

FIRST FINANCIAL CORP /TX/
Form 10QSB
August 14, 2001

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended June 30, 2001 Commission file number 0-5559

FIRST FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Texas

74-1502313

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

800 Washington Avenue, Waco, Texas

76701

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (254) 757-2424

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for 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 No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date

Common Stock, No Par Value

173,528

(Class)

(Outstanding at July 31, 2001)

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FIRST FINANCIAL CORPORATION
JUNE 30, 2001

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First Financial Corporation
Consolidated Balance Sheet
June 30, 2001
(Unaudited)

Assets	
Cash and cash equivalents	\$ 1,024,490
Restricted cash	838,506
Accounts receivable	1,551,132
Marketable investment securities	296,405
Real estate held for investment, at cost	444,000
Mortgage loans	26,102,073
Investment in and advances to affiliated companies	437,792
Property and equipment	743,764
Other assets	<u>1,113,745</u>
Total Assets	<u>\$ 32,551,907</u>
Liabilities and Stockholders' Equity	
Notes on line of credit	25,631,303
Accounts Payable	1,001,608
Estimated reserve for losses under servicing agreements	236,929
Other liabilities	<u>697,455</u>
Total Liabilities	<u>27,567,295</u>
Minority interest	<u>1,389,375</u>
Stockholders' equity:	
Common stock - no par value; authorized 500,000 shares; issued 183,750 shares, of which 10,222 shares are held in treasury shares	1,000
Additional paid-in capital	518,702
Retained earnings	<u>3,110,844</u>
	3,630,546
Less: Treasury stock - at cost	(35,309)
Net unrealized loss on marketable investment securities	-
Total Stockholders' Equity	<u>3,595,237</u>

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Total Liabilities and Stockholders' Equity

\$ 32,551,907

See accompanying notes to consolidated financial statements.

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First Financial Corporation
Consolidated Statements of Income
Three months and Six months ended June 30, 2001 and 2000
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2001	2000	2001	2000
Revenues:				
Loan administration	\$ 2,351,195	\$ 1,828,881	\$ 4,515,564	\$ 2,828,867
Interest income	653,034	307,437	1,054,354	546,402
Other income	<u>259,875</u>	<u>254,714</u>	<u>490,937</u>	<u>444,024</u>
Total Revenues	<u>3,264,104</u>	<u>2,391,032</u>	<u>6,060,855</u>	<u>3,819,293</u>
Expenses:				
Salaries and related expenses	1,629,697	1,327,493	3,137,081	2,352,690
Interest expense	556,128	249,048	939,370	408,553
Provision for losses under servicing agreements	-	-	-	(34,000)
Other operating expenses	<u>1,034,721</u>	<u>913,176</u>	<u>1,902,954</u>	<u>1,600,478</u>
Total Expenses	<u>3,220,546</u>	<u>2,489,717</u>	<u>5,979,405</u>	<u>4,327,721</u>
Income before income taxes, minority interest, equity in earnings (loss) of affiliates	43,558	(98,685)	81,450	(508,428)
Federal income taxes	-	-	-	-
Income before minority interest	<u>43,558</u>	<u>(98,685)</u>	<u>81,450</u>	<u>(508,428)</u>
Minority interest in net loss (income)	<u>(28,754)</u>	<u>56,444</u>	<u>(64,897)</u>	<u>240,516</u>
Income before equity in earnings (loss) of affiliates	14,804	(42,241)	16,553	(267,912)
Equity in earnings (loss) of affiliates	<u>33,489</u>	<u>109,850</u>	<u>7,055</u>	<u>123,226</u>
Net income	48,293	67,609	23,608	(144,686)
Other comprehensive income:				
Unrealized holding gains (losses)	<u>45,030</u>	<u>10,252</u>	<u>40,648</u>	<u>4,378</u>
Net income	\$ 93,323	\$ 77,861	\$ 64,256	\$ (140,308)
Income Per Common Share	<u>\$0.54</u>	<u>\$0.45</u>	<u>\$0.37</u>	<u>(\$0.81)</u>

