowance that was established to account for any uncollectable accounts.

Note 6 Earnings per Share

Basic and diluted earning per share, assuming convertible preferred stock was converted for each period presented, are:

	For the three months ended October 31, 2003		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
	-----	-----	-----
Net Income	\$ 558,000		
	=====		
Basic EPS	\$ 558,000	5,402,528	\$ 0.10
Effect of dilutive securities:			
Convertible preferred stock	0	26,750	
	-----	-----	-----
Diluted EPS	\$ 563,000	5,429,278	\$ 0.10
	-----	-----	-----
	For the six months ended October 31, 2003		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
	-----	-----	-----

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Net Income	\$1,122,000		
	=====		
Basic EPS	\$1,122,000	5,402,528	\$ 0.21
Effect of dilutive securities:			
Convertible preferred stock	0	26,750	
	-----	-----	-----
Diluted EPS	\$1,122,000	5,429,278	\$ 0.21

For the three months ended October 31, 2002

	Income (Numerator)	Shares (Denominator)	Per-share Amount
	-----	-----	-----
Net Income	\$ 659,000		
	=====		
Basic EPS	\$ 659,000	5,402,528	\$ 0.12
Effect of dilutive securities:			
Convertible preferred stock	0	26,750	
	-----	-----	-----
Diluted EPS	\$ 659,000	5,429,278	\$ 0.12

For the six months ended October 31, 2002

	Income (Numerator)	Shares (Denominator)	Per-share Amount
	-----	-----	-----
Net Income	\$1,040,000		
	=====		
Basic EPS	\$1,040,000	5,402,528	\$ 0.19
Effect of dilutive securities:			
Convertible preferred stock	0	26,750	
	-----	-----	-----
Diluted EPS	\$1,040,000	5,429,278	\$ 0.19

GEORGE RISK INDUSTRIES, INC.

PART I. FINANCIAL INFORMATION

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

MANAGEMENT DISCUSSION AND ANALYSIS  
OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the attached con-

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densed financial statements, and with the George Risk Industries' audited financial statements and discussion for the fiscal year ended April 30, 2003.

Net cash increased \$118,000 during the quarter ended October 31, 2003 as compared to an increase of \$126,000 during the corresponding quarter last year. As for the year-to-date numbers, net cash increased \$713,000 for the six months ended October 31, 2003, while, for the same period last year, net cash increased \$797,000. Investments and marketable securities increased \$319,000 for the quarter while it increased \$707,000 for the year-to-date data. The reason for the increases in the investment accounts is that we have started to put some excess cash into the marketable securities, but not at the rapid pace that we were doing a few years ago. Inventories decreased \$248,000 during the current quarter as compared to a \$117,000 increase last year. The year-to-date numbers show the inventory decreased \$174,000 for the current year, while inventory returned to the same amount that we had on books at fiscal year end for the same period last year. The quarterly and year-to-date decrease in inventory occurred because we were stocked up on several main raw materials and there was not a need to buy as much. Accounts receivable increased \$303,000 during the current quarter as compared to a \$450,000 increase for the corresponding quarter last year. The year-to-date figures show an increase of \$444,000 for the current six months and a \$64,000 increase for the same period last year. The main reason for the increase in accounts receivable is that we have had to extend out payment terms to some of our customers in order for them to continue to buy from us. At October 31, 2003, 87.55% of the receivables were considered current (less than 45 days) and 2.07% of the total were over 90 days past due. For the quarter ended October 31, 2003 there was a \$32,000 decrease in other assets while for the quarter ended October 31, 2002, there was a \$207,000 increase. The six months ended October 31, 2003, shows a \$64,000 decrease in other assets while at the same period last year there is a \$200,000 increase. The reason for the big increases in other assets last year is that we had just completed a remodeling project in our main building. This project consisted of making office space available for our sales staff.

At the quarter ended October 31, 2003, accounts payable decreased \$65,000 as compared to an \$80,000 increase for the same quarter the year before. As for year-to-date numbers, there was a \$36,000 decrease for the six months ended October 31, 2003, and a \$83,000 increase for the same period ended October 31, 2002. As stated before, our inventory has increased and we are stocked up on many raw materials, so there is less of a need for big purchases and therefore the accounts payable numbers are lower. There was no cash flow for notes payable during for the current quarter, while there was a \$1,000 decrease for the corresponding quarter last year. Year-to-date figures displayed a \$40,000 decrease for the current six months, while there was a \$4,000 decrease for same period last year. A new note was booked last fiscal year for payment on GRI stock that was purchased back by us. Income tax payable decreased \$333,000 for the quarter ended October 31, 2003, while it increased \$10,000 for the quarter ended October 31, 2002. For the six months ended October 31, 2003, income tax payable increased \$69,000, as it increased \$282,000 for the corresponding period a year ago. The big decreases for the current quarter and the smaller increase in the year-to-date numbers reflect the decrease in net income.

The following is a list of ratios to help analyze George Risk Industries' performance:

	For the quarter ended October 31, 2003	2002
	-----	-----
Working capital	\$17,644,000	\$14,769,000
Current ratio	29.140	22.880

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Quick ratio	25.195	19.105
Cash per share (including marketable securities)	\$ 2.55	\$ 1.70
Equity per share	\$ 3.47	\$ 2.89

Net sales were \$3,406,000 for the quarter ended October 31, 2003, which is a 4.4% decrease from the corresponding quarter last year. Year-to-date net sales were \$6,428,000 at October 31, 2003, which is a 2.4% decrease from the same period last year. Cost of goods sold was 51.3% of net sales for the quarter ended October 31, 2003 and 41.8% for the same quarter last year. Year-to-date cost of goods sold percentages were 49.2% for the current six months and 48.1% for the corresponding six months last year. Having relatively the same percentage of cost of goods sold from period to period shows that we keep our costs in line. But the increase for the current quarter helps account for the decrease in net income. As a whole, our cost of materials and direct labor fluctuate in proportion to how our sales vary.

Operating expenses were 23.0% of net sales for the quarter ended October 31, 2003 as compared to 23.3% for the corresponding quarter last year. Year-to-date operating expenses were 23.8% of net sales for the six months ended October 31, 2003, while they were 24.5% for the same period last year. Income from operations for the quarter ended October 31, 2003 was at \$876,000, which is a 29.5% decrease from the corresponding quarter last year, which had income from operations of \$1,242,000. Income from operations for the six months ended October 31, 2003 was at \$1,738,000, which is only a 3.87% decrease from the corresponding six months last year, which had income from operations of \$1,808,000.

Other income and expenses showed gains of \$83,000 and \$187,000 for the quarter and six months ended October 31, 2003, respectively. The other income and expense numbers for last year were losses of \$110,000 for the quarter and \$23,000 for the six months ending October 31, 2002. The main reason for the losses in the previous year is that we sold our WorldCom stock in the second quarter. That accounted for a \$175,000 loss on our investments. Net income for the quarter ended October 31, 2003 was at \$558,000, a 15.3% decrease from the corresponding quarter last year, which showed a net income of \$659,000. Net income for the six months ended October 31, 2003 was \$1,122,000, a 7.9% increase from the same period last year. Net income for the six months ended October 31, 2002 was \$1,040,000. Earnings per common share for the quarter ended October 31, 2003 was \$0.10 per share and \$0.21 per share for the year-to-date numbers. EPS for the quarter and six months ended October 31, 2002 was \$0.12 per share and \$0.19 per share, respectively.

George Risk Industries does have three distinct business segments, security alarm products, keyboard products, and pool alarm products that are subject to disclosure under SFAS No. 131. See the notes to the financial statements in order to examine the two segments.

Our security sales department has received the new version of our T8005 set temperature sensor. Also, our basic designed shockgard is now in house.

We recently introduced our "armored disconnect cable" which was designed for use with our pull-apart switches. When a longer cable run is required, these extensions offer a simple solution for protecting moveable objects such as bicycles, golf carts, lawn equipment, tire, etc.

Engineering has developed a modification to our C2T technology presently used for our CT300 touch sensor. This modified product will be developed into an Americans With Disabilities wall plate.

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Research and development continues on the glass break sensor. This has top priority in all departments. Also, in R&D is the fail safe moisture sensor, the 2826.

A surface mount pre-wire is being developed in response to the mold problem being experienced in humid climates and the reaction of the insurance companies to this situation.

Tool and die reports that they are continuing work on the glass break mold along with a 16 cavity new mold for the 20RS series switches.

Management is always open to the possibility to acquire a business that would complement our equipment, marketing techniques and established customers to increase sales and profits.

There are no known seasonal trends with any of our products, since we sell to distributors and OEM manufacturers. The products are tied to the housing industry and will fluctuate with building trends.

GEORGE RISK INDUSTRIES, INC.

### Part II. OTHER INFORMATION

Item 1. Legal Proceedings  
Not applicable

Item 2. Changes in Securities  
Not applicable.

Item 3. Defaults upon Senior Securities  
Not applicable

Item 4. Submission of Matters to a Vote of Securities  
Not applicable

Item 5. Other Information  
Not applicable

Item 6. Exhibits and Reports on Form 8-K  
A. Reports on Form 8-K  
No 8-K reports were filed during the quarter ended October 31, 2003.

### SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

George Risk Industries, Inc.  
(Registrant)

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Date 12-15-2003 By: /s/ Kenneth R. Risk  
Kenneth R. Risk  
President and Chairman of the Board

Date 12-15-2003 By: /s/ Stephanie M. Risk  
Stephanie M. Risk  
Chief Financial Officer and Controller

CERTIFICATION OF KEN R. RISK, PRESIDENT AND CHAIRMAN OF THE BOARD,  
PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934

I, Ken R. Risk, certify that:

1. I have reviewed this quarterly report on Form 10QSB of George Risk Industries, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statements 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant is made known to us by others, particularly during the period in which the quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 45 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the registrant's board of directors:
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weakness in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

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6. The registrant's other certifying officers and I have indicated in the quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

By: /s/ Kenneth R. Risk  
Kenneth R. Risk  
President and Chairman of the Board

CERTIFICATION OF STEPHANIE M. RISK, CHIEF FINANCIAL OFFICER,  
PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934

I, Stephanie M. Risk, certify that:

1. I have reviewed this quarterly report on Form 10QSB of George Risk Industries, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statements 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant is made known to us by others, particularly during the period in which the quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 45 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the registrant's board of directors:
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weakness in internal controls; and

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- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in the quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

By: /s/ Stephanie M. Risk  
Stephanie M. Risk  
Chief Financial Officer and Controller

### CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Ken R. Risk, certify, pursuant to 18 U.S.C. 18 Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the quarterly report of George Risk Industries, Inc. on Form 10QSB dated October 31, 2003 fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10QSB fairly presents in all material respects the financial condition and results of operations of George Risk Industries, Inc.

By: /s/ Ken R. Risk  
Ken R. Risk  
President and Chief Executive Officer

I, Stephanie M. Risk, certify, pursuant to 18 U.S.C. 18 Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the quarterly report of George Risk Industries, Inc. on Form 10QSB dated October 31, 2003 fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10QSB fairly presents in all material respects the financial condition and results of operations of George Risk Industries, Inc.

By: /s/ Stephanie M. Risk  
Stephanie M. Risk  
Chief Financial Officer