RISK GEORGE INDUSTRIES INC
Form 10-Q
December 15, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the quarter ended October 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 December 15, 2008 was 5,175,831.

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, 2008, are attached hereto.

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEETS

	October 31, 2008 (unaudited)	April 30, 2008
ASSETS		
Current Assets		
Cash and cash equivalents	$ 3,376,000	$ 4,072,000
Marketable securities (Note 2)	15,592,000	17,533,000
Accounts receivable:		
Trade, net of $50,000 doubtful account allowance for 2008 and 2007	1,449,000	1,509,000
Other	2,000	1,000
Note receivable, current	3,000	3,000
Income tax overpayment	719,000	471,000
Inventories	3,154,000	3,100,000
Prepaid expenses	94,000	103,000
Deferred income taxes	1,225,000	250,000
Total Current Assets	$25,614,000	$27,042,000
Property and Equipment, net at cost	$ 789,000	$ 831,000
Other Assets		
Investment in Land Limited Partnership, at cost	200,000	200,000
Projects in process	106,000	68,000
Long-term receivable	60,000	60,000
Note receivable	11,000	12,000
Other	0	1,000
Total Other Assets	$ 377,000	$ 341,000
TOTAL ASSETS	$26,780,000	$28,214,000

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEETS

	October 31, 2008 (unaudited)	April 30, 2008
LIABILITIES AND STOCKHOLDERS' EQUITY		

Current Liabilities		
Accounts payable, trade	$ 98,000	$ 67,000
Dividends payable	317,000	239,000
Accrued expenses		
Payroll and other expenses	212,000	321,000
Total Current Liabilities	$ 627,000	$ 627,000
Long-Term Liabilities		
Deferred income taxes	60,000	79,000
Total Long-Term Liabilities	$ 60,000	$ 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	(1,340,000)	(67,000)
Retained earnings	27,647,000	27,788,000
Treasury stock, 3,327,001 and 3,326,551 shares, at cost	(2,899,000)	(2,898,000)
Total Stockholders' Equity	$26,093,000	$27,508,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$26,780,000	$28,214,000

GEORGE RISK INDUSTRIES, INC.
INCOME STATEMENTS

	Three months ended October 31, 2008	Six months ended October 31, 2008	Three months ended October 31, 2007	Six months ended October 31, 2007
Net Sales	$ 2,470,000	$ 4,914,000	$ 3,007,000	$ 6,246,000
Less: cost of goods sold	(1,175,000)	(2,371,000)	(1,483,000)	(3,014,000)
Gross Profit	$ 1,295,000	$ 2,543,000	$ 1,524,000	$ 3,232,000
Operating Expenses:				
General and administrative	205,000	383,000	188,000	362,000
Selling	444,000	947,000	477,000	1,020,000
Engineering	21,000	38,000	24,000	44,000
Rent paid to related parties	12,000	28,000	12,000	28,000
Total Operating Expenses	$ 682,000	$ 1,396,000	$ 701,000	$ 1,454,000
Income From Operations	613,000	1,147,000	823,000	1,778,000
Other Income (Expense)				

Other	1,000	3,000	1,000	2,000
Dividend and interest income	184,000	393,000	196,000	401,000
Gain (loss) on investments	(394,000)	(544,000)	50,000	146,000
Gain (loss) on sale of assets	0	0	15,000	15,000
	$ (209,000)	$ (148,000)	$ 262,000	$ 564,000
Income Before Provisions for Income Tax	404,000	999,000	1,085,000	2,342,000
Provisions for Income Tax				
Current expense	(114,000)	(338,000)	(325,000)	(723,000)
Deferred tax benefit (expense)	55,000	78,000	(5,000)	(41,000)
Total Income Tax Expense	$ (59,000)	$ (260,000)	$ (330,000)	$ (764,000)
Net Income	$ 345,000	$ 739,000	$ 755,000	$ 1,578,000
Cash Dividends				
Common Stock ($0.17 per share)	$ (880,000)	$ (880,000)	$ (907,000)	$ (907,000)
Income Per Share of Common Stock:				
Basic	$0.07	$0.14	$0.14	$0.30
Assuming Dilution	$0.07	$0.14	$0.14	$0.29
Weighted Average Number of Common Shares Outstanding:				
Basic	5,175,998	5,176,098	5,334,878	5,335,272
Diluted	5,196,498	5,196,598	5,355,378	5,355,772

GEORGE RISK INDUSTRIES, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended October 31, 2008	Six months ended October 31, 2008	Three months ended October 31, 2007	Six months ended October 31, 2007
Net Income	$ 345,000	$ 739,000	$ 755,000	$ 1,578,000
Other Comprehensive Income, net of tax				
Unrealized gain (loss) on securities:				
Unrealized holding gains (losses) arising during period	(1,861,000)	(2,581,000)	419,000	153,000
Reclassification adjustment for (gains) losses included in net income	258,000	393,000	(41,000)	(126,000)
Income tax expense related to other comprehensive income	670,000	915,000	(158,000)	(11,000)

Other Comprehensive Income	$ (933,000)	$(1,273,000)	$ 220,000	$ 16,000
Comprehensive Income	$ (588,000)	$ (534,000)	$ 975,000	$ 1,594,000

GEORGE RISK INDUSTRIES, INC.
STATEMENTS OF CASH FLOWS

	Six months ended October 31, 2008	Six months ended October 31, 2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 739,000	$ 1,578,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	82,000	86,000
(Gain) loss on sale of investments	544,000	(146,000)
(Gain) loss on sales of assets	0	(15,000)
Deferred income taxes	(78,000)	41,000
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	59,000	194,000
Inventories	(54,000)	48,000
Prepaid expenses	9,000	8,000
Other receivables	(1,000)	0
Income tax overpayment	(248,000)	(240,000)
Increase (decrease) in:		
Accounts payable	31,000	(29,000)
Accrued expenses	(109,000)	33,000
Net cash provided by (used in) operating activities	$ 974,000	$ 1,558,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Other assets manufactured	(38,000)	54,000
Proceeds from sale of assets	0	17,000
(Purchase) of property and equipment	(39,000)	(172,000)
Proceeds from sale of marketable securities	1,000	1,163,000
(Purchase) of marketable securities	(792,000)	(2,078,000)
(Loans) made to employees	0	(25,000)
Collections of loans to employees	2,000	10,000
(Purchase) of treasury stock	(2,000)	(12,000)
Net cash provided by (used in) investing activities	$ (868,000)	$(1,043,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(802,000)	(829,000)
Net cash provided by (used in) financing activities	$ (802,000)	$ (829,000)
NET INCREASE (DECREASE) IN CASH AND CASH		

EQUIVALENTS	$ (696,000)	$ (314,000)
Cash and cash equivalents, beginning of period	$ 4,072,000	$ 4,611,000
Cash and cash equivalents, end of period	$ 4,376,000	$ 4,297,000
Supplemental Disclosure of Cash Flow Information		
Cash payments for:		
Income taxes	$ 586,000	$ 902,000
Interest expense	$ 0	$ 0
Cash receipts for:		
Income taxes	$ 0	$ 0

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

Note 1 Unaudited Interim Financial Statements

The accompanying financial statements have been prepared in accordance with the instructions for Form 10Q 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, 2008 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. Available -for-sale investments in debt securities mature between December 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 October 31, 2008, investments available-for-sale consisted of the following:

	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Municipal bonds	$ 8,464,000	$ 11,000	$ (438,000)	$ 8,037,000
Federal agency mortgage backed securities	$ 375,000	$ 1,000	$ (1,000)	$ 375,000
Corporate bonds	$ 469,000	$ 0	$ (70,000)	$ 399,000
Equity securities	$ 6,998,000	$ 128,000	$(1,933,000)	$ 5,193,000

Money markets/CDs	$ 1,589,000	$ 0	$ (1,000)	$ 1,588,000
Total	$17,895,000	$ 140,000	$(2,443,000)	$15,592,000

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 $302,000 for the quarter ended October 31, 2008 and $405,000 for the six months ended October 31, 2008. As for the corresponding periods last year, $2,000 worth of impairment loss was recorded for the quarter, while $7,000 of loss was recorded for the six months ended October 31, 2008.

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 October 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	$2,764,000	$ (178,000)	$3,894,000	$(176,000)	$ 6,658,000	$ (354,000)
Federal agency mortgage backed securities	--	--	$ 199,000	$ (1,000)	$ 199,000	$ (1,000)
Corporate bonds	$ 320,000	$ (59,000)	$ 79,000	$ (11,000)	$ 399,000	$ (70,000)
Equity securities	$3,194,000	$(1,399,000)	$1,185,000	$(619,000)	$ 4,379,000	$(2,018,000)
Total	$6,278,000	$(1,636,000)	$5,357,000	$(807,000)	$11,635,000	$(2,443,000)

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 October 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 October 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 October 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 October 31, 2008.

Note 3 Inventories

At October 31, 2008, inventories consisted of the following:

Raw Materials	$ 2,014,000
Work in Process	832,000
Finished Goods	413,000
	$ 3,259,000
Less: allowance for obsolete inventory	(105,000)
Net Inventories	$ 3,154,000

Note 4 Business Segments

The following is financial information relating to industry segments:

	For the quarter ended October 31, 2008	2007
Net revenue:		
Security alarm products	2,278,000	2,702,000
Other products	192,000	305,000
Total net revenue	$ 2,470,000	$ 3,007,000
Income from operations:		
Security alarm products	565,000	740,000
Other products	48,000	83,000
Total income from operations	$ 613,000	$ 823,000

Identifiable assets:		
Security alarm products	3,262,000	4,577,000
Other products	2,037,000	972,000
Corporate general	21,481,000	23,086,000
Total assets	$26,780,000	$28,635,000
Depreciation and amortization:		
Security alarm products	7,000	9,000
Other products	26,000	29,000
Corporate general	8,000	7,000
Total depreciation and amortization	$ 41,000	$ 45,000
Capital expenditures:		
Security alarm products	0	27,000
Other products	0	59,000
Corporate general	10,000	0
Total capital expenditures	$ 10,000	$ 86,000

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 October 31, 2008		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 345,000		
Basic EPS	$ 345,000	5,175,998	$ 0.07
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$ 345,000	5,196,498	$ 0.07

	For the six months ended October 31, 2008		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 739,000		
Basic EPS	$ 739,000	5,176,098	$ 0.14
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$ 739,000	5,196,598	$ 0.14

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

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 $4,000 and $3,000 were paid during each quarter ending October 31, 2008 and 2007, respectively. Likewise, the Company paid matching contributions of approximately $6,000 and $7,000 during each six-month period ending October 31, 2008 and 2007, respectively. There were no discretionary contributions paid during either the quarters or six-month periods ending October 31, 2008 and 2007, 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, 2008.

Liquidity and capital resources
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Operating

Net cash decreased $696,000 for the six months ended October 31, 2008, while, for the same period last year, net cash decreased $314,000. Accounts receivable decreased $59,000 for the current six months and decreased $194,000 for the same period last year. At October 31, 2008, 80.25% of the receivables were considered current (less than 45 days) and 1.65% of the total were over 90 days past due. Inventory decreased $54,000 for the current six months, while it decreased $48,000 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. The raw plastic we purchase to make our molded casings has also risen substantially. Changes in prepaid expenses in regards to cash flow decreased by $9,000 and $8,000 for the six-month periods ending October 31, 2008 and 2007, respectively. Cash towards income tax overpayment increased $248,000 for the six months ended October 31, 2008 and it increased $240,000 for the same period last year. Management paid income tax estimated based on prior year taxable income.

For the six months ended October 31, 2008, accounts payable increased $31,000, and decreased $29,000 decrease for the same period ended October 31, 2007. The current increase accounts for the increases in the cost of raw materials. Accrued expenses decreased $109,000 for the six months ended October 31, 2008, as it increased by $33,000 for the same period last year. This is due to reduced sales commissions and fewer employees.

Investing

As for our investment activities, $39,000 was spent during the current six-month period and $172,000 was spent during the six months ended October 31, 2007. Additionally, the Company continues to purchase marketable securities, which include municipal bonds and quality stocks. Cash spent on purchases of marketable securities for the six months ended October 31, 2008 was $792,000 and $2,078,000 was spent for the corresponding period last year. We 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 its common stock when the opportunity arises. For the six months ended October 31, 2008, the Company purchased $2,000 worth of treasury stock and $10,000 worth was bought back for the six months ended October 31, 2007. We have been actively searching for stockholders that have been "lost" over the years. The payment of dividends over the last five fiscal years has also prompted many stockholders and/or their relatives and descendants to sell back their stock to the Company.

Financing
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Cash flows from financing activities decreased by $802,000 for the six months ending October 31, 2008. 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, 2008 and these dividends were paid by October 31, 2008. As for the prior year numbers, net cash used in financing activities was $829,000 for the six months ending October 31, 2007. A dividend of $0.17 per common share was also 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, 2008	For the quarter ended October 31, 2007
Working capital	$ 24,987,000	$ 26,703,000
Current ratio	40.852	38.823
Quick ratio	32.563	33.786

Results of Operations
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Net sales were $2,470,000 for the quarter ended October 31, 2008, which is a 17.9% decrease from the corresponding quarter last year. Year-to-date net sales were $4,914,000 at October 31, 2008, which is a 21.3% 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 year or so, we are seeing a decrease in our sales also. Cost of goods sold was 47.6% of net sales for the quarter ended October 31, 2008 and 49.3% for the same quarter last year. Year-to-date cost of goods sold percentages were 48.2% for the current six months and 48.3% 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 27.6% of net sales for the quarter ended October 31, 2008 as compared to 23.3 % for the corresponding quarter last year. Year-to-date operating expenses were 28.4% of net sales for the six months ended October 31, 2008, while they were 23.3% for the same period last year. Keeping operating expenses under 30% of net sales, as the company has been able to achieve over the years, shows that management keeps a close eye on these expenses from year to year. Income from operations for the quarter ended October 31, 2008 was at $613,000, which is a 25.5% decrease from the corresponding quarter last year, which had income from operations of $823,000. Income from operations for the six months ended October 31, 2008 was at $1,147,000, which is a 35.5% decrease from the corresponding six months last year, which had income from operations of $1,778,000.

Other income and expenses showed losses of $209,000 and $148,000 for the quarter and six months ended October 31, 2008, respectively. The other income and expense numbers for last year also showed gains of $262,000 for the quarter and $564,000 for the six months ending October 31, 2007. Dividend and interest income was down 6.1% for the current quarter and was down 2% for the current six-month period when compared to the same time periods last year. Gain and loss on investments is where the biggest loss is in this category. Management wrote down $302,000 for impaired investments for the
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current quarter. This is compared to writes down of $2,000 for the same quarter last year. For the year-to-date ended October 31, 2008, management wrote down $405,000 for impaired investments and $7,000 was wrote down for the same period last year.

Net income for the quarter ended October 31, 2008 was at $345,000, a 54.3% decrease from the corresponding quarter last year, which showed net income of $755,000. Net income for the six months ended October 31, 2008 was $739,000, a 53.2% decrease from the same period last year. Net income for the six months ended October 31, 2007 was $1,578,000. Earnings per common share for the quarter ended October 31, 2008 were $0.07 per share and $0.14 per share for the year-to-date numbers. EPS for the quarter and six months ended October 31, 2007 were $0.14 per share and $0.30 per share, respectively.

New Product Development

Sales have been strong and continue to increase on our HVAC Kits designed to protect air conditioning coils. One of our large distributors is doing a large customer promotion pairing the HVAC Kit with a complimentary product from another manufacturer.

Our industrial track mount overhead switch is now in production, and all seems to be going well with this new product. We expect sales to increase considerably once the spring construction season starts.

Engineering continues to develop our wireless line. This includes pool alarms, security sensors, and environmental sensors. A new, lower cost hold-up switch and basement window bar is now being developed. Discontinued components are the reason for having to develop alternatives to these two products. We are also expanding our line of water sensors, including the Pump Gard and several custom products.

While our competition continues to only carry the standard types of security switches, we are increasingly seeing order for custom-built products. Our competitors are discontinuing specialty products or are placing ordering stipulations that distributors are not willing to meet. This is keeping the GRI name on the forefront of our customer's minds and increases the calls coming into our factory.

Recently Issued Accounting Pronouncements

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

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.

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

Evaluation of disclosure controls and procedures:

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 October 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:

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:

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 October 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 October 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 12-15-2008 By: /s/ Kenneth R. Risk
Kenneth R. Risk
President and Chairman of the Board

Date 12-15-2008 By: /s/ Stephanie M. Risk
Stephanie M. Risk
Chief Financial Officer and Controller