

FIRST FINANCIAL CORP /TX/  
Form 10QSB  
November 19, 2007

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, 2007

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)

<u>Texas</u>	<u>74-1502313</u>
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
<u>800 Washington Avenue, Waco, Texas</u>	<u>76701</u>
(Address of principal executive offices)	(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, 2007 was 402,058.

Transitional Small Business Disclosure Format (check one) Yes  No

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FIRST FINANCIAL CORPORATION

September 30, 2007

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Item 1. Financial Statements

First Financial Corporation  
 Consolidated Balance Sheet  
 September 30, 2007  
 (Unaudited)

Assets		
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Cash and cash equivalents	\$	121,127
Restricted cash		-
Accounts receivable		92,548
Notes receivable		180,000
Marketable investment securities		2,122,680
Restricted marketable investment securities		-
Real estate held for investment, at cost		-
Mortgage loans		6,127
Property and equipment		7,142
Other assets		142,215
Total Assets		\$2,671,838
Liabilities and Stockholders' Deficit		
-----		
Notes on line of credit		\$0
Notes payable		2,504,175
Accounts payable		23,758
Estimated reserve for indemnifications and early payment default losses		4,340,457
Estimated reserve for losses under servicing agreements		-
Estimated reserve for losses under insurance policies		-
Other liabilities		118,394
Total Liabilities		6,986,784
Stockholders' deficit:		
Common stock - no par value; authorized 500,000 shares; issued 402,058 shares		1,000
Additional paid-in capital		1,471,004
Retained earnings		(7,540,289)
Accumulated other comprehensive income:		-
Unrealized gain (loss) on marketable securities, net of tax		-