

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

RISK GEORGE INDUSTRIES INC
Form 10QSB
December 15, 2004

George Risk Industries, Inc.
802 S. Elm St.
Kimball, NE 69145

December 15, 2004

Securities and Exchange Commission
Washington, DC 20549

Pursuant to the requirements of the Securities Exchange Act of 1934, we are transmitting herewith the attached Form 10-QSB.

Sincerely,

Kenneth R. Risk, President and CEO
George Risk Industries, Inc.

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, 2004

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

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

December 15, 2004 was 5,401,803.

Transitional Small Business Disclosure Format: Yes [X] No []

GEORGE RISK INDUSTRIES, INC.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited financial statements for the three and six month period ended October 31, 2004, are attached hereto.

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEET
OCTOBER 31, 2004

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 4,691,000
Marketable securities (Note 2)	11,207,000
Accounts receivable:	
Trade, net of \$50,000 doubtful account allowance	2,027,000
Other	5,000
Inventories (Note 3)	2,172,000
Prepaid expenses	100,000
Deferred income taxes	94,000

Total Current Assets	\$ 20,296,000
Property and Equipment, net at cost	\$ 825,000
Other Assets	
Investment in Land Limited Partnership, at cost	200,000
Projects in process	26,000
Other	29,000

Total Other Assets	\$ 255,000
TOTAL ASSETS	\$ 21,376,000 =====

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEET
OCTOBER 31, 2004

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities	
Accounts payable, trade	\$ 64,000
Dividends payable	74,000
Accrued expenses	
Payroll and related expenses	336,000
Property taxes	(4,000)
Income tax payable	169,000

Total Current Liabilities	\$ 639,000
Long-Term Liabilities	
Deferred income taxes	27,000

Total Long-Term Liabilities	\$ 27,000
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	(879,000)
Retained earnings	20,659,000
Less: cost of treasury stock, 3,100,304 shares, at cost	(1,763,000)

Total Stockholders' Equity	\$ 20,710,000
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 \$ 21,376,000 =====

GEORGE RISK INDUSTRIES, INC.
INCOME AND RETAINED EARNINGS STATEMENT

	Three months ended October 31, 2004	Six months ended October 31, 2004	Three months ended October 31, 2003	Six months ended October 31, 2003

Net Sales	\$ 3,277,000	\$ 6,373,000	\$ 3,406,000	\$ 6,428,000
Less: cost of goods sold	(1,501,000)	(2,998,000)	(1,748,000)	(3,160,000)

Gross Profit	\$ 1,776,000	\$ 3,375,000	\$ 1,658,000	\$ 3,268,000
Operating Expenses:				
General and				

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

administrative	169,000	339,000	174,000	343,000
Selling	590,000	1,210,000	578,000	1,125,000
Engineering	23,000	37,000	19,000	36,000
Rent paid to related parties	11,000	26,000	11,000	26,000
	-----	-----	-----	-----
Total Operating Expenses	\$ 793,000	\$ 1,612,000	\$ 782,000	\$ 1,530,000
Income From Operations	983,000	1,763,000	876,000	1,738,000
Other Income (Expense)				
Other	(1,000)	(1,000)	0	(4,000)
Dividend and interest income	69,000	151,000	72,000	159,000
Gain (loss) on sale of investments	27,000	10,000	7,000	28,000
Gain (loss) on sale of assets	0	0	4,000	4,000
	-----	-----	-----	-----
	\$ 95,000	\$ 160,000	\$ 83,000	\$ 187,000
Income Before Provisions for Income Tax	1,078,000	1,923,000	959,000	1,925,000
Provisions for Income Tax	(451,000)	(803,000)	(401,000)	(803,000)
	-----	-----	-----	-----
Net Income	\$ 627,000	\$ 1,120,000	\$ 558,000	\$ 1,122,000
Retained Earnings, beginning of period	\$20,572,000	\$20,079,000	\$18,232,000	\$17,668,000
Less: Cash Dividends, Common Stock (\$0.10 per share)	(540,000)	(540,000)	0	0
Retained Earnings, end of period	\$20,659,000	\$20,659,000	\$18,790,000	\$18,790,000
Income Per Share of Common Stock: (Note 6)				
Basic	\$.12	\$.21	\$.10	\$.21
Assuming Dilution	\$.12	\$.21	\$.10	\$.21

GEORGE RISK INDUSTRIES, INC.
STATEMENT OF COMPREHENSIVE INCOME

	Three months ended October 31, 2004	Six months ended October 31, 2004	Three months ended October 31, 2003	Six months ended October 31, 2003
	-----	-----	-----	-----
Net Income	\$ 627,000	\$ 1,120,000	\$ 558,000	\$ 1,122,000
Other Comprehensive Income, net of tax				
Unrealized gain (loss) on securities:				
Unrealized holding gains (losses) arising during period	92,000	33,000	211,000	442,000

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

Reclassification adjustment for (gains) losses included in net income	(28,000)	(9,000)	(8,000)	(28,000)
Income tax expense related to other comprehensive income	27,000	10,000	85,000	173,000
Other Comprehensive Income	\$ 91,000	\$ 34,000	\$ 288,000	\$ 587,000
Comprehensive Income	\$ 718,000	\$ 1,154,000	\$ 846,000	\$ 1,709,000

GEORGE RISK INDUSTRIES, INC.
STATEMENT OF CASH FLOWS

	Three months ended October 31, 2004	Six months ended October 31, 2004	Three months ended October 31, 2003	Six months ended October 31, 2003
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income	\$ 627,000	\$ 1,120,000	\$ 558,000	\$ 1,122,000
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	51,000	100,000	57,000	114,000
(Gain) loss on sale of investments	(28,000)	(9,000)	(8,000)	(28,000)
(Gain) loss on assets	0	0	(4,000)	(4,000)
Change in unrealized gain/ (loss) on investments	92,000	33,000	211,000	442,000
Changes in assets and liabilities:				
(Increase) decrease in:				
Investments/securities	(273,000)	(441,000)	(319,000)	(707,000)
Accounts receivable	(189,000)	(292,000)	(303,000)	(444,000)
Inventories	210,000	207,000	248,000	174,000
Prepaid expenses	0	(40,000)	(5,000)	33,000
Receivables-officers and employees	(1,000)	1,000	0	1,000
Increase (decrease) in:				
Accounts payable	(44,000)	(27,000)	(65,000)	(36,000)
Dividends payable	73,000	73,000	0	0
Accrued expenses	89,000	18,000	107,000	55,000
Income tax payable	(54,000)	298,000	(333,000)	69,000
Net cash provided by (used in) operating activities	\$ 553,000	\$ 1,041,000	\$ 144,000	\$ 791,000
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of assets	0	0	4,000	4,000
Other assets	(42,000)	(9,000)	32,000	64,000
(Purchase) of property and equipment	(26,000)	(90,000)	(70,000)	(134,000)

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

Proceeds from sale of marketable securities	168,000	232,000	433,000	793,000
(Purchase) of marketable securities	(140,000)	(224,000)	(429,000)	(769,000)
	-----	-----	-----	-----
Net cash provided by (used in) investing activities	\$ (40,000)	\$ (91,000)	\$ (30,000)	\$ (42,000)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Principal payments on long-term debt	0	0	0	(40,000)
Proceeds from sale of property and equipment	0	0	4,000	4,000
Dividends issued	(540,000)	(540,000)	0	0
	-----	-----	-----	-----
Net cash provided by (used in) financing activities	\$ (540,000)	\$ (540,000)	\$ 4,000	\$ (36,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	\$ (27,000)	\$ 410,000	\$ 118,000	\$ 713,000
	=====	=====	=====	=====
Cash and cash equivalents, beginning of period	\$ 4,717,000	\$ 4,280,000	\$ 3,294,000	\$ 2,699,000
Cash and cash equivalents, end of period	\$ 4,690,000	\$ 4,690,000	\$ 3,412,000	\$ 3,412,000

GEORGE RISK INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2004

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 information 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, 2004 and October 31, 2003:

Cost Basis	\$ 12,086,000	\$ 11,341,000
Market Value	11,207,000	10,388,000
	-----	-----
Net Unrealized Gain (Loss)	\$ (879,000)	\$ (953,000)

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

Note 3 Inventories

At October 31, 2004 and October 31, 2003, respectively, inventories consisted of the following:

Raw Materials	\$ 1,528,000	\$ 1,547,000
Work in Process	458,000	464,000
Finished Goods	188,000	236,000
Warehouse in England	68,000	79,000
	-----	-----
	\$ 2,242,000	\$ 2,326,000
Less: allowance for obsolete inventory	(70,000)	(70,000)
	-----	-----
Net Inventories	\$ 2,172,000	\$ 2,256,000
	=====	=====

Note 4 Business Segments

The following is financial information relating to industry segments:

	For the quarter ended		
	2004	2003	October 31,
Net revenue:			
Pool alarm products	\$ 298,000	\$ 282,000	
Keyboard products	137,000	111,000	
Security alarm and other products	2,842,000	3,013,000	
	-----	-----	
Total net revenue	\$ 3,277,000	\$ 3,406,000	
Income from operations:			
Pool alarm products	\$ 90,000	\$ 72,000	
Keyboard products	41,000	29,000	
Security alarm and other products	852,000	775,000	
	-----	-----	
Total income from operations	\$ 983,000	\$ 876,000	
Identifiable assets:			
Pool alarm products	\$ 284,000	\$ 273,000	
Keyboard products	252,000	194,000	
Security alarm and other products	4,135,000	4,301,000	
Corporate general	16,705,000	14,626,000	
	-----	-----	
Total assets	\$ 21,376,000	\$ 19,394,000	
Depreciation and amortization:			
Pool alarm products	\$ 2,000	\$ 2,000	
Keyboard products	0	1,000	
Security alarm and other products	30,000	35,000	
Corporate general	19,000	19,000	
	-----	-----	
Total depreciation and amortization	\$ 51,000	\$ 57,000	
Capital expenditures:			
Pool alarm products	\$ 0	\$ 0	
Keyboard products	0	0	

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

Security alarm and other products	4,000	51,000
Corporate general	22,000	19,000
	-----	-----
Total capital expenditures	\$ 26,000	\$ 70,000

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, 2004		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
	-----	-----	-----
Net Income	\$ 627,000		
	=====		
Basic EPS	\$ 627,000	5,402,528	\$ 0.12
Effect of dilutive securities:			
Convertible preferred stock	0	26,750	
	-----	-----	-----
Diluted EPS	\$ 627,000	5,429,278	\$ 0.12

	For the six months ended October 31, 2004		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
	-----	-----	-----
Net Income	\$1,120,000		
	=====		
Basic EPS	\$1,120,000	5,402,528	\$ 0.21
Effect of dilutive securities:			
Convertible preferred stock	0	26,750	
	-----	-----	-----
Diluted EPS	\$ 1,120,000	5,429,278	\$ 0.21

	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	\$ 558,000	5,429,278	\$ 0.10

For the six months ended October 31, 2003

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

	Income (Numerator)	Shares (Denominator)	Per-share Amount
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

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 condensed financial statements, and with the George Risk Industries' audited financial statements and discussion for the fiscal year ended April 30, 2004.

Net cash decreased \$27,000 during the quarter ended October 31, 2004 as compared to an increase of \$118,000 during the corresponding quarter last year. As for the year-to-date numbers, net cash increased \$410,000 for the six months ended October 31, 2004, while, for the same period last year, net cash increased \$713,000. Investments and marketable securities increased \$273,000 for the quarter while it increased \$441,000 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 \$210,000 during the current quarter as compared to a \$248,000 decrease last year. The year-to-date numbers show the inventory decreased \$207,000 for the current year, while it decreased \$174,000 for the same period last year. The continued decreases in inventory go hand in hand with the slight decreases in sales that we are showing. Accounts receivable increased \$189,000 during the current quarter as compared to a \$303,000 increase for the corresponding quarter last year. The year-to-date figures show an increase of \$292,000 for the current six months and a \$444,000 increase for the same period last year. At October 31, 2004, 73.64% of the receivables were considered current (less than 45 days) and 3.02% of the total were over 90 days past due.

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

At the quarter ended October 31, 2004, accounts payable decreased \$44,000 as compared to a \$65,000 decrease for the same quarter the year before. As for year-to-date numbers, there was a \$27,000 decrease for the six months ended October 31, 2004, and a \$36,000 increase for the same period ended October 31, 2003. Dividends payable increased \$73,000 for the three and six months ending October, 31, 2004. In comparison there was no cash flow for dividends payable for the three and six months ending October 31, 2003 since this is the first year that the company has declared a dividend. Income tax payable decreased \$54,000 for the quarter ended October 31, 2004, while it decreased \$333,000 for the quarter ended October 31, 2003. For the six months ended October 31, 2004, income tax payable increased \$298,000, as it increased \$69,000 for the corresponding period a year ago.

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

	For the quarter ended October 31,	
	2004	2003
Working capital	\$19,657,000	\$17,644,000
Current ratio	31.762	29.140
Quick ratio	28.052	25.195
Cash per share (including marketable securities)	\$2.94	\$2.55
Equity per share	\$3.83	\$3.47

Net sales were \$3,277,000 for the quarter ended October 31, 2004, which is a 3.8% decrease from the corresponding quarter last year. Year-to-date net sales were \$6,373,000 at October 31, 2004, which is a 0.9% decrease from the same period last year. Cost of goods sold was 45.8% of net sales for the quarter ended October 31, 2004 and 51.3% for the same quarter last year. Year-to-date cost of goods sold percentages were 47.0% for the current six months and 49.2% 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. Our goal, as always, is to have a cost of goods sold percentage somewhere between 45% and 50%. As a whole, our cost of materials and direct labor fluctuate in proportion to how our sales vary.

Operating expenses were 24.2% of net sales for the quarter ended October 31, 2004 as compared to 23.0% for the corresponding quarter last year. Year-to-date operating expenses were 25.3% of net sales for the six months ended October 31, 2004, while they were 23.8% for the same period last year. Income from operations for the quarter ended October 31, 2004 was at \$983,000, which is a 12.2% increase from the corresponding quarter last year, which had income from operations of \$876,000. Income from operations for the six months ended October 31, 2004 was at \$1,763,000, which is a 1.44% increase from the corresponding six months last year, which had income from operations of \$1,738,000.

Other income and expenses showed gains of \$95,000 and \$160,000 for the quarter and six months ended October 31, 2004, respectively. The other income and expense numbers for last year also showed gains of \$83,000 for the quarter and \$187,000 for the six months ending October 31, 2003. Our dividend and interest income is down slightly, but we have not had any big losses on the sale of our investments. We have reorganized the way and what we are investing in by using money manager accounts. This has seemed to make a positive difference in not accumulating big losses like we have let happen in

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

the past. Net income for the quarter ended October 31, 2004 was at \$627,000, a 12.4% increase from the corresponding quarter last year, which showed net income of \$558,000. Net income for the six months ended October 31, 2004 was \$1,120,000, a 0.2% decrease from the same period last year. Net income for the six months ended October 31, 2003 was \$1,122,000. Earnings per common share for the quarter ended October 31, 2004 was \$0.12 per share and \$0.21 per share for the year-to-date numbers. EPS for the quarter and six months ended October 31, 2003 was \$0.10 per share and \$0.21 per share, respectively.

A dividend of \$0.10 per common share was declared during this current quarter of discussion. The dividend was paid to common stockholders of record as of September 30, 2004 and the payment date was October 31, 2004. The reason that there is still a dividend payable on the books as of October 31, 2004 is that we did not have all the information that was needed in order to process checks to some stockholders. Once this information is obtained, a dividend check is sent out if they were a stockholder as of the date of record.

George Risk Industries does have three distinct business segments, security alarm products (and other items), 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 segments.

New products ready for production include the NC-20 nurse call switch, the S-40 spacer for the 4460, rare earth inserts for the 100 series switches, and the D.P.A.R.M. hardwired DPA-10.

Research and development projects in process are the 12-key keypad, a sash magnet, a single gang raceway box, small raceway, a closed loop glass break switch, and updating the double gang raceway box for the smaller raceway. They continue to work on the wireless pool alarm and contacts. SLA parts will be ordered for the pool alarm inserts. And work has progressed on the dome and roller ball molds.

Engineering is proceeding with the paperwork that is necessary for submitting the high security switch to Underwriter's Laboratories (U.L.).

Tool and die's projects include the sash magnet, CT collar, a surface mount pre-wire, a smoke box, a cover for the small raceway, and end caps.

Management is always open to the possibility to acquire a business that would complement our existing operations. This would require no outside financing. The intent is to utilize the 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

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

- 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, 2004.

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 report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made know to us by others, particularly during the period in which the report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of the end of the period covered by this report based on such evaluation;
 - c) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the registrant's board of directors:

- 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.

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 report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made know to us by others, particularly during the period in which the report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of the end of the period covered by this report based on such evaluation;
 - c) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed,

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the registrant's board of directors:

- 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.

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, 2004 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, 2004 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 and Controller

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.

Edgar Filing: RISK GEORGE INDUSTRIES INC - Form 10QSB

George Risk Industries, Inc.
(Registrant)

Date 12-15-2004

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

Date 12-15-2004

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