RISK GEORGE INDUSTRIES INC
Form 10QSB
December 14, 2007

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, 2007

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

For the transition period from __________ to __________

Commission File Number: 000-05378

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 14, 2007 was 5,334,278.

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, 2007, are attached hereto.

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEETS

	October 31, 2007 (unaudited)	April 30, 2007
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,297,000	$ 4,611,000
Marketable securities (Note 2)	17,826,000	16,738,000
Accounts receivable:		
Trade, net of $50,000 doubtful account allowance	1,730,000	1,925,000
Other	1,000	3,000
Note receivable, current	3,000	0
Income tax overpayment	377,000	137,000
Inventories (Note 3)	3,011,000	3,060,000
Prepaid expenses	113,000	125,000
Property tax overpayment	5,000	0
Deferred income taxes	46,000	115,000
Total Current Assets	$27,409,000	$26,714,000
Property and Equipment, net at cost	$ 912,000	$ 828,000
Other Assets		
Investment in Land Limited Partnership, at cost	200,000	200,000
Projects in process	39,000	75,000
Note receivable	74,000	60,000
Other	1,000	18,000
Total Other Assets	$ 314,000	$ 353,000
TOTAL ASSETS	$28,635,000	$27,895,000

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEETS

	October 31, 2007 (unaudited)	April 30, 2007

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Accounts payable, trade	$ 98,000	$ 127,000
Dividends payable	239,000	161,000
Accrued expenses		
Payroll and other expenses	369,000	337,000
Total Current Liabilities	$ 706,000	$ 625,000
Long-Term Liabilities		
Notes payable	25,000	25,000
Deferred income taxes	57,000	74,000
Total Long-Term Liabilities	$ 82,000	$ 99,000
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	99,000
Common stock, Class A, $.10 par value, 10,000,000 shares authorized, 8,502,832 shares issued and outstanding	850,000	850,000
Additional paid-in capital	1,736,000	1,736,000
Accumulated other comprehensive income	182,000	165,000
Retained earnings	27,101,000	26,430,000
Treasury stock, 3,167,954 shares, at cost	(2,121,000)	(2,109,000)
Total Stockholders' Equity	$27,847,000	$27,171,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$28,635,000	$27,895,000

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

	Three months ended October 31, 2007	Six months ended October 31, 2007	Three months ended October 31, 2006	Six months ended October 31, 2006
Net Sales	$ 3,007,000	$ 6,246,000	$ 3,631,000	$ 7,043,000
Less: cost of goods sold	(1,483,000)	(3,014,000)	(1,716,000)	(3,409,000)
Gross Profit	$ 1,524,000	$ 3,232,000	$ 1,915,000	$ 3,634,000
Operating Expenses:				
General and administrative	188,000	362,000	176,000	337,000
Selling	477,000	1,020,000	623,000	1,252,000
Engineering	24,000	44,000	19,000	34,000
Rent paid to related parties	12,000	28,000	12,000	28,000
Total Operating Expenses	$ 701,000	$ 1,454,000	$ 830,000	$ 1,651,000
Income From Operations	823,000	1,778,000	1,085,000	1,983,000

Other Income (Expense)				
Other	1,000	2,000	1,000	5,000
Dividend and interest income	196,000	401,000	149,000	276,000
Gain (loss) on investments	50,000	146,000	147,000	60,000
Gain (loss) on sale of assets	15,000	15,000	0	0
	$ 262,000	$ 564,000	$ 297,000	$ 341,000
Income Before Provisions for Income Tax	1,085,000	2,342,000	1,382,000	2,324,000
Provisions for Income Tax				
Current expense	(325,000)	(723,000)	(578,000)	(970,000)
Deferred tax benefit (expense)	(5,000)	(41,000)	32,000	26,000
Total Income Tax Expense	$ (330,000)	$ (764,000)	$ (546,000)	$ (944,000)
Net Income	$ 755,000	$ 1,578,000	$ 836,000	$ 1,380,000
Retained Earnings, beginning of period	$27,253,000	$26,430,000	$24,794,000	$22,250,000
Less: Cash Dividends on Common Stock				
($0.17 per share)	(907,000)	(907,000)		
($0.15 per share)			(801,000)	(801,000)
Retained Earnings, end of period	$27,101,000	$27,101,000	$24,829,000	$24,829,000
Income Per Share of Common Stock: (Note 6)				
Basic	$0.14	$0.30	$0.16	$0.26
Assuming Dilution	$0.14	$0.29	$0.16	$0.26
Weighted Average Number of Common Shares Outstanding:				
Basic	5,334,878	5,335,272	5,342,179	5,342,887
Diluted	5,355,378	5,355,772	5,362,679	5,363,387

GEORGE RISK INDUSTRIES, INC.
STATEMENT OF COMPREHENSIVE INCOME

	Three months ended October 31, 2007	Six months ended October 31, 2007	Three months ended October 31, 2006	Six months ended October 31, 2006
Net Income	$ 755,000	$ 1,578,000	$ 836,000	$ 1,380,000
Other Comprehensive Income, net of tax				
Unrealized gain (loss) on securities:				
Unrealized holding gains (losses) arising				

during period	220,000	16,000	213,000	93,000
Reclassification adjustment for (gains) losses included in net income	(50,000)	(146,000)	(147,000)	60,000
Income tax expense related to other comprehensive income	71,000	(54,000)	28,000	64,000
Other Comprehensive Income	$ 241,000	$ (184,000)	$ 94,000	$ 271,000
Comprehensive Income	$ 996,000	$ 1,394,000	$ 930,000	$ 1,597,000

GEORGE RISK INDUSTRIES, INC.
STATEMENT OF CASH FLOWS

	Three months ended October 31, 2007	Six months ended October 31, 2007	Three months ended October 31, 2006	Six months ended October 31, 2006
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income	$ 755,000	$ 1,578,000	$ 836,000	$ 1,380,000
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	45,000	86,000	46,000	89,000
(Gain) loss on sale of investments	(50,000)	(146,000)	(147,000)	(60,000)
(Gain) loss on sale of assets	(15,000)	(15,000)	0	0
Deferred income taxes	5,000	41,000	6,000	12,000
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	91,000	194,000	(192,000)	88,000
Inventories	(81,000)	48,000	(267,000)	(395,000)
Prepaid expenses	(6,000)	8,000	(1,000)	17,000
Income tax overpayment	(638,000)	(240,000)	0	0
Increase (decrease) in:				
Accounts payable	47,000	(29,000)	34,000	25,000
Accrued expenses	97,000	33,000	102,000	11,000
Income tax payable	0	0	38,000	430,000
Net cash provided by (used in) operating activities	$ 250,000	$ 1,558,000	$ 455,000	$ 1,597,000
CASH FLOWS FROM INVESTING ACTIVITIES:				
Other assets manufactured	31,000	54,000	19,000	5,000
Proceeds from sale of assets	17,000	17,000	0	0
(Purchase) of property and equipment	(86,000)	(172,000)	(42,000)	(52,000)
Proceeds from sale of				

marketable securities	680,000	2,123,000	1,488,000	3,279,000
(Purchase) of marketable securities	(986,000)	(3,038,000)	(2,743,000)	(5,002,000)
(Loans) made to employees	(20,000)	(25,000)	(3,000)	(6,000)
Collections of loans to employees	6,000	10,000	2,000	5,000
Purchase of treasury stock	(2,000)	(12,000)	(1,000)	(40,000)
Net cash provided by (used in) investing activities	$ (360,000)	$(1,043,000)	$(1,280,000)	$(1,811,000)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Principal payments on long-term debt	0	0	0	(8,000)
Dividends paid	(829,000)	(829,000)	(731,000)	(731,000)
Net cash provided by (used in) financing activities	$ (829,000)	$ (829,000)	$ (731,000)	$ (739,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ (939,000)	$ (314,000)	$(1,556,000)	$ (953,000)
Cash and cash equivalents, beginning of period	$ 5,236,000	$ 4,611,000	$ 6,098,000	$ 5,495,000
Cash and cash equivalents, end of period	$ 4,297,000	$ 4,297,000	$ 4,542,000	$ 4,542,000
Supplemental Disclosure of Cash Flow Information				
Cash payments for:				
Income taxes	$ 902,000	$ 902,000	$ 810,000	$ 810,000
Interest expense	$ 0	$ 0	$ 0	$ 0
Cash receipts for:				
Income taxes	$ 0	$ 0	$ 270,000	$ 270,000

GEORGE RISK INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2007

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, 2007 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 stock-holder'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, 2007 and October 31, 2006:

Cost Basis	$ 17,514,000	$ 15,595,000
Market Value	17,826,000	15,687,000
Net Unrealized Gain (Loss)	$ 312,000	$ 92,000
Gross unrealized gain	$ 948,000	$ 576,000
Gross unrealized loss	$ (636,000)	$ (484,000)

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 recorded impairment losses of $2,000 for the quarter ended October 31, 2007 and none for the quarter ended October 31, 2006.

Note 3 Inventories

At October 31, 2007 and October 31, 2006, respectively, inventories consisted of the following:

Raw Materials	$ 1,823,000	$ 1,770,000
Work in Process	894,000	536,000
Finished Goods	399,000	361,000
Warehouse in England	0	68,000
	$ 3,116,000	$ 2,735,000
Less: allowance for obsolete inventory	(105,000)	(70,000)
Net Inventories	$ 3,011,000	$ 2,665,000

Note 4 Business Segments

The following is financial information relating to industry segments:

	For the quarter ended October 31,	
	2007	2006
Net revenue:		
Pool alarm products	$ 130,000	$ 376,000

Keyboard products	59,000	137,000
Security alarm and other products	2,818,000	3,118,000
Total net revenue	$ 3,007,000	$ 3,631,000
Income from operations:		
Pool alarm products	$ 35,000	$ 113,000
Keyboard products	16,000	40,000
Security alarm and other products	772,000	932,000
Total income from operations	$ 823,000	$ 1,085,000
Identifiable assets:		
Pool alarm products	$ 224,000	$ 315,000
Keyboard products	191,000	235,000
Security alarm and other products	5,134,000	4,889,000
Corporate general	23,086,000	21,008,000
Total assets	$ 28,635,000	$ 26,447,000
Depreciation and amortization:		
Pool alarm products	$ 3,000	$ 3,000
Keyboard products	0	0
Security alarm and other products	33,000	33,000
Corporate general	9,000	10,000
Total depreciation and amortization	$ 45,000	$ 46,000
Capital expenditures:		
Pool alarm products	$ 1,000	$ 0
Keyboard products	0	0
Security alarm and other products	58,000	42,000
Corporate general	27,000	0
Total capital expenditures	$ 86,000	$ 42,000

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, 2007		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 755,000		
Basic EPS	$ 755,000	5,334,878	$ 0.14
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$ 755,000	5,355,378	$ 0.14

For the six months ended October 31, 2007

	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$1,578,000		
Basic EPS	$1,578,000	5,335,272	$ 0.30
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$1,578,000	5,355,772	$ 0.29

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, 2005

	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	$1,380,000	5,363,387	$ 0.26

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 $3,000 and $4,000 were paid during each quarter ending October 31, 2007 and 2006, respectively. Likewise, the Company paid matching contributions of approximately $7,000 and $8,000 during each six-month period ending October 31, 2007 and 2006, respectively. There were no discretionary contributions paid during either the quarters or six-month periods ending October 31, 2007 and 2006, 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 consolidated financial statements, and with the George Risk Industries' audited financial statements and discussion for the fiscal year ended April 30, 2007.

Net cash decreased $939,000 during the quarter ended October 31, 2007 as compared to a decrease of $1,556,000 during the corresponding quarter last year. As for the year-to-date numbers, net cash decreased $314,000 for the six months ended October 31, 2007, while, for the same period last year, net cash decreased $953,000. Accounts receivable decreased $91,000 during the current quarter as compared to a $192,000 increase for the corresponding quarter last year. The year-to-date figures show a decrease of $194,000 for the current six months and an $88,000 decrease for the same period last year. At October 31, 2007, 76.4% of the receivables were considered current (less than 45 days) and 5.4% of the total were over 90 days past due. Inventories increased $81,000 during the current quarter as compared to a $267,000 increase last year. The year-to-date numbers show the inventory decreased $48,000 for the current year, while it increased $395,000 for the same period last year. The main reasons for the increase in cash expenditures towards inventory is that the actual cost of raw materials is more than it was for the same period last year. The wire that we purchase for the leads on our security switches is made with copper. And the raw plastic we purchase to make our molded casings has also risen substantially. At the quarter ended October 31, 2007, there was a $6,000 increase in prepaid expenses as compared to an increase of $1,000 for the corresponding quarter the year before. Changes in prepaid expenses in regards to cash flow decreased by $8,000 and $17,000 for the six-month periods ending October 31, 2007 and 2006, respectively.

At the quarter ended October 31, 2007, accounts payable increased $47,000 as compared to a $34,000 increase for the same quarter the year before. As for year-to-date numbers, there was a $29,000 decrease for the six months ended October 31, 2007, and a $25,000 increase for the same period ended October 31, 2006. Accrued payroll and related expenses increased by $97,000 for the quarter ended October 31, 2007, and these expenses increased $102,000 for the corresponding quarter the year before. As for the six-month period ending October 31, 2007, accrued expenses increased $33,000 and also increased by $11,000 for the same period last year. Income tax payable increased $638,000 for the quarter ended October 31, 2007, as it also increased $38,000 for the quarter ended October 31, 2006. For the six months ended October 31, 2007, income tax payable increased $240,000, as it increased $430,000 for the corresponding period a year ago. The main reason for the big increase during the current quarter is that the Company had not received its income tax refunds from the prior fiscal year as of October 31, 2007. Both the federal and state income tax refunds have been received prior to the filing of this report.

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. Also, the Company issued a note receivable for $17,500 to an employee who purchased a vehicle from the company. As for the year-to-date figures, both fiscal 2008 and 2007 are showing normal activity. One piece of machinery that should be mentioned that was purchased during the six months ending October 31, 2007 is called a Pick and Place machine. This machine aids us in the production of our pool alarms. The pool alarm has been redesigned and this piece of equipment allows us to manufacture the new pool alarms. By redesigning the pool alarm, the Company is able to use less parts and labor on these products. Additionally, the Company continues to put money into the marketable securities. Much of this has been gone towards the purchase of municipal bonds. Most brokers and analysts believe that interest rates will be lowered in light of the problems that the housing and mortgage industries are currently facing. The idea in purchasing bonds at this time is that the Company can lock-in the higher interest rates, before the rates are reduced. We continuing the use of our "money manager" accounts. By doing this, the Company gives an independent third party firm, who are experts in this field, permission to buy and sell stocks at will. The Company does not pay commission for each transaction. Instead, a quarterly service fee is paid based on the value of the assets. Approximately 23.5% of the Company's marketable securities are invested in the money manager accounts. Furthermore, the Company continues to purchase back common stock when the opportunity arises. For the quarter ended October 31, 2007, the Company purchased $2,000 worth of treasury stock and $1,000 worth of treasury stock for the quarter ended October 31, 2006. As for the year to date figures, $12,000 has been purchased for the six months ended October 31, 2007, and $40,000 was bought back for the six months ended October 31, 2006. We have been actively searching for stockholders that have been "lost" over the years. The payment of dividends over the last four fiscal years has also prompted many stockholders and/or their relatives and descendants to sell back their stock to the Company.

Cash flows from financing activities decreased by $829,000 for the three and six months ending October 31, 2007. That figure consists of the payment of dividends during the second quarter. The company declared a dividend of $0.17 per share of common stock on September 30, 2007 and these dividends were paid by October 31, 2007. As for the prior year numbers, net cash used in financing activities was $731,000 for the quarter ending October 31, 2006 and $739,000 for the six months ending October 31, 2006. A dividend of $0.15 per common share was declared and paid during the second fiscal quarter last year.

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

	For the quarter ended October 31, 2007	2006
Working capital	$ 26,703,000	$ 24,466,000
Current ratio	38.823	29.284

Quick ratio	33.786	25.756

Net sales were $3,007,000 for the quarter ended October 31, 2007, which is a 17.2% decrease from the corresponding quarter last year. Year-to-date net sales were $6,246,000 at October 31, 2007, which is an 11.37% decrease from the same period last year. The Company is tied to the housing industry and with that industry not performing well over the last several months, we are seeing a decrease in our sales also. Cost of goods sold was 49.3% of net sales for the quarter ended October 31, 2007 and 47.3% for the same quarter last year. Year-to-date cost of goods sold percentages were 48.3% for the current six months and 48.4% 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 23.3% of net sales for the quarter ended October 31, 2007 as compared to 22.9 % for the corresponding quarter last year. Year-to-date operating expenses were 23.3% of net sales for the six months ended October 31, 2007, while they were 23.4% for the same period last year. Income from operations for the quarter ended October 31, 2007 was at $823,000, which is a 24.15% decrease from the corresponding quarter last year, which had income from operations of $1,085,000. Income from operations for the six months ended October 31, 2007 was at $1,778,000, which is a 10.34% decrease from the corresponding six months last year, which had income from operations of $1,983,000.

Other income and expenses showed gains of $262,000 and $564,000 for the quarter and six months ended October 31, 2007, respectively. The other income and expense numbers for last year also showed gains of $297,000 for the quarter and $341,000 for the six months ending October 31, 2006. Dividend and interest income is up 31.5% for the current quarter and is up 45.3% for the current six-month period when comparing to the same time periods last year. Over the last several years, 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. Net income for the quarter ended October 31, 2007 was at $755,000, a 9.7% decrease from the corresponding quarter last year, which showed net income of $836,000. Net income for the six months ended October 31, 2007 was $1,578,000, a 14.3% increase from the same period last year. Net income for the six months ended October 31, 2006 was $1,380,000. Earnings per common share for the quarter ended October 31, 2007 were $0.14 per share and $0.30 per share for the year-to-date numbers. EPS for the quarter and six months ended October 31, 2006 were $0.16 per share and $0.26 per share, respectively.

As mentioned previously in this discussion, a dividend of $0.17 per common share was declared during the current quarter ended October 31, 2007. The dividend was paid to common stockholders of record as of September 30, 2007 and the payment date was October 31, 2007. This is the fourth 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, 2007 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. Management has put the development of the new closed loop glass break sensor (pt # GB-550) at the top of the priority list. This is due to feedback from our distributors that our competitor's product, which is manufactured over-seas, is indefinitely unavailable. We have started shipping this product out as of the first week in November 2007 and sales have been strong.

The sales department has received customer requests for the E-Z Duct single gang box to also be molded in red plastic, in addition to the standard white that we have been selling previously. Fire system pull stations fit per-fectly in these boxes. This process is currently being completed.

The Current Controller (pt # CC-01) has been redesigned to handle more amperage and recently received UL approval. This change was done in response to customer input for ballast lighting installations. The CC-01 is used to automatically turn on door or cabinet lights when the door is opened.

Engineering continues work on the Pump Guard, a water value controller, and other wireless sensors. Specific research and development is being done for the wireless sensor market in Iceland.

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 para-graph (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, 2007.

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 12-14-2007

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

Date 12-14-2007

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