

FIRST FINANCIAL CORP /TX/
Form 10QSB
November 20, 2006

UNITED STATES
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 quarterly period ended September 30, 2006

TRANSITION REPORT UNDER SECTION 13 OR 15(D) ON THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number 0-5559

FIRST FINANCIAL CORPORATION

(Exact name of small business issuer as specified in its charter)

Texas

(State or other jurisdiction of
incorporation or organization)

74-1502313

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

800 Washington Avenue, Waco, Texas

(Address of principal executive offices)

76701

(Zip Code)

Issuer's telephone number (254) 757-2424

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 No

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

Number of shares of the Issuer's Common Stock outstanding on October 31, 2006 was 173,528.

Transitional Small Business Disclosure Format (check one) Yes No

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FIRST FINANCIAL CORPORATION
September 30, 2006

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Item 1. Financial Statements

First Financial Corporation
 Consolidated Balance Sheet
 September 30, 2006
 (Unaudited)

Assets	

Cash and cash equivalents	\$ 171,624
Restricted cash	-
Accounts receivable	87,103
Marketable investment securities	290,360
Restricted marketable investment securities	-
Real estate held for investment, at cost	-
Mortgage loans	72,533
Property and equipment	79,144
Other assets	197,913
Total Assets	\$898,677
Liabilities and Stockholders' Deficit	

Notes on line of credit	\$ 0
Notes payable	2,746,569
Accounts payable	246,843
Estimated reserve for indemnifications and early payment default losses	2,595,394
Estimated reserve for losses under servicing agreements	-
Estimated reserve for losses under insurance policies	-
Other liabilities	113,574
Total Liabilities	5,702,380
Stockholders' deficit:	
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	(5,406,809)
Accumulated other comprehensive income:	
Unrealized gain (loss) on marketable securities, net of tax	118,713
	(4,768,394)
Less: Treasury stock - at cost	(35,309)
Total Stockholders' Deficit	(4,803,703)
Total Liabilities and Stockholders' Deficit	\$ 898,677
See accompanying notes to consolidated financial statements.	

First Financial Corporation
 Consolidated Statements of Income
 Three months and Six months ended September 30, 2006 and 2005
 (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:				
Loan administration	\$ -	\$ 1,279,236	\$ 1,086,807	\$ 3,592,740
Interest income	-	226,533	5,764	877,570
Oil and gas royalties	271,243	11,301	290,460	40,128
Other income	7,399	139,060	1,304,514	658,837
Total Revenues				