RISK GEORGE INDUSTRIES INC
Form 10-Q
September 14, 2015

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, 2015

[ ] 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 14, 2015 was 5,025,310.

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, 2015, are attached hereto.

GEORGE RISK INDUSTRIES, INC.
CONDENSED BALANCE SHEETS

	July 31, 2015 (unaudited)	April 30, 2015
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 6,413,000	$ 5,691,000
Investments and securities	24,977,000	25,266,000
Accounts receivable:		
Trade, net of $363 and $160 doubtful account allowance	1,882,000	2,007,000
Other	2,000	3,000
Note receivable, current	--	1,000
Income tax overpayment	198,000	534,000
Inventories, net	2,504,000	2,275,000
Prepaid expenses	79,000	108,000
Total Current Assets	$36,055,000	$35,885,000
Property and Equipment, net, at cost	625,000	661,000
Other Assets		
Investment in Limited Land Partnership, at cost	253,000	253,000
Projects in process	63,000	56,000
Other	1,000	1,000
Total Other Assets	$ 317,000	$ 310,000
TOTAL ASSETS	$36,997,000	$36,856,000

See accompanying notes to condensed financial statements

GEORGE RISK INDUSTRIES, INC.
CONDENSED BALANCE SHEETS

	July 31, 2015 (unaudited)	April 30, 2015
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable, trade	$ 186,000	$ 110,000
Dividends payable	1,099,000	1,099,000
Accrued expenses:		
Payroll and related expenses	221,000	306,000
Property taxes	3,000	--
Deferred incom taxes	619,000	857,000
Total Current Liabilities	$ 2,128,000	$ 2,372,000
Long-Term Liabilities		
Deferred income taxes	99,000	115,000
Total Long-Term Liabilities	$ 99,000	$ 115,000
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	962,000	1,282,000
Retained earnings	34,682,000	33,960,000
Treasury stock, 3,477,371 and 3,477,156 shares, at cost	(3,559,000)	(3,558,000)
Total Stockholders' Equity	$34,770,000	$34,369,000
TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	$36,997,000	$36,856,000

See accompanying notes to condensed financial statements

GEORGE RISK INDUSTRIES, INC.
CONDENSED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2015 AND 2014

	July 31, 2015 (unaudited)	July 31, 2014 (unaudited)
Net Sales	$ 2,855,000	$ 2,998,000
Less: Cost of Goods Sold	(1,361,000)	(1,513,000)
Gross Profit	$ 1,494,000	$ 1,485,000

Operating Expenses:		
General and Administrative	203,000	194,000
Sales	493,000	492,000
Engineering	15,000	19,000
Rent Paid to Related Parties	5,000	5,000
Total Operating Expenses	$ 716,000	$ 710,000
Income From Operations	778,000	775,000
Other Income (Expense)		
Other	3,000	1,000
Dividend and Interest Income	167,000	153,000
Gain (Loss) on Sale of Investments	89,000	136,000
	$ 259,000	$ 290,000
Income Before Provisions for Income Taxes	1,037,000	1,065,000
Provisions for Income Taxes		
Current Expense	339,000	349,000
Deferred tax expense (benefit)	(24,000)	(16,000)
Total Income Tax Expense	$ 315,000	$ 333,000
Net Income	$ 722,000	$ 732,000
Basic and Diluted Earnings Per Share of Common Stock	$ 0.14	$ 0.15
Weighted Average Number of Common Shares Outstanding	5,025,515	5,029,910

See accompanying notes to condensed financial statements

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

	July 31,	
	2015	2014
	(unaudited)	(unaudited)
Net Income	$ 722,000	$ 732,000
Other Comprehensive Income, net of tax		
Unrealized gain (loss) on securities:		
Unrealized holding gains (losses) arising during period	(487,000)	273,000
Reclassification adjustment for gains (losses) included in net income	(63,000)	(146,000)
Income tax expense related to other comprehensive income	230,000	(53,000)
Other Comprehensive Income (Loss)	$ (320,000)	$ 74,000
Comprehensive Income (Loss)	$ 402,000	$ 806,000

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See accompanying notes to condensed financial statements

GEORGE RISK INDUSTRIES, INC.
CONDENSED STATEMENTS OF CASH FLOWS

	For the three months ended July 31, 2015	2014
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 722,000	$ 732,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	39,000	33,000
(Gain) loss on sale of investments	(89,000)	(137,000)
Reserve for bad debts	--	(5,000)
Reserve for obsolete inventory	26,000	23,000
Deferred income taxes	(24,000)	(16,000)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	125,000	(103,000)
Inventories	(255,000)	(25,000)
Prepaid expenses	29,000	28,000
Employee receivables	1,000	(3,000)
Income tax overpayment	336,000	--
Increase (decrease) in:		
Accounts payable	76,000	(14,000)
Accrued expenses	(82,000)	82,000
Income tax payable	--	347,000
Net cash provided by (used in) operating activities	$ 904,000	$ 942,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Other assets manufactured & purchased	(7,000)	(17,000)
(Purchase) of property and equipment	(3,000)	(12,000)
Proceeds from sale of marketable securities	53,000	5,000
(Purchase) of marketable securities	(225,000)	(165,000)
Collection of loans to employees	1,000	--
Net cash provided by (used in) investing activities	$ (181,000)	$ (189,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Purchase) of treasury stock	(1,000)	(3,000)
Net cash provided by (used in) financing activities	$ (1,000)	$ (3,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 722,000	$ 750,000
Cash and cash equivalents, beginning of period	$ 5,691,000	$ 5,872,000
Cash and cash equivalents, end of period	$ 6,413,000	$ 6,662,000

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, 2015

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, 2015 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, and money markets. The investments in securities are classified as available-for-sale securities, and are reported at fair value. Available-for-sale investments in debt securities mature between August 2015 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.

As of July 31, 2015, investments consisted of the following:

	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Municipal bonds	$ 6,469,000	$ 109,000	$ (116,000)	$ 6,462,000
Corporate bonds	$ 30,000	$ --	$ (1,000)	$ 29,000
REITs	$ 56,000	$ --	$ (12,000)	$ 44,000
Equity securities	$14,046,000	$ 2,072,000	$ (398,000)	$15,720,000
Money markets/CDs	$ 2,722,000	$ --	$ --	$ 2,722,000
Total	$23,323,000	$ 2,181,000	$ (527,000)	$24,977,000

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 either of the quarters ended July 31, 2015 and 2014.

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, 2015.

	Less than 12 months		12 months or greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Municipal bonds	$3,236,000	$ (82,000)	$ 756,000	$ (34,000)	$ 3,992,000	$ (116,000)
Corporate bonds	$ 29,000	$ (1,000)	$ --	$ --	$ 29,000	$ (1,000)
REITs	$ 44,000	$ (12,000)	$ --	$ --	$ 44,000	$ (12,000)
Equity securities	$3,420,000	$(306,000)	$ 584,000	$ (92,000)	$ 4,004,000	$ (398,000)
Total	$6,729,000	$(401,000)	$1,340,000	$(126,000)	$ 8,069,000	$ (527,000)

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, 2015.

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-temporary at July 31, 2015.

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, 2015.

Note 3 Inventories

Inventories at July 31, 2015, consisted of the following:

Raw Materials	$ 1,731,000
Work in Process	500,000
Finished Goods	366,000
	$ 2,597,000
Less: allowance for obsolete inventory	(93,000)
Net Inventories	$ 2,504,000

Note 4 Business Segments

The following is financial information relating to industry segments:

	For the quarter ended July 31, 2015	2014
Net revenue:		
Security alarm products	2,417,000	2,551,000
Other products	438,000	447,000
Total net revenue	$ 2,855,000	$ 2,998,000
Income from operations:		
Security alarm products	659,000	660,000
Other products	119,000	115,000
Total income from operations	$ 778,000	$ 775,000
Identifiable assets:		
Security alarm products	3,256,000	4,062,000
Other products	1,648,000	813,000
Corporate general	32,093,000	31,464,000
Total assets	$36,997,000	$36,339,000
Depreciation and amortization:		
Security alarm products	4,000	4,000
Other products	30,000	24,000
Corporate general	5,000	5,000
Total depreciation and amortization	$ 39,000	$ 33,000
Capital expenditures:		
Security alarm products	--	2,000
Other products	--	10,000
Corporate general	3,000	--
Total capital expenditures	$ 3,000	$ 12,000

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, 2015		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 722,000		
Basic EPS	$ 722,000	5,025,515	$ 0.1437
Effect of dilutive Convertible Preferred Stock	--	20,500	(0.0006)
Diluted EPS	$ 722,000	5,046,015	$ 0.1431

	For the three months ended July 31, 2014		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 732,000		
Basic EPS	$ 732,000	5,029,843	$ 0.1455
Effect of dilutive Convertible Preferred Stock	--	20,500	(0.0006)
Diluted EPS	$ 732,000	5,050,410	$ 0.1449

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, 2015 and 2014, respectively. There were no discretionary contributions paid during the quarters ending July 31, 2015 and 2014, 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, 2015, 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, 2015			
	Level 1	Level 2	Level 3	Total
Assets:				
Municipal Bonds	$ --	$ 6,462,000	$ --	$ 6,462,000
Corporate Bonds	$ 29,000	$ --	$ --	$ 29,000
REITS	$ 44,000	$ --	$ --	$ 44,000
Equity Securities	$15,720,000	$ --	$ --	$15,720,000
Money Markets and CDs	$ 2,722,000	$ --	$ --	$ 2,722,000
Total fair value of assets measured on a recurring basis	$18,515,000	$ 6,462,000	$ --	$24,977,000

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 financial statements, and with the Company's audited financial statements and discussion for the fiscal year ended April 30, 2015.

Executive Summary
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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
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the coming months include the burden of regulatory requirements of the Affordable 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 4.77% decrease over the same period in the prior year. Management believes this is due to our industry feeling the economic downturn in advance of the recent stock market drop.

* Cost of goods sold saw a reduction from 50.47% of sales in the prior year, to 47.67% in the current quarter, which reaches Management's goal to keep labor and other manufacturing expenses within the range of 45 to 50%. The Company continues to pursue vendors for quality raw materials at lower costs.

* Operating expenses were up slightly at 25.08% of net sales for the quarter ended July 31, 2015 as compared to 23.68% 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 Affordable Care Act and other rises inv various expenses provide a concern on the ability to maintain this pattern.

* Income from operations for the quarter ended July 31, 2015 was at $778,000, which is a 0.39% increase from the corresponding quarter last year, which had income from operations of $775,000.

* Other income and expenses showed a $259,000 gain for the quarter ended July 31, 2015 as compared to a $290,000 gain for the quarter ended July 31, 2014. The slight decrease is primarily due to fewer gains recognized on sales of investments.

* Provision for income taxes showed a decrease of $18,000, down from $333,000 in the quarter ended July 31, 2014 to $315,000 for the quarter ended July 31, 2015.

* In turn, net income for the quarter ended July 31, 2015 was $722,000, a 1.37% decrease from the corresponding quarter last year, which showed net income of $732,000.

* Earnings per share for the quarter ended July 31, 2015 were $0.14 per common share and $0.15 per common share for the quarter ended July 31, 2014.

Liquidity and capital resources

Operating

* Net cash increased $722,000 during the quarter ended July 31, 2015 as compared to an increase of $750,000 during the corresponding quarter last year.

* Accounts receivable dereased $125,000 for the quarter ending July 31, 2015 compared with a $103,000 increase for the same quarter last year. The decrease in accounts receivable is directly attributable to the decrease in sales as minimal amount of accounts over 90 days were found to be uncollectible.

* Inventories increased $255,000 during the current quarter as compared to a $25,000 increase last year, primarily due to ordering larger quantities to get a better price and to keep up with the increased sales we had in the few previous quarters.

* At the quarter ended July 31, 2015 there was a $29,000 decrease in prepaid expenses and at July 31, 2014, there was a $28,000 increase. The current decrease is a result of normal operations being reported to the expense accounts during the current quarter.

* Income tax overpayment for the quarter ended July 31, 2015 decreased $336,000, while there was no overpayment for the quarter ending July 31, 2014. The current decrease in income tax overpayment is a result of normal business income offsetting the overpayment.

* Accounts payable shows an increase of $76,000 for the quarter ended July 31, 2015 compared to a decrease of $14,000 for the same quarter the year before, primarily due to timing issues. Management strives to pay all payables within terms, unless there is a problem with the merchandise

* Accrued expenses decreased $82,000 for the current quarter as compared to an $82,000 decrease for the quarter ended July 31, 2014.

Investing

* As for our investment activities, the Company spent approximately $3,000 on acquisitions of property and equipment for the current fiscal quarter. In comparison with the corresponding quarter last year, there was activity of $12,000.

* 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, 2015 was $225,000 compared to $165,000 spent during the quarter ended July 31, 2014. 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, 2015, the Company purchased $1,000 worth of treasury stock, compared to $3,000 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, 2015	2014
Working capital		
(current assets - current liabilities)	$ 33,926,000	$ 32,793,000
Current ratio		
(current assets / current liabilities)	16.942	13.396
Quick ratio		
((cash + investments + AR) / current liabilities)		

15.634	18.511

New Product Development
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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 contact switches
* Wireless versions of our pool alarms and environmental sensors
* Redesign of a slimmer face plate on our pool alarm that will allow the homeowner to change the plate to match their decor
* Redesign of our Current Controller that will allow us to manufacture (1) a 15 amp version that would automatically turn on a whole room of lights and (2) a 220-volt version for international markets
* Twist lock for recessed steel door contacts, including biased for high security
* Fuel level monitor to safely monitor and report when tampering occurs

Other Information
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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 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.

In January 2015, the FASB issued Accounting Standards Update No. 2015-04, "Requirement that All Deferred Income Tax Assets and Liabilities Be Presented as Non-Current in a Classified Balance Sheet". The objective of this update is to require deferred tax liabilities and assets be classified entirely as non-current in a classified balance sheet. This update is effect-
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ive in annual reporting periods beginning after December 15, 2016 and the interim periodss within that year. The Company is evaluating the impact of this update on the Company's financial statements.

GEORGE RISK INDUSTRIES, INC.

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 (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 4A. Controls and Procedures

Quarterly evaluation of disclosure controls and procedures:

As of the end of the period covered by the Quarterly Report on Form 10-Q, management performed, with the participation of our Chief Executive Officer (who also serves as our Chief Financial Officer), an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 ("Exchange Act"). Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Exchange Act and SEC's rules, and that such information is accumulated and communicated to our management, including our Chief Executive, to allow timely decisions regarding required disclosures. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Our Chief Executive Officer concluded that, as of July 31, 2015, our disclosure controls and procedures were not effective.

Changes in internal controls 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 July 31, 2015, 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 departure of the Controller, 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 July 31, 2015, 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 hired a person to fill the controller position, but more training will be required to fulfill disclosure control and procedure responsibilities. 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 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 2016.

Period	Number of shares repurchased
May 1, 2015 - May 31, 2015	200
June 1, 2015 - June 30, 2015	15
July 1, 2015 - July 31, 2015	--

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
31.1	Certification of the Chief Executive Officer (Principal Financial and Accounting Officer), as required by Section

302 of the Sarbanes-Oxley act of 2002.

31.2 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 September 14, 2015

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