

November 1, 2002 and provisions affecting SFAS No. 13 were effective for transactions occurring after May 15, 2002. We do not believe that the adoption of SFAS No. 145 will have a material impact on our financial statements.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This statement covers restructuring type activities beginning with plans initiated after December 31, 2002. Activities covered by this standard that are entered into after that date will be recorded in accordance with the provisions of SFAS No. 146. Management does not believe there will be a significant impact on our consolidated financial position or results of operations for the periods presented.

C. Earnings per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

Years Ended October 31,	2002	2001	2000
Numerator:			
Numerator for basic and diluted earnings per share-earnings from continuing operations available to common stockholders	\$ 17,905	\$ 13,542	\$ 7,061
Denominator:			
Denominator for basic earnings per share-weighted-average shares	10,511	10,381	10,451
Effect of dilutive securities-Employee stock options and deferred directors' fees	187	219	79
Denominator for diluted earnings per share-adjusted weighted-average shares with assumed conversions	10,698	10,600	10,530
Basic earnings per share	\$ 1.70	\$ 1.30	\$.68
Diluted earnings per share	\$ 1.67	\$ 1.28	\$.67

For the years ended October 31, 2002, 2001 and 2000 exercisable stock options of 26 thousand, none and 207 thousand, respectively, were excluded from the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of our common stock.

D. Detail of Certain Balance Sheet Accounts

Activity in our allowance for doubtful accounts receivable consists of the following (in thousands):

October 31,	2002	2001
Balance at beginning of period	\$ 551	\$ 505
Additions to costs and expenses	690	62
Deductions for uncollectible accounts written off, net of recoveries	(32)	(16)
Balance at end of period	\$ 1,209	\$ 551

The components of inventories are summarized below (in thousands):

October 31,	2002	2001
Raw materials, parts and subassemblies	\$ 14,111	\$ 15,186
Work-in-process	5,447	6,239
Total inventories	\$ 19,558	\$ 21,425

The components of costs and estimated earnings in excess of billings (in thousands):

October 31,	2002	2001
Costs and estimated earnings	\$ 190,106	\$ 156,822
Progress billings	(157,278)	(120,658)
Total costs and estimated earnings in excess of billings	\$ 32,828	\$ 36,164

The components of billings in excess of costs and estimated earnings (in thousands):

October 31,	2002	2001
Progress billings	\$ 131,840	\$ 111,963
Costs and estimated earnings	(118,362)	(97,105)
Total billings in excess of costs and estimated earnings	\$ 13,478	\$ 14,858