RISK GEORGE INDUSTRIES INC
Form 10-Q/A
August 11, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q/A

(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2014

[ ] 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)

(308) 235-4645
(Registrant's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

APPLICABLE ONLY TO CORPORATE ISSUERS

The number of shares of the Registrant's Common Stock outstanding, as of August 8, 2014 was 5,029,775.

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 nine month period ended January 31, 2014, are attached hereto.

Explanatory Note

This Amendment No. 1 to the quarterly Report on Form 10-Q of George Risk Industries, Inc.(GRI), (the "Company") for the quarter ended January 31, 2014 is being filed to amend the financial information contained in the Management's Discussion and Analysis of Financial Condition and Plan of Operation and the financial statements on Form 10-Q for quarter ended January 31, 2014 which was filed with the Securities and Exchange Commission ("SEC") on March 17, 2014 the "Form 10-Q").

In its previously filed financial statements for the quarter ended January 31, 2014, the Company misstated the deferred taxes due to an error in the calculation. The Company has restated its financial statements for the period ended January 31, 2014 to reflect the proper adjustments.

Except as described above, no other parts of the 10-Q are being amended.

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEETS

	January 31, 2014 (unaudited)	April 30, 2013 As Amended
ASSETS		
Current Assets		
Cash and cash equivalents	$ 5,174,000	$ 4,859,000
Marketable securities (Note 2)	23,071,000	22,208,000
Accounts receivable:		
Trade, net of $8,379 and $4,126 doubtful account allowance	1,687,000	1,915,000
Other	0	1,000
Note receivable, current	2,000	5,000
Income tax overpayment	275,000	347,000
Inventories (Note 3)	2,121,000	2,074,000
Prepaid expenses	232,000	60,000
Total Current Assets	$32,562,000	$31,469,000

Property and Equipment, net at cost	$ 632,000	$ 701,000
Other Assets		
Investment in Land Limited Partnership, at cost	238,000	238,000
Projects in process	39,000	45,000
Note receivable	0	2,000
Other	1,000	1,000
Total Other Assets	$ 278,000	$ 286,000
TOTAL ASSETS	$33,472,000	$32,456,000

See accompanying notes to the condensed financial statements.

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEETS

	January 31, 2014 (unaudited)	April 30, 2013 As Amended
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable, trade	$ 104,000	$ 68,000
Dividends payable	954,000	817,000
Accrued expenses		
Payroll and other expenses	203,000	259,000
Property taxes	3,000	0
Deferred income taxes	537,000	432,000
Total Current Liabilities	$ 1,801,000	$ 1,576,000
Long-Term Liabilities		
Deferred income taxes	82,000	133,000
Total Long-Term Liabilities	$ 82,000	$ 133,000
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, 8,502,881 shares issued and outstanding	850,000	850,000
Additional paid-in capital	1,736,000	1,736,000
Accumulated other comprehensive income	903,000	743,000
Retained earnings	31,517,000	30,806,000
Treasury stock, 3,471,656 and 3,467,356 shares, at cost	(3,516,000)	(3,487,000)
Total Stockholders' Equity	$31,589,000	$30,747,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$33,472,000	$32,456,000

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See accompanying notes to the condensed financial statements.

GEORGE RISK INDUSTRIES, INC.
INCOME STATEMENTS
(unaudited)

	Three months ended January 31, 2014	Nine months ended January 31, 2014	Three months ended January 31, 2013	Nine months ended January 31, 2013
Net Sales	$ 2,480,000	$ 8,070,000	$ 2,551,000	$ 7,662,000
Less: cost of goods sold	(1,169,000)	(3,761,000)	(1,031,000)	(3,676,000)
Gross Profit	$ 1,311,000	$ 4,309,000	$ 1,520,000	$ 3,986,000
Operating Expenses:				
General and administrative	186,000	547,000	200,000	616,000
Selling	469,000	1,352,000	443,000	1,302,000
Engineering	19,000	45,000	20,000	58,000
Rent paid to related parties	5,000	14,000	11,000	34,000
Total Operating Expenses	$ 679,000	$ 1,958,000	$ 674,000	$ 2,010,000
Income From Operations	632,000	2,351,000	846,000	1,976,000
Other Income (Expense)				
Other	0	4,000	(2,000)	17,000
Dividend and interest income	222,000	529,000	238,000	605,000
Gain (loss) on sale of investments	38,000	176,000	57,000	0
Gain (loss) on sale of assets	0	127,000	0	0
	$ 260,000	$ 836,000	$ 293,000	$ 622,000
Income Before Provisions for Income Tax	892,000	3,187,000	1,139,000	2,598,000
Provisions for Income Tax				
Current Expense	327,000	1,026,000	330,000	786,000
Deferred tax expense (benefit)	2,000	(60,000)	19,000	(7,000)
Total Income Tax Expense	329,000	966,000	349,000	779,000
Net Income	$ 563,000	$ 2,221,000	$ 790,000	$ 1,819,000
Cash Dividends				
Common Stock ($0.30 per share)		(1,510,000)		
Common Stock ($0.50 per share)				(2,519,000)

Common Stock ($0.22 per share)			(1,108,000)	
Income Per Share of Common Stock (Note 5):				
Basic	$0.11	$0.44	$0.16	$0.36
Diluted	$0.11	$0.44	$0.16	$0.36
Weighted Average Number of Common Shares Outstanding:				
Basic	5,031,689	5,032,547	5,035,851	5,038,583
Diluted	5,052,189	5,053,047	5,056,351	5,059,083

See accompanying notes to the condensed financial statements.

GEORGE RISK INDUSTRIES, INC.
STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

	Three months ended January 31, 2014	Nine months ended January 31, 2014	Three months ended January 31, 2013	Nine months ended January 31, 2013
Net Income	$ 563,000	$ 2,221,000	$ 790,000	$ 1,819,000
Other Comprehensive Income, net of tax				
Unrealized gain (loss) on securities:				
Unrealized holding gains (losses) arising during period	(121,000)	411,000	488,000	340,000
Reclassification adjustment for (gains) losses	(42,000)	(136,000)	(35,000)	430,000
Income tax expense related to other comprehensive income	68,000	(115,000)	(189,000)	(322,000)
Other Comprehensive Income	$ (95,000)	$ 160,000	$ 264,000	$ 448,000
Comprehensive Income	$ 468,000	$ 2,381,000	$ 1,054,000	$ 2,267,000

See accompanying notes to the condensed financial statements.

GEORGE RISK INDUSTRIES, INC.
STATEMENTS OF CASH FLOWS
(unaudited)

	Nine months ended January 31, 2014	Nine months ended January 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 2,221,000	$ 1,819,000

Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	114,000	128,000
(Gain) loss on sale of investments	(176,000)	0
(Gain) loss on sale of assets	(127,000)	0
Reserve for bad debts	4,000	(4,000)
Reserve for obsolete inventory	20,000	(1,000)
Deferred income taxes	(60,000)	(7,000)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	224,000	(2,000)
Inventories	(67,000)	35,000
Prepaid expenses	(160,000)	71,000
Employee receivables	1,000	0
Income tax overpayment	72,000	(407,000)
Increase (decrease) in:		
Accounts payable	36,000	(10,000)
Accrued expenses	(53,000)	106,000
Net cash provided by (used in) operating activities	$ 2,049,000	$ 1,728,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Other assets manufactured	(6,000)	8,000
Proceeds from sale of assets	127,000	0
(Purchase) of property/equipment	(47,000)	(95,000)
Proceeds from sale of marketable securities	4,000	79,000
(Purchase) of marketable securities	(415,000)	(604,000)
Collections of loans to employees	5,000	3,000
Net cash provided by (used in) investing activities	$ (332,000)	$ (609,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(1,373,000)	(2,290,000)
(Purchase) of treasury stock	(29,000)	(36,000)
Net cash provided by (used in) financing activities	$(1,402,000)	$(2,326,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 315,000	$(1,207,000)
Cash and cash equivalents, beginning of period	$ 4,859,000	$ 5,773,000
Cash and cash equivalents, end of period	$ 5,174,000	$ 4,566,000
Supplemental Disclosure of Cash Flow Information		
Cash payments for:		
Income taxes	$ 1,163,000	$ 1,207,000
Interest expense	8,000	2,000
Cash receipts for:		
Income taxes	233,000	19,000

See accompanying notes to the condensed financial statements.

GEORGE RISK INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2014

Note 1 Unaudited Interim Financial Statements

The accompanying unaudited financial statements have been prepared in accordance with the instructions for Form 10-Q and do not include all of the information and footnotes required by generally accepted accounting principles in the United States of America (US GAAP) 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 10-K for the year ended April 30, 2013. 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. We have evaluated subsequent events through March 17, 2014, the issuance date of these financial statements. The Company did not have any material, recognizable subsequent events.

Restatement - In its previously filed financial statements for the quarter ended January 31, 2014, and included in its quarterly report in Form 10-Q, the Company incorrectly calculated deferred income taxes. Accordingly, the Company has restated its financial statements for the period ended January 31, 2014. The table below reflects the effect of restatement on the Company's financial statements for the quarter.

BALANCE SHEET	As filed	Adjustment	As Amended
Current Assets--Deferred income taxes	$ 759,000	$ (759,000)	$ -
TOTAL ASSETS	$34,231,000	$ (759,000)	$33,472,000
Current Liabilities-Deferred Income taxes	$ -	$ 537,000	$ 537,000
Total Current Liabilities	$ 1,264,000	$ 537,000	$ 1,801,000
Retained earnings	$32,813,000	(1,296,000)	$31,517,000
Total Stockholders' Equity	$32,885,000	(1,296,000)	$31,589,000
Total Liabilities and Stockholders'Equity	$34,231,000	$ (759,000)	$33,472,000

INCOME STATEMENT

	Three months ended January 31, 2014			Nine months ended January 31, 2014		
	As Filed	Adjustments	As Amended	As Filed	Adjustments	As Amended
Deferred Tax Benefit/(Expense)	$ 138,000	$ (136,000)	$ 2,000	$ (290,000)	$ 230,000	$ (60,000)
Total Income Tax Expense	$ 465,000	$ (136,000)	$ 329,000	$ 736,000	$ 230,000	$ 966,000
Net Income	$ 427,000	$ 136,000	$ 563,000	$2,451,000	$(230,000)	$2,221,000

COMPREHENSIVE INCOME

Net Income	$ 427,000	$ 136,000	$ 563,000	$2,451,000	$(230,000)	$2,221,000
Unrealized Gain/(Loss)	$ (121,000)	$ 47,000	$ (74,000)	$ 411,000	$ -	$ 411,000
Reclassification Adjustment	$ (42,000)	$ (48,000)	$ (90,000)	$ (136,000)	$ -	$ (136,000)
Income tax expense related to other income	$ 68,000	$ 1,000	$ 69,000	$ (115,000)	$ -	$ (115,000)
Comprehensive Income	$ 332,000	$ 136,000	$ 468,000	$2,611,000	$(230,000)	$2,381,000

CASH FLOW STATEMENT

Net Income	$2,451,000	$(230,000)	$2,221,000
Deferred income taxes	$ (290,000)	$ 230,000	$ (60,000)

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. Refer to Note 7, Fair Value Measurements, for additional information on the fair value measurements for all assets and liabilities, including investments, that are measured at fair value in these financial statements. Available-for-sale investments in debt securities mature between March 2014 and November 2048. 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 stockholders'equity. Dividend and interest income are accrued as earned.

As of January 31, 2014, investments available-for-sale consisted of the following:

	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Municipal bonds	$ 6,619,000	$ 150,000	$ (80,000)	$ 6,689,000
Corporate bonds	$ 30,000	$ 0	$ (1,000)	$ 29,000
Equity securities	$12,565,000	$ 1,696,000	$ (217,000)	$14,044,000
REITs	$ 56,000	$ 5,000	$ (2,000)	$ 59,000
Money markets and CDs	$ 2,250,000	$ 0	$ 0	$ 2,250,000
Total	$21,520,000	$ 1,851,000	$ (300,000)	$23,071,000

In accordance with US GAAP, 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 did not record any impairment losses for the quarter ended January 31, 2014, but did record impairment losses of $18,000 for the nine months ended January 31, 2014. Likewise, as for the corresponding periods last year, management did not record impairment losses for the quarter ended Janaury 31, 2013, but did record impairment losses of $20,000 for the nine months ended January 31, 2013.

The following table shows the investments with gross 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 January 31, 2014.

	Less than 12 months		12 months or greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Municipal bonds	$1,992,000	$ (50,000)	$ 622,000	$ (30,000)	$2,614,000	$ (80,000)
Corporate bonds	$ 30,000	$ (1,000)	$ 0	$ 0	$ 30,000	$ (1,000)
Equity securities	$3,378,000	$ (189,000)	$ 219,000	$ (28,000)	$3,597,000	$ (217,000)
REITs	$ 26,000	$ (2,000)	$ 0	$ 0	$ 26,000	$ (2,000)
Total	$5,426,000	$ (242,000)	$ 841,000	$ (58,000)	$6,267,000	$ (300,000)

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 January 31, 2014.

Corporate Bonds

The Company's unrealized loss on investments in corporate bonds relates to one bond. The contractual term of this investment does 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 this investment until a recovery of fair value, which may be maturity, the Company does not consider this investment to be other-than-temporarily impaired at January 31, 2014.

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. The individual holdings have been evaluated, and due to management's plan to hold onto these investments for an extended period, the Company does not consider these investments to be other-than-temporarily impaired at January 31, 2014.

Note 3 Inventories

At January 31, 2014, inventories consisted of the following:

Raw materials	$ 1,507,000
Work in process	465,000
Finished goods	333,000
	2,305,000
Less: allowance for obsolete inventory	(184,000)
Totals	$ 2,121,000

Note 4 Business Segments

The following is financial information relating to industry segments:

	For the quarter ended January 31, 2014	2013
Net revenue:		
Security alarm products	1,955,000	2,211,000
Other products	525,000	340,000
Total net revenue	$ 2,480,000	$ 2,551,000
Income from operations:		
Security alarm products	498,000	730,000
Other products	134,000	116,000
Total income from operations	$ 632,000	$ 846,000
Identifiable assets:		
Security alarm products	3,028,000	3,508,000
Other products	1,297,000	1,163,000
Corporate general	29,147,000	26,701,000
Total assets	$33,472,000	$31,372,000
Depreciation and amortization:		
Security alarm products	4,000	6,000
Other products	29,000	33,000
Corporate general	5,000	4,000
Total depreciation and amortization	$ 38,000	$ 43,000
Capital expenditures:		
Security alarm products	0	0
Other products	0	2,000
Corporate general	2,000	12,000
Total capital expenditures	$ 2,000	$ 14,000

Note 5 Earnings per Share

Basic and diluted earnings per share, assuming convertible preferred stock was converted for each period presented, are:

For the three months ended January 31, 2014	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 563,000		
Basic EPS	$ 563,000	5,031,689	$ 0.112
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$ 563,000	5,052,189	$ 0.111

For the nine months ended January 31, 2014	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$2,221,000		
Basic EPS	$2,221,000	5,032,547	$ 0.441
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$2,221,000	5,053,047	$ 0.441

For the three months ended January 31, 2013	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 790,000		
Basic EPS	$ 790,000	5,035,851	$ 0.157
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$ 790,000	5,056,351	$ 0.156

For the nine months ended January 31, 2013	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$1,819,000		
Basic EPS	$1,819,000	5,038,583	$ 0.361
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	

Diluted EPS	$1,819,000	5,059,083	$ 0.360

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 $2,000 were paid during the quarter ending January 31, 2014 and $3,000 were paid during the corresponding quarter the prior fiscal year. Likewise, the Company paid matching contributions of approximately $7,000 during the nine-month period ending January 31, 2014 and $9,000 during the nine-month period ending January 31, 2013. There were no discretionary contributions paid during either the quarters or nine-month periods ending January 31, 2014 and 2013, respectively.

Note 7 Fair Value Measurements

Generally accepted accounting principles in the United States of America (US GAAP) defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, we consider the principal or most advantageous market in which we would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

US GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The levels of the fair value hierarchy under US GAAP are described below:

Level 1 - Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 - Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 - Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

Investments and Marketable Securities

As of January 31, 2014, our investments consisted of money markets, publicly traded equity securities, a corporate bond as well as certain state and municipal debtvsecurities. Our marketable securities are valued using third-party broker statements. The value of the majority of the securities

is derived from quoted market information. The inputs to the valuation are classified as Level 1 given the active market for these securities, however, if an active market does not exist, which is the case for municipal bonds, the inputs are recorded as Level 2.

Fair Value Hierarchy

The following tables set forth our assets and liabilities measured at fair value on a recurring basis and a non-recurring basis by level within the fair value hierarchy. As required by US GAAP, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Assets Measured at Fair Value on a Recurring Basis as of January 31, 2014

	Level 1	Level 2	Level 3	Total
Assets:				
Money Markets and CDs	$ 2,250,000	$ 0	$ 0	$ 2,250,000
Equity Securities	$14,103,000	$ 0	$ 0	$14,103,000
Municipal and Corporate Bonds	$ 0	$ 6,718,000	$ 0	$ 6,718,000
Total fair value of assets measured on a recurring basis	$16,353,000	$ 6,718,000	$ 0	$23,071,000

Note 8 Subsequent Events

None

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, 2013.

Liquidity and capital resources
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Operating

Net cash increased $315,000 for the nine months ended January 31, 2014, while, for the same period last year, net cash decreased $1,207,000. Accounts receivable decreased $224,000 for the current nine months and increased $2,000 for the same period last year. The decrease in cash flow for accounts receivable for the current period is a reflection of being able to collect on accounts in a timelier manner and collecting on past due items. At January 31, 2014, 70.16% of the receivables were considered current (less than 45 days) and 0.6% of the total were over 90 days past due. For comparison, 71.09% of the receivables were current and 0.32% were past 90 days at January 31, 2013. Inventories increased $67,000 for the current nine months, and decreased $35,000 for the same period last year. The current increase is due to the increase in sales and the prices of raw materials rising slightly. Changes in prepaid expenses in regards to cash flow increased by $160,000 and decreased by $71,000 for the nine-month periods ending January 31, 2014 and 2013, respectively. The large increase is due to prepayment of inventory from overseas and down payments on molds being developed for the Company. Income tax overpayment decreased $72,000 for the nine months ending January 31, 2014, while it increased $407,000 for the corresponding period last year. Management had to increase income tax estimates since the prior year taxes were underpaid and the prior year refund was received.

For the nine months ended January 31, 2014, accounts payable increased $36,000, and decreased $10,000 for the same period ended January 31, 2013. 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 $53,000 for the nine months ended January 31, 2014, and these expenses increased $106,000 for the corresponding nine months last year. The current decrease is a result of when the payroll pay date landed this year. There were nine less days being accrued this year.

Investing

As for our investment activities, the Company has spent approximately $47,000 on acquisitions of property and equipment for the current nine-month period and $95,000 was spent during the nine months ended January 31, 2013. The Company has also received proceeds of $127,000 from the sale of an asset. The airplane that was owned by the Company was sold during the second quarter of the current fiscal year. Additionally, the Company continues to purchase marketable securities, which include corporate and municipal bonds and quality stocks. Cash spent on purchases of marketable securities for the nine months ended January 31, 2014 was $415,000 and $604,000 was spent for the corresponding period last year. In addition, proceeds from the sale of marketable securities for the nine months ended January 31, 2014 were $4,000 and $79,000 for the same 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.

Financing

During the nine months ending Janaury 31, 2014, the Company spent $1,373,000 for the payment of dividends during the second quarter. The company declared a dividend of $0.30 per share of common stock on September 30, 2013 and these
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dividends were paid by October 31, 2013. As for the prior year numbers, cash used for the payment of dividends was $2,290,000 for the nine months ending January 31, 2013. Two dividends of $0.28 and $0.22 per common share were declared and paid during the second and third quarters last fiscal year, respectively. Furthermore, the Company continues to purchase back its common stock when the opportunity arises. For the nine months ended January 31, 2014, the Company purchased $29,000 worth of treasury stock and $36,000 worth was bought back for the nine months ended January 31, 2013. We have been actively searching for stockholders that have been "lost" over the years. The payment of dividends over the last nine 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 January 31, 2014	2013
Working capital (current assets - current liabilities)	$ 30,761,000	$ 28,934,000
Current ratio (current assets / current liabilities)	18.080	21.205
Quick ratio ((cash + investments+ AR) / current liabilities)	16.620	19.425

Results of operations
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Net sales were $2,480,000 for the quarter ended January 31, 2014, which is a 2.78% decrease from the corresponding quarter last year. Year-to-date net sales at January 31, 2014 were $8,070,000, which is a 5.32% increase from the same period last year. The Company's products are tied to the housing market and the slight gain in sales is a result of the Company focusing on gaining market share in the industry. The Company is accomplishing this by having excellent customer service and being willing to make many customized parts. Cost of goods sold was 47.14% of net sales for the quarter ended January 31, 2014 and 40.42% for the same quarter last year. Year-to-date cost of goods sold percentages were 46.6% for the current nine months and 47.98% for the corresponding nine months last year. Management continues to keep labor and other manufacturing expenses down and strives to stay in the desired cost of goods sold percentage range of 45 to 50%.

Operating expenses were 27.38% of net sales for the quarter ended January 31, 2014 as compared to 26.42% for the corresponding quarter last year. Year-to-date operating expenses were 24.26% of net sales for the nine months ended January 31, 2014, while they were 26.23% for the same period last year. Having relatively the same percentages for operating expenses shows that management has a good grip on spending habits. Income from operations for the quarter ended January 31, 2014 was at $632,000, which is a 25.3% decrease from the corresponding quarter last year, which had income from operations of $846,000. Income from operations for the nine months ended January 31, 2014 was at $2,351,000, which is an 18.98% increase from the corresponding nine months last year, which had income from operations of $1,976,000.

Other income and expenses showed gains of $260,000 and $836,000 for the quarter and nine months ended January 31, 2014. The other income and expense
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numbers for last year also showed gains of $293,000 for the quarter and $622,000 for the nine-months ending January 31, 2013. Dividend and interest income was down 6.72% for the quarter and was down 12.56% for the current nine-month period when comparing to the same time periods last year. During the current quarter, there was a $38,000 gain on investments recorded and a gain of $176,000 for the current year to date figures. Management did not write down any investments during the quarters ending January 31, 2014 and 2013, respectively.

Net income for the quarter ended January 31, 2014 was $563,000, which is a 28.74% decrease from the corresponding quarter last year, which showed a net gain of $790,000. Net income for the nine months ended January 31, 2014 was $2,221,000, a 22.1% increase from the same period last year. Net income for the nine months ended January 31, 2013 was $1,819,000. Earnings per common share for the quarter ended January 31, 2014 was $0.11 per share and $0.44 per share for the year-to-date numbers. EPS for the quarter and nine months ended January 31, 2013 was $0.16 per share and $0.36 per share, respectively.

New product information

Due to obsolete component parts, our pool alarm will have to be redesigned. This will require mold changes that are nearing completion. Management is working with a consultant who is helping with the development of a wireless pool alarm.

Molding is working on a CC-15 case for our Current Controller. This will allow us to manufacture a couple of different versions: a 15-amp version that would automatically turn on a whole room of lights and a 220-volt version for international markets.

Molding is developing a new design for the cover of our 29-Series terminal switch.

Progress continues on the fuel level monitor. Several security companies from around the world have told us fuel theft is a major problem and they are looking for something that will tie into their security system if fuel tanks or trucks are tampered with.

Engineering continues working on a Sprinkler Controller. This is a ground sensor that can be installed with a sprinkler system. The controller will monitor the amount of water in the soil and prevent the sprinkler system from watering if the soil has enough moisture.

Recently issued accounting pronouncements

There are no new accounting pronouncements that significantly affect the Company.

Other Information

Management is always open to the possibility to acquire a business that would complement our existing operations. This would require no outside financing. The intent is to utilize the equipment, marketing techniques and established customers to increase sales and profits.

There are no known seasonal trends with any of our products, since we sell to distributors and OEM manufacturers. The products are tied to the housing industry and will fluctuate with building trends.

GEORGE RISK INDUSTRIES, INC.

PART I. FINANCIAL INFORMATION

Item 3. Controls and Procedures

(a) Information required by Item 307

Our Chief Executive Officer (also working as 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, has 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. Controls and Procedures

Evaluation of disclosure controls and procedures:

Based on her evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of January 31, 2014, our president and chief executive officer (also working as our chief financial officer) has 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, 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.

Internal control over financial reporting:

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting for the Company. Due to limited resources, Management conducted an evaluation of internal controls based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The results of this evaluation determined that our internal control over financial reporting was ineffective as of January 31, 2014, due to a material weakness. A material weakness in internal control over financial reporting is defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of our financial reporting.

Management's assessment identified the following material weakness in internal control over financial reporting:

* The small size of our Company limits our ability to achieve the desired level of separation of internal controls and financial reporting, particularly as it relates to financial reporting and deferred taxes. Due to the passing of our CEO, the current CEO and CFO roles are being fulfilled by the same individual. We do not have an audit committee. Until such time as the Company is able to hire a Controller, we do not believe we meet the full requirement for separation for financial reporting purposes.

As a result of the material weakness in internal control over financial reporting described above, the Company's management has concluded that, as of January 31, 2014, the Company's internal control over financial reporting was not effective based on the criteria in Internal Control - Integrated Framework issued by the COSO.

To date, the Company has not been able hire a controller. We will continue to follow the standards for the Public Company Accounting Oversight Board (United States) for internal control over financial reporting to include procedures that:

* Pertain to the maintenance of records in reasonable detail accurately that fairly reflect the transactions and dispositions of the Company's assets;
* Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the Board of Directors; and
* Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Due to the passing of the CEO during the fiscal year 2013, our internal control structure has changed such that there is no separation of duties for financial reporting and deferred taxes, as discussed above.

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 Section 404(c) of the Sarbanes-Oxley Act of 2002, as amended, that permits 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. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information relating to the Company's repurchase of common stock for the third quarter of fiscal year 2014.

Period	Number of shares repurchased
November 1, 2013 - November 30, 2013	50
December 1, 2013 - December 31, 2013	0
January 1, 2014 - January 31, 2014	700

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

Exhibit No.	Description
31.1	Certification of the Chief Executive Officer (Principal Financial and Accouting Officer), as required by Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer (Principal Financial and Accounting Officer), as required by Section 906 of the Sarbanes-Oxley Act of 2002.

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 08-08-2014

By: /s/ Stephanie M. Risk-McElroy
Stephanie M. Risk-McElroy
President, Chief Financial Officer and Chairman of the Board