RISK GEORGE INDUSTRIES INC
Form 10-Q
September 11, 2014

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 July 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 September 9, 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-month period ended July 31, 2014, are attached hereto.

GEORGE RISK INDUSTRIES, INC.
CONDENSED BALANCE SHEETS

	July 31, 2014 (unaudited)	April 30, 2014
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 6,622,000	$ 5,872,000
Investments and securities	24,328,000	23,904,000
Accounts receivable:		
Trade, net of $0 and $4,588 doubtful account allowance	2,141,000	2,034,000
Other	6,000	3,000
Inventories, net	2,236,000	2,233,000
Prepaid expenses	105,000	132,000
Total Current Assets	$35,438,000	$34,178,000
Property and Equipment, net, at cost	604,000	625,000
Other Assets		
Investment in Limited Land Partnership, at cost	238,000	238,000
Projects in process	58,000	41,000
Other	1,000	1,000
Total Other Assets	$ 297,000	$ 280,000
TOTAL ASSETS	$36,339,000	$35,083,000

See accompanying notes to condensed financial statements

GEORGE RISK INDUSTRIES, INC.
CONDENSED BALANCE SHEETS

	July 31, 2014	April 30, 2014
	(unaudited)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable, trade	$ 95,000	$ 109,000
Dividends payable	953,000	953,000
Accrued expenses:		
Payroll and related expenses	358,000	278,000
Property taxes	3,000	--
Income tax payable	421,000	75,000
Deferred incom taxes	815,000	769,000
Total Current Liabilities	$ 2,645,000	$ 2,184,000
Long-Term Liabilities		
Deferred income taxes	91,000	100,000
Total Long-Term Liabilities	$ 91,000	$ 100,000
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	1,295,000	1,222,000
Retained earnings	33,150,000	32,417,000
Treasury stock, 3,473,106 and 3,472,706 shares, at cost	(3,527,000)	(3,525,000)
Total Stockholders' Equity	$33,603,000	$32,799,000
TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	$36,339,000	$35,083,000

See accompanying notes to condensed financial statements

GEORGE RISK INDUSTRIES, INC.
CONDENSED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2014 AND 2013

	July 31, 2014	July 31, 2013
	(unaudited)	(unaudited)
Net Sales	$ 2,998,000	$ 2,670,000
Less: Cost of Goods Sold	(1,513,000)	(1,284,000)
Gross Profit	$ 1,485,000	$ 1,386,000

Operating Expenses:		
General and Administrative	194,000	184,000
Sales	492,000	460,000
Engineering	19,000	12,000
Rent Paid to Related Parties	5,000	5,000
Total Operating Expenses	$ 710,000	$ 661,000
Income From Operations	775,000	725,000
Other Income (Expense)		
Other	1,000	10,000
Interest Expense	-	(8,000)
Dividend and Interest Income	153,000	166,000
Gain (Loss) on Sale of Investments	136,000	18,000
	$ 290,000	$ 186,000
Income Before Provisions for Income Taxes	1,065,000	911,000
Provisions for Income Taxes		
Current Expense	349,000	285,000
Deferred tax expense (benefit)	(16,000)	(48,000)
Total Income Tax Expense	$ 333,000	$ 237,000
Net Income	$ 732,000	$ 674,000
Basic and Diluted Earnings Per Share of Common Stock	$ 0.15	$ 0.13
Weighted Average Number of Common Shares Outstanding	5,029,910	5,033,843

See accompanying notes to condensed financial statements

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

	July 31, 2014	July 31, 2013
	(unaudited)	(unaudited)
Net Income	$ 732,000	$ 674,000
Other Comprehensive Income, net of tax		
Unrealized gain (loss) on securities:		
Unrealized holding gains (losses) arising during period	273,000	(32,000)
Reclassification adjustment for gains (losses) included in net income	(146,000)	8,000
Income tax expense related to other comprehensive income	(53,000)	10,000
Other Comprehensive Income (Loss)	$ 74,000	$ (14,000)
Comprehensive Income (Loss)	$ 806,000	$ 660,000

See accompanying notes to condensed financial statements

GEORGE RISK INDUSTRIES, INC.
CONDENSED STATEMENTS OF CASH FLOWS

	For the three months ended July 31, 2014	2013
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 732,000	$ 674,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	33,000	37,000
(Gain) loss on sale of investments	(137,000)	(18,000)
Reserve for bad debts	(5,000)	1,000
Reserve for obsolete inventory	23,000	22,000
Deferred income taxes	(16,000)	(49,000)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(103,000)	150,000
Inventories	(25,000)	14,000
Prepaid expenses	28,000	(47,000)
Employee receivables	(3,000)	-
Income tax overpayment	-	282,000
Increase (decrease) in:		
Accounts payable	(14,000)	16,000
Accrued expenses	82,000	48,000
Income tax payable	347,000	-
Net cash provided by (used in) operating activities	$ 942,000	$ 1,130,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Other assets manufactured & purchased	(17,000)	4,000
(Purchase) of property and equipment	(12,000)	(22,000)
Proceeds from sale of marketable securities	5,000	-
(Purchase) of marketable securities	(165,000)	(128,000)
Collection of loans to employees	-	2,000
(Purchase) of treasury stock	(3,000)	(11,000)
Net cash provided by (used in) investing activities	$ (192,000)	$ (155,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided by (used in) financing activities	$ -	$ -
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 750,000	$ 975,000
Cash and cash equivalents, beginning of period	$ 5,872,000	$ 4,859,000
Cash and cash equivalents, end of period	$ 6,622,000	$ 5,834,000

Supplemental Disclosure of Cash Flow Information		
Cash payments for:		
Income taxes	$0	$0
Interest expense	$0	$0

See accompanying notes to condensed financial statements

GEORGE RISK INDUSTRIES, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
JULY 31, 2014

Note 1 Unaudited Interim Financial Statements

The accompanying 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 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, 2014 annual report on Form 10-K. 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: Investments

The Company has investments in publicly traded equity securities, corporate bonds, state and municipal debt securities, real estate investment trusts, money markets, certificates of deposits and hedge funds. The investments in securities, which include all investments except for the hedge funds, are classified as available-for-sale securities, and are reported at fair value. Available-for-sale investments in debt securities mature between October 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 reported as earned.

The Company has elected to record the investments in hedge funds at cost cost due to the small ownership percentage. These investments are reported at an aggregate carrying amount of $727,000, as of July 31, 2014. Additionally, the investments have been evaluated for impairment and have been determined to not be impaired as of July 31, 2014.

As of July 31, 2014, investments consisted of the following:

	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Municipal bonds	$ 6,586,000	$ 217,000	$ (47,000)	$ 6,756,000
Corporate bonds	$ 30,000	$ 1,000	$ -	$ 31,000
Hedge Funds	$ 727,000	$ -	$ -	$ 727,000
REITs	$ 56,000	$ 9,000	$ -	$ 65,000
Equity securities	$12,663,000	$ 2,162,000	$ (116,000)	$14,709,000

Money markets/CDs	$ 2,040,000	$ -	$ -	$ 2,040,000
Total	$22,102,000	$ 2,389,000	$ (163,000)	$24,328,000

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 July 31,2014 and recorded an $18,000 impairment loss for the quarter ended July 31, 2013.

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, 2014.

	Less than 12 months		12 months or greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Municipal bonds	$ 243,000	$ (3,000)	$1,217,000	$ (44,000)	$ 1,460,000	$ (47,000)
REITs	$ -	$ -	$ -	$ -	$ -	$ -
Equity securities	$ 962,000	$ (50,000)	$1,003,000	$ (66,000)	$ 1,965,000	$ (116,000)
Total	$1,205,000	$ (53,000)	$2,220,000	$(110,000)	$ 3,425,000	$ (163,000)

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, 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 on to these investments for an extended period, the Company does not consider these investments to be other-than-temporarily impaired at July 31, 2014.

Note 3 Inventories

Inventories at July 31, 2014, consisted of the following:

Raw Materials	$ 1,666,000
Work in Process	498,000
Finished Goods	277,000
	$ 2,441,000
Less: allowance for obsolete inventory	(205,000)
Net Inventories	$ 2,236,000

Note 4 Business Segments

The following is financial information relating to industry segments:

	For the quarter ended July 31, 2014	2013
Net revenue:		
Security alarm products	2,551,000	2,276,000
Other products	447,000	394,000
Total net revenue	$ 2,998,000	$ 2,670,000
Income from operations:		
Security alarm products	660,000	618,000
Other products	115,000	107,000
Total income from operations	$ 775,000	$ 725,000
Identifiable assets:		
Security alarm products	4,062,000	3,575,000
Other products	813,000	788,000
Corporate general	31,464,000	28,746,000
Total assets	$36,339,000	$33,109,000
Depreciation and amortization:		
Security alarm products	4,000	4,000
Other products	24,000	28,000
Corporate general	5,000	5,000
Total depreciation and amortization	$ 33,000	$ 37,000
Capital expenditures:		
Security alarm products	2,000	8,000
Other products	10,000	-
Corporate general	-	14,000
Total capital expenditures	$ 12,000	$ 22,000

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, 2014		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 732,000		
Basic EPS	$ 732,000	5,029,910	$ 0.1455
Effect of dilutive Convertible Preferred Stock	--	20,500	(0.0006)
Diluted EPS	$ 732,000	5,050,410	$ 0.1449

	For the three months ended July 31, 2013		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 674,000		
Basic EPS	$ 674,000	5,033,843	$ 0.1339
Effect of dilutive Convertible Preferred Stock	--	20,500	(0.0005)
Diluted EPS	$ 674,000	5,054,343	$ 0.1334

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 quarters ending July 31, 2014 and 2013, respectively. There were no discretionary contributions paid during the quarters ending July 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 July 31, 2014, our investments consisted of money markets, publicly traded equity securities and certain state and municipal debt securities. Our marketable securities are valued using third-party broker statements. The value of the investments is derived from quoted market information. The inputs to the valuation are generally 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 table sets 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 July 31, 2014			
	Level 1	Level 2	Level 3	Total
Assets:				
Municipal Bonds	$ -	$ 6,756,000	$ --	$ 6,756,000
Corporate Bonds	$ 31,000	$ --	$ --	$ 31,000
REITS	$ 65,000	$ --	$ --	$ 65,000
Equity Securities	$14,709,000	$ --	$ --	$14,709,000
Money Markets and CDs	$ 2,040,000	$ --	$ --	$ 2,040,000
Total fair value of assets measured on a recurring basis	$16,845,000	$ 6,756,000	$ --	$23,601,000

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

This Quarterly Report on Form 10-Q, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), which are subject to the "safe harbor" created by those sections. Any statements herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as "may," "will," "could," "would," "should," "anticipate," "expect," "intend," "believe," "estimate," "project" or "continue," and the negatives of such terms are intended to identify forward-looking statements. The information included herein represents our estimates and assumptions as of the date of this filing. Unless required by law, we undertake no obligation to update publicly any forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

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, 2014.

Executive Summary

The Company's performance remains steady through the first quarter, showing strong sales and investment returns. Opportunities include continued growth with our customers, as well as some of our distributors' customers landing jobs that specified GRI Security products exclusively. Challenges in the coming months include the burden of regulatory requirements of the Accountable Care Act, as well as selection and implementation of new hardware and software systems which will enhance productivity and communication throughout the organization.

Results of Operations

* Net sales showed a 12.28% increase over the same period in the prior year due to strong sales in the southeast markets and the Company's on-going commitment to outstanding customer service.

* Cost of goods sold saw a small uptick from 48.09% of sales in the prior year, to 50.47% in the current quarter, which just misses Management's goal to keep labor and other manufacturing expenses within the range of 45 to 50%. The Company continues to pursue new vendors for quality raw materials at lower costs.

* Operating expenses were down slightly at 23.68% of net sales for the quarter ended July 31, 2014 as compared to 24.76% for the corresponding quarter last year. The Company has been able to keep the operating expenses at less than 30% of net sales over the last several years; however, the effects of the Accountable Care Act provide a concern on the ability to maintain this pattern.

* Income from operations for the quarter ended July 31, 2014 was at $775,000, which is a 6.89% increase from the corresponding quarter last year, which had income from operations of $725,000.

* Other income and expenses showed a $290,000 gain for the quarter ended July 31, 2014 as compared to an $186,000 gain for the quarter ended July 31, 2013, primarily due to the gain on sale of investments.

* Provision for income taxes showed an increase of $96,000, up from $237,000 in the quarter ended July 31, 2013 to $333,000 for the quarter ended July 31, 2014.

* In turn, net income for the quarter ended July 31, 2014 was $732,000, an 8.6% increase from the corresponding quarter last year, which showed net income of $674,000.

* Earnings per share for the quarter ended July 31, 2014 were $0.15 per common share and $0.13 per common share for the quarter ended July 31, 2013.

Liquidity and capital resources

Operating

* Net cash increased $750,000 during the quarter ended July 31, 2014 as compared to an increase of $975,000 during the corresponding quarter last year.

* Accounts receivable increased $103,000 for the quarter ending July 31, 2014 compared with a $150,000 decrease for the same quarter last year. The increase in accounts receivable is directly attributable to an increase in sales as no accounts over 90 days were found to be uncollectible.

* Inventories increased $25,000 during the current quarter as compared to a $14,000 decrease last year, primarily due to the receipt of a large order of raw materials in the first quarter.

* At the quarter ended July 31, 2014 there was a $28,000 decrease in prepaid expenses and at July 31, 2013, there was a $47,000 increase.

The current decrease is caused by the receipt of goods in the first quarter that the Company had previous prepaid for.

* There was no income tax overpayment for the quarter ended July 31, 2014, while there was a decrease of $282,000 for the quarter ending July 31, 2013. As the income tax overpayment has been eliminated, it creates increases in the income tax payable/expenses.

* Accounts payable shows decrease of $14,000 for the quarter ended July 31, 2014 compared to an increase of $16,000 for the same quarter the year before, primarily due to timing issues. All payables are paid within terms.

* Accrued expenses increased $82,000 for the current quarter as compared to a $48,000 increase for the quarter ended July 31, 2013.

Investing

* As for our investment activities, the Company spent approximately $12,000 on acquisitions of property and equipment for the current fiscal quarter. In comparison with the corresponding quarter last year, there was activity of $22,000.

* 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, 2014 was $165,000 compared to $128,000 spent during the quarter ended July 31, 2013. 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, 2014, the Company purchased $3,000 worth of treasury stock, compared to $11,000 in the same period the prior year.

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

	For the quarter ended July 31, 2014	2013
Working capital (current assets - current liabilities)	$ 32,793,000	$ 30,514,000
Current ratio (current assets / current liabilities)	13.398	19.813
Quick ratio ((cash + investments + AR) / current liabilities)	12.511	18.451

New Product Development

The Company and its' engineering department perpetually work to develop enhancements to current product lines, develop new products which complement existing products, and look for products that are well suited to our distribution network and manufacturing capabilities. Items currently in the development process include:

* Wireless pool alarm

* High Security Switch

* Redesign of our Current Controller that will allow us to manufacture a 15 amp version that would automatically turn on a whole room of lights and a 220-volt version for international markets

* Redesign for the cover of the 29-Series terminal switch

* Twist lock for recessed steel door contacts, including biased for high security

* Fuel level monitor

Other Information

In addition to researching developing new products, management is always open to the possibility of acquiring a business or product line that would complement our existing operations. Due to the Company's strong cash position, management believes this could be achieved without the need for outside financing. The intent is to utilize the equipment, marketing techniques and established customers to deliver new products and 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.

Recently Issued Accounting Pronouncements
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In July 2013, the FASB issued Accounting Standards Update No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists, ("ASU 2013-11"). The objective of this update is to eliminate the diversity in practice in the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss or a tax credit carryforward exists. The amendments in this update require an entity to present an unrecognized tax benefit in the financial statements as a reduction to a deferred tax asset for those instances described above, except in certain situations discussed in the update. ASU 2013-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers. The objective of this update is to provide a robust framework for addressing revenue recognition issues and, upon its effective date, replaces almost all existing revenue recognition guidance. This update is effective in annual reporting periods beginning after December 15, 2016 and the interim periods within that year. The Company is evaluating the impact of this update on the Company's financial statements.
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PART I. FINANCIAL INFORMATION

Item 3. Quantitative and Qualitative Disclosures About Market Risk

This disclosure does not apply.

Item 4: Controls and Procedures

(a) Information required by Item 307

Our Chief Executive Officer and our Controller, 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 4A. Controls and Procedures

Quarterly 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 July 31, 2014, our president and chief executive officer and our controller 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 controller, 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:

Previously, over the past year and a half, the Company stated that there was a material weakness in internal control over financial reporting, particularly as it relates to financial reporting and deferred taxes. This was due to the rather sudden death of the Chief Executive Officer in February 2013. The company was not able to hire a controller until May 2014. With the hiring of the Controller, the Company now believes that we meet the full requirement for separation for financial reporting purposes.

GEORGE RISK INDUSTRIES, INC.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable

Item 1A. Risk Factors

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 first quarter of fiscal year 2014.

Period	Number of shares repurchased
May 1, 2014 - May 31, 2014	-0-
June 1, 2014 - June 30, 2014	400
July 1, 2014 - July 31, 2014	-0-

Item 3. Defaults upon Senior Securities

Not applicable

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

Not applicable

Item 6. Exhibits

Exhibit No.	Description
31	Certifications pursuant to Rule 13a-14(a)
	31.1 Certification of the Chief Executive Officer
	31.2 Certification of the Controller
32	Certifications pursuant to 18 U.S.C 1350
	32.1 Certification of the Chief Executive Officer
	32.2 Certification of the Controller

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 09-09-14

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

Date 09-09-14

By: /s/ Julie M. Schnell
Julie M. Schnell
Controller