RISK GEORGE INDUSTRIES INC
Form 10QSB
December 15, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

(Mark One)

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

For the quarter ended October 31, 2006

[ ] 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, 2006 was 5,339,838.

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, 2006, are attached hereto.

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEET
OCTOBER 31, 2006

ASSETS

Current Assets	
Cash and cash equivalents	$ 4,542,000
Marketable securities (Note 2)	15,687,000
Accounts receivable:	
Trade, net of $50,000 doubtful account allowance	2,050,000
Other	1,000
Inventories (Note 3)	2,665,000
Prepaid expenses	95,000
Property tax overpayment	5,000
Deferred income taxes	286,000
Total Current Assets	$25,331,000
Property and Equipment, net of accumulated depreciation	$ 890,000
Other Assets	
Investment in Land Limited Partnership, at cost	200,000
Projects in process	25,000
Other	1,000
Total Other Assets	$ 226,000
TOTAL ASSETS	$26,447,000

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEET
OCTOBER 31, 2006

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities	
Accounts payable, trade	$ 166,000
Dividends payable	161,000
Accrued expenses	
Payroll and related expenses	378,000
Income tax payable	160,000
Total Current Liabilities	$ 865,000
Long-Term Liabilities	

Notes payable	25,000
Deferred income taxes	59,000
Total Long-Term Liabilities	$ 84,000
Stockholders' Equity	
Convertible preferred stock, 1,000,000 shares authorized, Series 1-noncumulative, $20 stated value, 25,000 shares authorized, 4,100 issued and outstanding	99,000
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	55,000
Retained earnings	24,829,000
Treasury stock, 3,160,719 shares, at cost	(2,071,000)
Total Stockholders' Equity	$25,498,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$26,447,000

GEORGE RISK INDUSTRIES, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS

	Three months ended October 31, 2006	Six months ended October 31, 2006	Three months ended October 31, 2005	Six months ended October 31, 2005
Net Sales	$ 3,631,000	$ 7,043,000	$ 3,636,000	$ 7,047,000
Less: cost of goods sold	(1,716,000)	(3,409,000)	(1,734,000)	(3,393,000)
Gross Profit	$ 1,915,000	$ 3,634,000	$ 1,902,000	$ 3,654,000
Operating Expenses:				
General and administrative	176,000	337,000	180,000	345,000
Selling	623,000	1,252,000	604,000	1,220,000
Engineering	19,000	34,000	18,000	37,000
Rent paid to related parties	12,000	28,000	12,000	28,000
Total Operating Expenses	$ 830,000	$ 1,651,000	$ 814,000	$ 1,630,000
Income From Operations	1,085,000	1,983,000	1,088,000	2,024,000
Other Income (Expense)				
Other	1,000	5,000	46,000	47,000
Dividend and interest income	149,000	276,000	86,000	192,000
Gain (loss) on investments	147,000	60,000	(22,000)	2,000
	$ 297,000	$ 341,000	$ 110,000	$ 241,000
Income Before Provisions for Income Tax	1,382,000	2,324,000	1,198,000	2,265,000

Provisions for Income Tax				
Current expense	(578,000)	(970,000)	(501,000)	(962,000)
Deferred tax benefit (expense)	32,000	26,000	14,000	14,000
Total Income Tax Expense	$ (546,000)	$ (944,000)	$ (487,000)	$ (948,000)
Net Income	$ 836,000	$ 1,380,000	$ 711,000	$ 1,317,000
Retained Earnings, beginning of period	$24,794,000	$24,250,000	$22,660,000	$22,054,000
Less: Cash Dividends				
Common Stock				
($0.15 per share)	(801,000)	(801,000)		
($0.10 per share)			(536,000)	(536,000)
Retained Earnings, end of period	$24,829,000	$24,829,000	$22,835,000	$22,835,000
Income Per Share of Common Stock: (Note 6)				
Basic	$0.16	$0.26	$0.13	$0.25
Assuming Dilution	$0.16	$0.25	$0.13	$0.24

GEORGE RISK INDUSTRIES, INC.
STATEMENT OF COMPREHENSIVE INCOME

	Three months ended October 31, 2006	Six months ended October 31, 2006	Three months ended October 31, 2005	Six months ended October 31, 2005
Net Income	$ 836,000	$ 1,380,000	$ 711,000	$ 1,317,000
Other Comprehensive Income, net of tax				
Unrealized gain (loss) on securities:				
Unrealized holding gains (losses) arising during period	213,000	93,000	(94,000)	191,000
Reclassification adjustment for (gains) losses included in net income	(147,000)	60,000	22,000	(2,000)
Income tax expense related to other comprehensive income	28,000	64,000	(30,000)	79,000
Other Comprehensive Income	$ 94,000	$ 217,000	$ (102,000)	$ 268,000
Comprehensive Income	$ 930,000	$ 1,597,000	$ 609,000	$ 1,585,000

GEORGE RISK INDUSTRIES, INC.
STATEMENT OF CASH FLOWS

	Three months ended October 31, 2006	Six months ended October 31, 2006	Three months ended October 31, 2005	Six months ended October 31, 2005
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income	$ 836,000	$ 1,380,000	$ 711,000	$ 1,317,000
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	46,000	89,000	47,000	93,000
(Gain) loss on sale of investments	(147,000)	(60,000)	22,000	(2,000)
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(192,000)	88,000	56,000	94,000
Inventories	(267,000)	(395,000)	(29,000)	(4,000)
Prepaid expenses	(1,000)	17,000	8,000	(74,000)
Employee receivables	(1,000)	(1,000)	1,000	0
Deferred income taxes	6,000	12,000	(14,000)	(14,000)
Increase (decrease) in:				
Accounts payable	34,000	25,000	(73,000)	(39,000)
Accrued expenses	102,000	11,000	143,000	32,000
Income tax payable	38,000	430,000	(484,000)	(24,000)
Net cash provided by (used in) operating activities	$ 454,000	$ 1,596,000	$ 388,000	$ 1,379,000
CASH FLOWS FROM INVESTING ACTIVITIES:				
Other assets manufactured	19,000	5,000	(25,000)	(2,000)
(Purchase) of property and equipment	(42,000)	(52,000)	(27,000)	(227,000)
Proceeds from sale of marketable securities	1,488,000	3,279,000	630,000	923,000
(Purchase) of marketable securities	(2,743,000)	(5,002,000)	(996,000)	(1,595,000)
Purchase of treasury stock	(1,000)	(40,000)	0	(128,000)
Net cash provided by (used in) investing activities	$(1,279,000)	$(1,810,000)	$ (418,000)	$(1,029,000)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase in long-term debt	0	0	0	100,000
Principal payments on long-term debt	0	(8,000)	(25,000)	(42,000)
Dividends issued	(731,000)	(731,000)	(488,000)	(492,000)
Net cash provided by (used in) financing activities	$ (731,000)	$ (739,000)	$ (513,000)	$ (434,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$(1,556,000)	$ (953,000)	$ (543,000)	$ (84,000)

Cash and cash equivalents, beginning of period	$ 6,098,000	$ 5,495,000	$ 5,910,000	$ 5,451,000
Cash and cash equivalents, end of period	$ 4,542,000	$ 4,542,000	$ 5,367,000	$ 5,367,000

GEORGE RISK INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2006

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. These financial statements should be read in conjunction with the financial statements and notes contained in the company's annual report on Form 10KSB for the year ended April 30, 2006 with the SEC. 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

The Company has investments in publicly traded equity securities as well as certain state and municipal debt securities. These securities are classified as available-for-sale securities, and are reported at fair value. Realized gains and losses are determined on the average cost basis, and are included in the Company's statement of income. Unrealized gains and losses are excluded from earnings and reported separately as a component of stockholder's equity. Dividend and interest income are accrued as earned.

Marketable equity securities and unrealized gains and losses consist of the following as of October 31, 2006 and October 31, 2005:

Cost Basis	$ 15,595,000	$ 13,305,000
Market Value	15,687,000	12,615,000
Net Unrealized Gain (Loss)	$ 92,000	$ (690,000)
Gross unrealized gain	$ 576,000	$ 445,000
Gross unrealized loss	$ (484,000)	$ (1,135,000)

In accordance with SFAS 115, if the Company determines that a marketable security has an other-than temporary decline in fair value, generally defined as when the cost basis exceeds the fair value for approximately one year, the Company will decrease the cost of the marketable security to the new fair value and recognize a realized loss. The investments are periodically evaluated to determine if impairment changes are required. As a result of this standard, management did not have to record any impairment losses for the quarter ended October 31, 2006

Note 3 Inventories

At October 31, 2006 and October 31, 2005, respectively, inventories consisted of the following:

Raw Materials	$ 1,770,000	$ 1,410,000
Work in Process	536,000	456,000
Finished Goods	361,000	218,000
Warehouse in England	68,000	45,000
	$ 2,735,000	$ 2,129,000
Less: allowance for obsolete inventory	(70,000)	(70,000)
Net Inventories	$ 2,665,000	$ 2,059,000

Note 4   Business Segments

The following is financial information relating to industry segments:

	For the quarter ended October 31, 2006	2005
Net revenue:		
Pool alarm products	$ 376,000	$ 292,000
Keyboard products	137,000	312,000
Security alarm and other products	3,118,000	3,032,000
Total net revenue	$ 3,631,000	$ 3,636,000
Income from operations:		
Pool alarm products	$ 113,000	$ 87,000
Keyboard products	40,000	94,000
Security alarm and other products	932,000	907,000
Total income from operations	$ 1,085,000	$ 1,088,000
Identifiable assets:		
Pool alarm products	$ 315,000	$ 292,000
Keyboard products	235,000	355,000
Security alarm and other products	4,889,000	4,229,000
Corporate general	21,008,000	18,783,000
Total assets	$ 26,447,000	$ 23,659,000
Depreciation and amortization:		
Pool alarm products	$ 3,000	$ 3,000
Keyboard products	0	0
Security alarm and other products	33,000	31,000
Corporate general	10,000	13,000
Total depreciation and amortization	$ 46,000	$ 47,000
Capital expenditures:		
Pool alarm products	$ 0	$ 0
Keyboard products	0	0
Security alarm and other products	42,000	27,000
Corporate general	0	0

Total capital expenditures	$ 42,000	$ 27,000

Note 5 Revenue Recognition

Revenue is recognized when risks and benefits in ownership are transferred, which normally occurs at the time of the shipment of products.

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, 2006		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 836,000		
Basic EPS	$ 836,000	5,342,179	$ 0.16
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$ 836,000	5,362,679	$ 0.16

	For the six months ended October 31, 2006		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$1,380,000		
Basic EPS	$1,380,000	5,342,887	$ 0.26
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$1,317,000	5,363,387	$ 0.25

	For the three months ended October 31, 2005		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 711,000		
Basic EPS	$ 711,000	5,362,153	$ 0.13
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$ 711,000	5,382,653	$ 0.13

For the six months ended October 31, 2005

	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$1,317,000		
Basic EPS	$1,317,000	5,367,795	$ 0.25
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$1,317,000	5,388,295	$ 0.24

Note 7 Retirement Benefit Plan

On January 1, 1998, the Company adopted the George Risk Industries, Inc. Retirement Savings Plan (the "Plan"). The Plan is a defined contribution savings plan designed to provide retirement income to eligible employees of the corporation. The Plan is intended to be qualified under Section 401(k) of the Internal Revenue Code of 1986, as amended. Matching contributions by the Company of approximately $4,000 were paid during each quarter ending October 31, 2006 and 2005. Likewise, the Company paid matching contributions of approximately $8,000 during each six-month period ending October 31, 2006 and 2005. There were no discretionary contributions paid during either the quarters or six-month periods ending October 31, 2006 and 2005, respectively.

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, 2006.

Net cash decreased $1,556,000 during the quarter ended October 31, 2006 as compared to a decrease of $543,000 during the corresponding quarter last year. As for the year-to-date numbers, net cash decreased $953,000 for the six months ended October 31, 2006, while, for the same period last year, net cash decreased $84,000. Accounts receivable increased $192,000 during the current quarter as compared to a $56,000 decrease for the corresponding quarter last year. The year-to-date figures show a decrease of $88,000 for the current six months and a $94,000 increase for the same period last year.

At October 31, 2006, 77.6% of the receivables were considered current (less than 45 days) and 9.6% of the total were over 90 days past due. Inventories increased $267,000 during the current quarter as compared to a $29,000 increase last year. The year-to-date numbers show the inventory increased $395,000 for the current year, while it increased $4,000 for the same period last year. There are a couple of reasons for the increase in cash expenditures towards inventory. First of all, the Company's finished goods stock is finally getting to a comfortable level to be able to ship out product immediately, without having the customer wait a couple of days for the production floor to make the product. Secondly, we have received a $700,000+-keyboard order from Lockheed Martin for the keyboards that the FAA uses. The Company is only able to make approximately (25) keyboards a week, but we have purchased most of all the raw materials to fill the order. At the quarter ended October 31, 2006, there was a $1,000 increase in prepaid expenses while there was a decrease of $8,000 for the corresponding quarter the year before. Changes in prepaid expenses in regards to cash flow decreased by $17,000 and increased by $74,000 for the six-month periods ending October 31, 2006 and 2005, respectively.

At the quarter ended October 31, 2006, accounts payable increased $34,000 as compared to a $73,000 increase for the same quarter the year before. As for year-to-date numbers, there was a $25,000 increase for the six months ended October 31, 2006, and a $39,000 decrease for the same period ended October 31, 2005. Accrued payroll and related expenses increased by $102,000 for the quarter ended October 31, 2006, and these expenses increased $143,000 for the corresponding quarter the year before. As for the six-month period ending October 31, 2006, accrued expenses increased $11,000 and also increased by $32,000 for the same period last year. Income tax payable increased $38,000 for the quarter ended October 31, 2006, as it decreased $484,000 for the quarter ended October 31, 2005. For the six months ended October 31, 2006, income tax payable increased $430,000, as it decreased $24,000 for the corresponding period a year ago.

As for the Company's investing activities, there have not been any purchases or sales out of the ordinary during the current quarter. The Company has purchased a couple of fixed assets and continues to put money into buying more marketable securities. As for the year-to-date figures, fiscal year end 2007 shows nothing out of the ordinary, but for fiscal year end 2006 it is again notable to mention the fact that the Company purchased a building for the workers at our Gering, NE facility. This building is bigger than the one we were in before and it was bought in conjunction with a loan/grant that we applied for and received from the City of Gering. This "loan" will be converted into grant money if the Company meets all the requirements for adding new employees to the community. Please see the Company's 10QSB for the quarter ended July 31, 2005 for more detailed information. Another large transaction that took place over the six-month period ending October 31, 2005 was that the Company bought back $128,000 worth of common stock. The Company has been actively searching for stockholders that have been "lost" over the years. Many of the original stockholders are deceased and their descendants are choosing to sell the stock in order to clear up the estates, etc. As for the corresponding numbers in this category, $1,000 and $40,000 was spent to purchase back treasury stock for the three and six months ending October 31, 2006, respectively.

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

	For the quarter ended October 31,	
	2006	2006

Working capital	$ 24,466,000	$ 21,825,000
Current ratio	29.284	33.623
Quick ratio	35.756	30.088

Net sales were $3,631,000 for the quarter ended October 31, 2006, which is a 0.14% decrease from the corresponding quarter last year. Year-to-date net sales were $7,043,000 at October 31, 2006, which is a 0.057% decrease from the same period last year. Cost of goods sold was 47.3% of net sales for the quarter ended October 31, 2006 and 47.7% for the same quarter last year. Year-to-date cost of goods sold percentages were 48.4% 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. 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 22.9% of net sales for the quarter ended October 31, 2006 as compared to 22.4% for the corresponding quarter last year. Year-to-date operating expenses were 23.4% of net sales for the six months ended October 31, 2006, while they were 23.1% for the same period last year. Income from operations for the quarter ended October 31, 2006 was at $1,085,000, which is only a 0.28% decrease from the corresponding quarter last year, which had income from operations of $1,088,000. Income from operations for the six months ended October 31, 2006 was at $1,983,000, which is a 2.1% decrease from the corresponding six months last year, which had income from operations of $2,024,000.

Other income and expenses showed gains of $297,000 and $341,000 for the quarter and six months ended October 31, 2006, respectively. The other income and expense numbers for last year also showed gains of $110,000 for the quarter and $241,000 for the six months ending October 31, 2005. Dividend and interest income is up 73.3.6% for the current quarter and is up 43.75% for the current six-month period when comparing to the same time periods last year. We have reorganized the way we are investing by using "money manager" accounts. These investment accounts are overseen by money managers affiliated with our brokerage firms. This has seemed to make a positive difference in not accumulating big losses like we have let happen in the past. Also, we have moved over $1,000,000 that we just had sitting in our non-interest-bearing checking account into certificates of deposits and other interest bearing investments. Net income for the quarter ended October 31, 2006 was at $836,000, a 17.6% increase from the corresponding quarter last year, which showed net income of $711,000. Net income for the six months ended October 31, 2006 was $1,380,000, a 4.8% increase from the same period last year. Net income for the six months ended October 31, 2005 was $1,317,000. Earnings per common share for the quarter ended October 31, 2006 was $0.16 per share and $0.26 per share for the year-to-date numbers. EPS for the quarter and six months ended October 31, 2005 was $0.13 per share and $0.25 per share, respectively.

A dividend of $0.15 per common share was declared during the current quarter ended October 31, 2006. The dividend was paid to common stockholders of record as of September 30, 2006 and the payment date was October 31, 2006. This is the third year in a row that the Company has paid a dividend to the stockholders and we hope to continue this trend in the future. The reason that there is still a dividend payable on the books as of October 31, 2006 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.

Now, here is an update on the progress of some of the Company's new products. The new pool alarm board has been submitted and approved for ETL certification. The new board will use fewer parts allowing for a more dependable product and an easier piece to produce. This board should be available for delivery to our customers by the first part of 2007. Many states continue to enact legislation mandating door pool alarms for buildings with swimming pool access. This should keep pool alarm sales on a strong growth curve.

End of Line (EOL) resistors are getting much more interest in the security industry. Resistors add another line of security when put into a contact switch or as a resistor pack at the end of an alarm zone. Resistors are being mandated in Europe. GRI is one of a few companies that can put EOL resistors in magnetic contacts.

Engineering is currently working on a wireless contact switch. Interest in wireless products continues to grow as security dealers look for easier and more aesthetic ways to add security systems to existing buildings.

The Company has been adding more distributors (i.e. customers) from the electrical supply area. This will allow the Company to reach a new and much larger group of prospective buyers as compared with others in the security industry.

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.

Item 3 Controls and Procedures

(a) Information required by Item 307

Our Chief Executive Officer and our Chief Financial Officer, after evaluating the effectiveness of the Company's "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 (Exchange Act) Rules 13a-15(e) or 15d-15(e)) as of the end of the period covered by this quarterly report, have concluded that our disclosure controls and procedures are effective based on their evaluation of these controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15.

(b) Information required by Item 308

This disclosure is not yet required.

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. Exhibits

31. Certifications pursuant to Rule 13a-14(a)
    - 31.1 Certification of the Chief Executive Officer
    - 31.2 Certification of the Chief Financial Officer

32. Certifications pursuant to 18 U.S.C. 1350
    - 32.1 Certification of the Chief Executive Officer
    - 32.2 Certification of the Chief Financial Officer

B. Reports on Form 8-K
No 8-K reports were filed during the quarter ended October 31, 2006.

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)

Date 12-15-2006

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

Date 12-15-2006

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