RISK GEORGE INDUSTRIES INC
Form 10QSB
September 15, 2008

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 July 31, 2008

[ ] 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 September 15, 2008 was 5,176,131.

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-month period ended July 31, 2008, are attached hereto.

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEETS

	July 31, 2008 (unaudited)	April 30, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 4,410,000	$ 4,072,000
Investments and securities	17,242,000	17,533,000
Accounts receivable:		
Trade, net of $50,000 doubtful account allowance for 2008 and 2007	1,392,000	1,509,000
Other	3,000	1,000
Note receivable, current	3,000	3,000
Income tax overpayment	246,000	471,000
Inventories	3,143,000	3,100,000
Prepaid expenses	93,000	103,000
Deferred current income taxes	509,000	250,000
Total Current Assets	$27,041,000	$27,042,000
Property and Equipment, net, at cost	820,000	831,000
Other Assets		
Investment in Limited Land Partnership, at cost	200,000	200,000
Projects in process	66,000	68,000
Long-term receivable	60,000	60,000
Note receivable	12,000	12,000
Other	0	1,000
Total Other Assets	$ 338,000	$ 341,000
TOTAL ASSETS	$28,199,000	$28,214,000

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEETS

	July 31, 2008 (unaudited)	April 30, 2008

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Accounts payable, trade	$ 69,000	$ 67,000
Dividends payable	238,000	239,000
Accrued expenses:		
Payroll and related expenses	259,000	321,000
Property taxes	2,000	0
Total Current Liabilities	$ 568,000	$ 627,000
Long-Term Liabilities		
Deferred income taxes	69,000	79,000
Total Long-Term Liabilities	$ 69,000	$ 79,000
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	(407,000)	(67,000)
Retained earnings	28,182,000	27,788,000
Treasury stock, 3,326,701 and 3,326,551 shares, at cost	(2,898,000)	(2,898,000)
Total Stockholders' Equity	$27,562,000	$27,508,000
TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	$28,199,000	$28,214,000

GEORGE RISK INDUSTRIES, INC.
INCOME STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2008 AND 2007

	July 31, 2008	July 31, 2007
Net Sales	$ 2,445,000	$ 3,239,000
Less: Cost of Goods Sold	(1,197,000)	(1,530,000)
Gross Profit	$ 1,248,000	$ 1,709,000
Operating Expenses:		
General and Administrative	179,000	174,000
Sales	502,000	543,000
Engineering	18,000	21,000
Rent Paid to Related Parties	16,000	16,000
Total Operating Expenses	$ 715,000	$ 754,000
Income From Operations	533,000	955,000

Other Income (Expense)		
Other Income	2,000	1,000
Dividend and Interest Income	209,000	205,000
Gain (Loss) on Sale of Investments	(150,000)	96,000
	$ 61,000	$ 302,000
Income Before Provisions for Income Taxes	594,000	1,257,000
Provisions for Income Taxes		
Current Expense	224,000	398,000
Deferred tax expense	(24,000)	36,000
Total Income Tax Expense	$ 200,000	$ 434,000
Net Income	$ 394,000	$ 823,000
Basic and Diluted Earnings Per Share of Common Stock	$ 0.08	$ 0.15
Weighted Average Number of Common Shares Outstanding	5,176,197	5,335,666

GEORGE RISK INDUSTRIES, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED

	July 31, 2008	July 31, 2007
Net Income	$ 394,000	$ 823,000
Other Comprehensive Income, net of tax		
Unrealized gain (loss) on securities:		
Unrealized holding gains (losses) arising during period	(340,000)	(203,000)
Reclassification adjustment for (gains) losses included in net income	150,000	(96,000)
Income tax expense related to other comprehensive income	(79,000)	(125,000)
Other Comprehensive Income (Loss)	$ (269,000)	$ (424,000)
Comprehensive Income (Loss)	$ 125,000	$ 399,000

GEORGE RISK INDUSTRIES, INC.
STATEMENT OF CASH FLOWS

	For the three months ended July 31, 2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		

Net Income	$ 394,000	$ 823,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	41,000	41,000
(Gain) loss on sale of investments	150,000	(96,000)
Deferred income taxes	(24,000)	36,000
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	116,000	104,000
Inventories	(43,000)	129,000
Prepaid expenses	10,000	18,000
Other receivables	(2,000)	0
Income tax overpayment	224,000	0
Increase (decrease) in:		
Accounts payable	2,000	(76,000)
Accrued expenses	(60,000)	(69,000)
Income tax payable	0	398,000
Net cash provided by (used in) operating activities	$ 808,000	$ 1,308,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Other assets manufactured	2,000	23,000
(Purchase) of property and equipment	(29,000)	(87,000)
Proceeds from sale of marketable securities	609,000	1,443,000
(Purchase) of marketable securities	(1,052,000)	(2,052,000)
Proceeds from note receivable	1,000	0
(Purchase) of treasury stock	(1,000)	(10,000)
Net cash provided by (used in) investing activities	$ (470,000)	$ (683,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided by (used in) financing activities	$ 0	$ 0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 338,000	$ 625,000
Cash and cash equivalents, beginning of period	$ 4,072,000	$ 4,611,000
Cash and cash equivalents, end of period	$ 4,410,000	$ 5,236,000
Supplemental Disclosure of Cash Flow Information		
Cash payments for:		
Income taxes	$0	$0
Interest expense	$0	$0
Cash receipts for:		
Income taxes	$0	$0
Supplemental Disclosure of Noncash and Financing Activities		
Issuance of treasury stock in lieu of compensation	$0	$0

GEORGE RISK INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2008

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. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's April 30, 2008 annual report on Form 10KSB. 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. Available -for-sale investments in debt securities mature between September 2008 and August 2031. The Company uses the average cost method to determine the cost of securities sold and the amount reclassified out of accumulated other comprehensive income into earnings. 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.

As of July 31, 2008, investments available-for-sale consisted of the following:

	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Municipal bonds	$ 8,621,000	$ 35,000	$ (261,000)	$ 8,395,000
Federal agency mortgage backed securities	$ 375,000	$ 2,000	$ (2,000)	$ 375,000
Corporate bonds	$ 504,000	$ 0	$ (36,000)	$ 468,000
Equity securities	$ 7,419,000	$ 467,000	$ (904,000)	$ 6,982,000
Money markets/CDs	$ 1,022,000	$ 0	$ 0	$ 1,022,000
Total	$17,941,000	$ 504,000	$(1,203,000)	$17,242,000

In accordance with SFAS 115, the Company evaluates all marketable securities for other-than temporary declines in fair value, which are defined as when the cost basis exceeds the fair value for approximately one year. The Company also evaluates the nature of the investment, cause of impairment and number of investments that are in an unrealized position. When an other-than-temporary decline is identified, the Company will decrease the cost of the marketable security to the new fair value and recognize a real loss. The investments are periodically evaluated to determine if impairment changes are required. As a result of this standard, management recorded impairment losses of $104,000 for the quarter ended July 31, 2008 and $5,000 for the quarter ended July 31, 2007.

The following table shows the investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at July 31, 2008.

	Less than 12 months		12 months or greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Municipal bonds	$1,541,000	$ (60,000)	$3,661,000	$(122,000)	$ 5,202,000	$ (182,000)
Federal agency mortgage backed securities	--	--	$ 198,000	$ (2,000)	$ 198,000	$ (2,000)
Corporate bonds	--	--	$ 468,000	$ (36,000)	$ 468,000	$ (36,000)
Equity securities	$2,747,000	$(520,000)	$1,653,000	$(464,000)	$ 4,400,000	$ (984,000)
Total	$4,288,000	$(580,000)	$5,980,000	$(624,000)	$10,268,000	$(1,204,000)

Municipal Bonds
The unrealized losses on the Company's investments in municipal bonds were caused by interest rate increases. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than the amortized cost of the investment. Because the Company has the ability to hold these investments until a recovery of fair value, which may be maturity, the Company does not consider these investments to be other-than-temporarily impaired at July 31, 2008.

Federal Agency Mortgage-Backed Securities
The unrealized losses on the Company's investment in federal agency mortgage-backed securities were caused by interest rate increases. The Company purchased these investments at a discount relative to their face amount, and the contractual cash flows of these investments are guaranteed by an agency of the U.S. government. Accordingly, it is expected that the securities would not be settled at a price less than the amortized cost of the Company's investment. Because the decline in market value is attributable to changes in interest rates and not credit quality and because the Company has the ability to hold these investments until a recovery of fair value, which may be maturity, the Company does not consider these investments to be other-than-temporarily impaired at July 31, 2008.

Corporate Bonds
The Company's unrealized loss on investments in corporate bonds relates to several bonds. The contractual term of these investments do not permit the issuer to settle the security at a price less than the amortized cost of the investment. Because the Company has the ability to hold these investments until a recovery of fair value, which may be maturity, the Company does not consider these investments to be other-than-temporarily impaired at July 31, 2008.

Marketable Equity Securities
The Company's investments in marketable equity securities consist of a wide variety of companies. Investments in these companies include growth, growth income, and foreign investment objectives. Management has evaluated the individual holdings, and because of the recent decline in the stock market, does not consider these investments to be other-than-temporarily impaired at

July 31, 2008.

Note 3 Inventories

Inventories at July 31, 2008, consisted of the following:

Raw Materials	$ 1,981,000
Work in Process	851,000
Finished Goods	416,000
	$ 3,248,000
Less: allowance for obsolete inventory	(105,000)
Net Inventories	$ 3,143,000

Note 4 Business Segments

The following is financial information relating to industry segments:

	For the quarter ended July 31, 2008	2007
Net revenue:		
Security alarm products	2,156,000	2,537,000
Other products	289,000	702,000
Total net revenue	$ 2,445,000	$ 3,239,000
Income from operations:		
Security alarm products	470,000	748,000
Other products	63,000	207,000
Total income from operations	$ 533,000	$ 955,000
Identifiable assets:		
Security alarm products	4,177,000	4,039,000
Other products	1,086,000	1,496,000
Corporate general	22,936,000	23,077,000
Total assets	$28,199,000	$28,612,000
Depreciation and amortization:		
Security alarm products	7,000	8,000
Other products	26,000	26,000
Corporate general	8,000	7,000
Total depreciation and amortization	$ 41,000	$ 41,000
Capital expenditures:		
Security alarm products	0	2,000
Other products	21,000	85,000
Corporate general	8,000	0
Total capital expenditures	$ 29,000	$ 87,000

Note 5 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 July 31, 2008		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 394,000		
Basic EPS	$ 394,000	5,176,197	$ 0.0761
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	(0.0003)
Diluted EPS	$ 394,000	5,196,697	$ 0.0758

	For the three months ended July 31, 2007		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 823,000		
Basic EPS	$ 823,000	5,335,666	$ 0.154
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	(0.001)
Diluted EPS	$ 823,000	5,356,166	$ 0.153

Note 6 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 were paid during the quarter ending July 31, 2008 and approximately $4,000 of matching contributions were paid during the quarter ending July 31, 2007. There were no discretionary contributions paid during the quarters ending July 31, 2008 and 2007, respectively.

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 Company's audited financial statements and discussion for the fiscal year ended April 30, 2008.

Liquidity and capital resources
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Operating

Net cash increased $338,000 during the quarter ended July 31, 2008 as compared to an increase of $625,000 during the corresponding quarter last year. Accounts receivable decreased $116,000 for the quarter ending July 31, 2008 compared with a $104,000 decrease for the same quarter last year. The reason for the increase in cash towards accounts receivable is two fold. First, the Company is collecting on receivables at a faster rate that the same period last year and secondly, sales have decreased. At the quarter ended July 31, 2008, 86.09% of the receivables are considered current (less than 45 days) and 1.75% of the total are over 90 days past due. This is in comparison to having 78.14% of the receivables considered current and 7.37% over 90 days past due at July 31, 2007. Inventories increased $43,000 during the current quarter as compared to a $129,000 decrease last year. There are two reasons for the increase in cash flow towards inventory during the quarter ended July 31, 2008. First, our sales have decreased and management has not been able to slow down the delivery on some major products and secondly, there have been significant price increases of raw materials. At the quarter ended July 31, 2008 there was an $10,000 decrease in prepaid expenses, while at July 31, 2007, there was a $18,000 decrease. Income tax overpayment decreased $224,000 for the quarter ended July 31, 2008, while there was no overpayment for the corresponding quarter last year. Management paid income tax estimates based on prior year taxable income.

At the quarter ended July 31, 2008, accounts payable shows an increase of $2,000 as compared to a decrease of $76,000 for the same quarter the year before. The change in cash in regards to accounts payable can vary. It really depends on the time of the month the invoices are due, since the company pays all its invoices within the terms. Accrued expenses decreased $60,000 for the current quarter as compared to a $69,000 decrease for the quarter ended July 31, 2007. This is due to reduced sales commissions and fewer employees.

Investing

As for our investment activities, the Company has spent approximately $29,000 on acquisitions of property and equipment for the current fiscal quarter. In comparison with the corresponding quarter last year, there was activity of
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$87,000. The major increase of property and equipment for the quarter ending July 31, 2008 was the completion and capitalization of a mold that was previously a project in process. Additionally, the Company continues to purchase marketable securities, which include municipal bonds and quality stocks. Cash spent on purchases of marketable securities for the quarter ended July 31, 2008 was $1,052,000 compared with $2,052,000 spent during the quarter ended July 31, 2007. We continue to use "money manager" accounts for most stock transactions. 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 pays a quarterly service fee based on the value of the investments. Furthermore, the Company continues to purchase back common stock when the opportunity arises. For the quarter ended July 31, 2008, the Company purchased $1,000 worth of treasury stock and $10,000 worth of treasury stock for the quarter ended July 31, 2007. 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.

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

	For the quarter ended July 31, 2008	For the quarter ended July 31, 2007
Working capital	$ 26,473,000	$ 26,667,000
Current ratio	47.607	36.988
Quick ratio	40.570	32.591

Results of Operations

Net sales were $2,445,000 for the quarter ended July 31, 2008, which is a decrease of 24.5% from the corresponding quarter last year. Net sales for the quarter ended July 31, 2007 were $3,329,000. The majority of the Company's products are tied to the housing market. The decline in sales for the company is a direct result of the decline in the housing market of late. Cost of goods sold was 48.96% of net sales for the quarter ended July 31, 2008 and 47.24% for the quarter ended July 31, 2007. Having relatively the same percentage of cost of goods sold from period to period shows that we keep our costs in line. As a result of the slow down in sales, management has compensated by taking extra effort in keeping labor and other manufacturing expenses down.

Operating expenses were 29.2% of net sales for the quarter ended July 31, 2008 as compared to 23.3% for the corresponding quarter last year. Keeping operating expenses under 30% of net sales, as management has been able to achieve over the years, shows that management keeps a close eye on these expenses from year to year. Any fixed costs are offset by the decrease in selling expenses. Specifically, selling expense has decreased 7.6% for the quarter ending July 31, 2008. This is a result of the decrease in sales because commissions are less when comparing the same numbers to the corresponding quarter last year. Income from operations for the quarter ended July 31, 2008 was at $533,000, which is a 44.2% decrease from the corresponding quarter last year, which had income from operations of $955,000.

Other income and expenses showed a $61,000 gain for the quarter ended July 31, 2008 as compared to having a $302,000 gain for the quarter ended

July 31, 2007. The main reason for the difference in the amount of the gains in other income from one quarter to the other is that management had to write down $104,000 for impaired investments, as compared to a write down of $5,000 for the same quarter last year. In turn, net income for the quarter ended July 31, 2008 was at $394,000, a 52.1% decrease from the corresponding quarter last year, which showed net income of $823,000. Earnings per share for the quarter ended July 31, 2008 were $0.08 per common share and $0.15 per common share for the quarter ended July 31, 2007.

New Product Development

The HVAC Kit was designed and introduced in early June 2008. It is designed to help prevent the theft of air conditioning coils on homes and commercial buildings with the use of two or more GRI 4561 Tilt Switches and a panel specific resistor pack on 72" of wire. The 4561 Tilt Switches are used to protect the cover when it is moved or tipped over and the resistor wires are looped through the coils sending an alarm signal if the wires are cut. A GRI 4460A switch may also be used as extra protection for the cover. Other uses include fencing, compressors; or anywhere copper, aluminum or wiring can be removed. News stories on copper theft occurring across the country have lead to strong sales of this product.

We have developed a surface mount switch set, which is about a third of the size of a normal switch set. It has recently been put into production. The switch set contains a magnet that can be used in wired or wireless applications. The switch set is designed to reduce visibility and to replace recessed switches that are drilled into the vinyl window frames. We expect to generate revenues of $100,000 to $200,000 on this product over the next year.

Final mold designs on our new #4700-A industrial wide gap track mount overhead switches are in the final stages of approval. Production is expected to begin in October 2008. Our overhead switches fit into larger tracks, which facilitate ease of installation in the overhead doors. We expect this switch to generate revenues of $40,000 and $50,000 over the next year.

Engineering continues to work on the wireless line including pool alarm, security and environmental sensors. A new, lower cost hold-up switch is now being developed to replace discontinued components that are no longer available. Work also continues on the Pump Guard water valve controller and several custom products.

Recently Issued Accounting Pronouncements

In September 2006, FASB issued SFAS No. 157, "Fair Value Measurements", which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of SFAS No. 157 are effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company has not yet evaluated the impact, if any, that SFAS No. 157 will have on the Company's financial position and results of operations.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities-Including an amendment of FASB Statement No. 115" ("SFAS 159"). SFAS 159 expands the use of fair value accounting but does not affect existing standards that require assets or liabilities to be carried at fair value. Under SFAS 159, a company may elect to use fair value to measure accounts and loans receivable, available-for-sale and held-to-maturity securities, equity method investments, accounts payable, guarantees and issued debt. Other eligible items include firm commitments for financial instruments that otherwise would not be recognized at inception and non-cash warranty obligations where a warrantor is permitted to pay a third party to provide the warranty goods or services. If the use of fair value is elected any upfront costs and fees related to the item must be recognized in earnings and cannot be deferred, e.g., debt issue costs. The fair value election is irrevocable and generally made on an instrument-by-instrument basis, even if a company has similar instruments that it elects not to measure based on fair value. At the adoption date, unrealized gains and losses on existing items for which fair value has been elected are reported as a cumulative adjustment to beginning retained earnings. Subsequent to the adoption of SFAS 159, changes in fair value are recognized in earnings. SFAS 159 is effective for fiscal years beginning after November 15, 2007 and the Company will be required to adopt this statement in the first quarter of fiscal 2009. The Company is currently determining whether fair value accounting is appropriate for any of its eligible items and cannot estimate the impact, if any, which SFAS 159 will have on its consolidated results of operations and financial condition.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles". This Statement identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). The statement will become effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles.

Other Information
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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 GRI's products, since we sell to distributors and OEM manufacturers. Our products are tied to the housing industry and will fluctuate with building trends.

GEORGE RISK INDUSTRIES, INC.

PART I. FINANCIAL INFORMATION

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.

Item 3A(T). Controls and Procedures
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Evaluation of disclosure controls and procedures:
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Based on their evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of July 31, 2008, our president and chief executive officer and our chief financial officer have concluded that our disclosure controls and procedures are effective such that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and (ii) accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding disclosure. A control system cannot provide absolute assurance, however, that the objectives of the control systems are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in internal controls over financial reporting:
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There was no change in our internal controls over financial reporting that occurred during the period covered by this report, that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting:
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Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles. Because of inherent limitations, a system of internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide no reasonable assurance of achieving their control objectives. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, including our principal executive officer and principal accounting officer, conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on its evaluation, our management concluded that as of July 31, 2008 our internal control over financial reporting is effective.

This quarterly report does not include an attestation report of the Corporation's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Corporation's registered public accounting firm pursuant to temporary rules of the SEC that permit the Corporation to provide only the management's report in this quarterly report.

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 July 31, 2008

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 09-15-2008 By: /s/ Kenneth R. Risk
Kenneth R. Risk
President and Chairman of the Board

Date 09-15-2008 By: /s/ Stephanie M. Risk
Stephanie M. Risk
Chief Financial Officer and Controller