

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **1995-07-28** | Period of Report: **1995-06-30**  
SEC Accession No. **0000099506-95-000004**

([HTML Version](#) on [secdatabase.com](#))

### FILER

#### **TSI INC /MT/**

CIK: **99506** | IRS No.: **810267738** | State of Incorporation: **MT** | Fiscal Year End: **1231**  
Type: **10QSB** | Act: **34** | File No.: **000-02054** | Film No.: **95556767**  
SIC: **6361** Title insurance

Mailing Address  
*P O BOX 2249  
GREAT FALLS MT 59403*

Business Address  
*128 SECOND ST S  
GREAT FALLS MT 59405  
4067272600*

U.S. Securities and Exchange Commission  
Washington, D.C. 20549  
FORM 10-QSB

(Mark One)

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

For the quarterly period ended June 30, 1995

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT  
For the transition period from to  
Commission file number 0-2054

TSI, INC.

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

Montana

(State or other jurisdiction of incorporation or organization)

81-0267738

(IRS Employer Identification No.)

128 Second Street South, Great Falls, Montana 59405

(Address of principal executive offices)

(406) 727-2600

(Issuer's telephone number)

Not Applicable

(Former name, former address and former fiscal year, if changed  
since last report)

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to  
be filed by Section 12, 13 or 15(d) of the Exchange Act after the  
distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Class	Outstanding at June 30, 1995
\$.05 Par Value Common Stock	9,423,142 Shares

Transitional Small Business Disclosure Format (Check One): Yes ; No X

TSI, INC.

INDEX

JUNE 30, 1995

Page Number

PART I

Condensed Consolidated Financial Statements:

Balance Sheet	
June 30, 1995. . . . .	2
Statements of Income -	
Six Months and Three Months Ended June 30, 1995 and 1994	3
Statements of Cash Flows -	
Six Months Ended June 30, 1995 and 1994. . . . .	4
Notes to Consolidated Financial Statements . . . . .	5
Management's Discussion and Analysis of the Statements of Income. . . . .	6

PART II

Other Information . . . . .	7
Signatures . . . . .	8

TSI, INC

BALANCE SHEET  
AS OF JUNE 30, 1995

ASSETS	
Current Assets	
Cash	\$ 6,452,676
Marketable Securities, at Fair Value	2,389,685
Receivables - Net	60,493
Income Tax Prepayments	49,911
Total Current Assets	8,952,765
Other Assets	
Noncurrent Investments, at Fair Value	7,333,459
Noncurrent Receivables	98,118
Other Assets	2,238
Property, Plant and Equipment, Net	1,160,575
TOTAL ASSETS	\$17,547,155
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities	
Accounts Payable and Accrued Liabilities	\$ 257,292
Deferred Income Taxes	267,400
Due to Parent Company	26,349
Total Current Liabilities	551,041
Provision For Estimated Title and Escrow Losses	1,061,828
Minority Interests	281,178
Excess of Fair Value of Net Assets Acquired Over Cost	77,405
Deferred Income Taxes	1,586,800
Stockholders' Equity	
Common Stock - \$.05 Par Value; (30,000,000 shares authorized; 9,423,142 shares issued)	471,157
Additional Paid-In Capital	8,082,957
Retained Earnings	2,759,383
Unrealized Gains on Investments	2,675,406
Total Stockholders' Equity	13,988,903
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$17,547,155
See Notes to Consolidated Financial Statements	

TSI, INC.  
STATEMENTS OF INCOME

	For The Three Months Ended June 30,		For The Six Months Ended June 30,	
	1995	1994	1995	1994
Operating Revenues	\$ 655,177	\$ 847,493	\$1,242,572	\$1,591,566
Operating Expenses				
Salaries and Payroll				
Costs	181,710	224,697	356,326	446,230
Depreciation	26,407	32,370	52,813	64,740
Other Expenses	193,263	200,434	378,759	359,811
Total Expenses	401,380	457,501	787,898	870,781
Operating Income	253,797	389,992	454,674	720,785
Gain (Loss) on Sales of Assets	37,353	(2,616)	37,353	(1,016)
Amortization of Deferred Credit	2,055	2,055	2,055	2,055
Minority Portion of (Income)	(7,000)	(10,000)	(10,300)	(17,100)
Income Tax Expense	(95,600)	(139,000)	(155,000)	(260,000)
Net Income	\$ 190,605	\$ 240,031	\$ 330,837	\$ 446,779
Earnings Per Share (Earnings Per Weighted Average Shares Outstanding: 9,423,142 Shares in 1995 and 1994)	\$ .02	\$ .03	\$ .04	\$ .04
Dividends Per Share	\$ -	\$ -	\$ -	\$ -

See Notes to Consolidated Financial Statements

TSI, INC.  
STATEMENTS OF CASH FLOWS

For The Six Months Ended

June 30,

1995

1994

CASH FLOWS FROM OPERATING ACTIVITIES

Net Cash Provided (Used) By Operating Activities	\$ 235,571	\$ 585,543
--	------------	------------

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds From Sales of Property, Plant and Equipment	83,262	2,600
Cash Received on Principal of Notes Receivable	1,140	1,164
Cash Purchases of Minority Interests	(500)	(700)
Capital Expenditures Paid in Cash	(25,889)	(6,194)
Cash Used for Purchases of Marketable Securities Available For Sale	(21,813)	(109,440)
Cash Received Upon Disposition of Marketable Securities Available For Sale	82,915	427,752
Net Cash Provided (Used) By Investing Activities	119,115	315,182

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Advanced From (To) Parent Company	(83,984)	(58,714)
Net Cash Provided (Used) By Financing Activities	(83,984)	(58,714)

NET INCREASE IN CASH	270,702	842,011
CASH - BEGINNING OF PERIOD	6,181,974	4,527,135

See Notes to Consolidated Financial Statements

TSI, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 1995

In the opinion of management, all adjustments necessary (consisting of only normal recurring accruals) have been made to the unaudited financial statements to present fairly the financial position as of June 30, 1995 and the results of the Company's operations for the six months and three months ended June 30, 1995 and 1994 and cash flows for the six months ended June 30, 1995 and 1994.

The results of operations for the six months and three months ended June 30, 1995 and 1994 are not necessarily indicative of the results to be expected for the full year.

The consolidated financial statements include the accounts of the company, its wholly owned subsidiaries and its majority owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

M Corp owns approximately 91% of the Company's issued and outstanding common stock.

The Company adopted the provisions of Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities (SFAS No. 115) effective January 1, 1994. The Company has classified its investments, both current and noncurrent, in debt and equity securities as Available-For-Sale, in accordance with the various classifications of securities contained in SFAS No. 115.

In accordance with SFAS No. 115, the Company's portfolios, current and noncurrent, of Available-For-Sale investments are carried at fair value in the Company's balance sheet at June 30, 1995. The net unrealized holding gains at June 30, 1995, net of the estimated income tax effects and minority interests in the unrealized holding gains is reported as a separate component of

stockholder's equity at June 30, 1995.

TSI, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF THE INCOME STATEMENT

JUNE 30, 1995

A summary of the period to period changes in items included in the statements of income is shown below.

	COMPARISON		OF	
	THREE MONTHS ENDED JUNE 30, 1995 AND 1994		SIX MONTHS ENDED JUNE 30, 1995 And 1994	
	INCREASES		(DECREASES)	
Revenues	\$ (192,316)	(22.7%)	\$ (348,994)	(21.9%)
Expenses	(56,121)	(12.3%)	(82,883)	( 9.5%)
Gain on Sales of Assets	39,969	NM	38,369	NM
Net Income	(49,826)	(20.7%)	(115,942)	(26.0%)

Revenues decreased \$348,994 (21.9%) in the first six months of 1995 as compared with the first six months of 1994 due primarily to a decrease, \$329,577, 32.7%, in title insurance and related revenues. The decrease in title insurance and related revenues during the first six months of 1995 as compared with the first six months of 1994 was due primarily to a decrease in the real estate economies within which the Company



operates. During the first six months of 1995 the Company realized a net loss on the sale of investments in the amount of \$20,392 as compared with a net gain of \$80,644 realized during the first six months of 1994.

Salaries and payroll costs decreased \$89,904, 20.1%, in the first six months of 1995 as compared with the first six months of 1994 due primarily to a decrease in the number of employees employed by the Company in its title insurance operations. Other expenses increased \$18,948, 5.3% in the first six months of 1995 as compared with the first six months of 1994 due primarily to an increase in accounting and legal fees.

Income tax expense decreased \$105,000, 40.4%, in the first six months of 1995 as compared with the first six months of 1994 due to the decrease in pre-tax income.

TSI, INC.

PART II

OTHER INFORMATION

JUNE 30, 1995

ITEM 1 LEGAL PROCEEDINGS

None

ITEM 2 CHANGES IN SECURITIES

None

ITEM 3 DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5 OTHER INFORMATION

None

None

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.

TSI, INC.

Registrant

Date: July 27, 1995

s/S.I. Murphy

S. I. Murphy  
Assistant Secretary-Treasurer

Date: July 27, 1995

s/Jerry K. Mohland

Jerry K. Mohland,  
Accountant