

WORLD ACCEPTANCE CORP
Form 11-K
July 11, 2002

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 11-K

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[X] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the fiscal year ended December 31, 2001

OR

[] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from _____ to _____

Commission file number: 0-19599

World Acceptance Corporation
Retirement Savings Plan
108 Frederick Street
Greenville, South Carolina 29607
(Full title of the plan and the address of the plan)

World Acceptance Corporation
108 Frederick Street
Greenville, South Carolina 29607
(Name of issuer of the securities held pursuant to the plan and the address of
its principal executive office)

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WORLD ACCEPTANCE CORPORATION
RETIREMENT SAVINGS PLAN

Financial Statements and Schedules

December 31, 2001 and 2000

(With Independent Auditors' Report Thereon)

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WORLD ACCEPTANCE CORPORATION
RETIREMENT SAVINGS PLAN

Financial Statements and Schedules

December 31, 2001 and 2000

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Independent Auditors' Report

To the Board of Trustees
World Acceptance Corporation Retirement Savings Plan:

We have audited the financial statements of the World Acceptance Corporation Retirement Savings Plan (the "Plan") as of December 31, 2001 and 2000 and for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in

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all material respects, the net assets available for benefits of the Plan as of December 31, 2001 and 2000, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Greenville, South Carolina
July 2, 2002

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WORLD ACCEPTANCE CORPORATION RETIREMENT SAVINGS PLAN

Statements of Net Assets Available for Benefits

December 31, 2001 and 2000

	2001	2000
	-----	-----
Assets:		
Investments, at fair value	\$ 6,584,690	6,080,626
Contributions receivable:		
Employer	18,271	15,959
Employee	41,995	37,416
	-----	-----
	60,266	53,375
	-----	-----
Total assets	6,644,956	6,134,001
Liabilities:		
Refund payable for excess contributions	47,953	2,017
	-----	-----
Net assets available for benefits	\$ 6,597,003	6,131,984
	=====	=====

See accompanying notes to financial statements.

WORLD ACCEPTANCE CORPORATION RETIREMENT SAVINGS PLAN

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Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2001 and 2000

	2001	2000
	-----	-----
Additions to net assets attributed to:		
Investment income:		
Net realized and unrealized depreciation in fair value of investments	\$ (410,717)	(304,831)
Interest and dividends	85,958	64,837
	-----	-----
Total investment loss	(324,759)	(239,994)
	-----	-----
Contributions:		
Employer	392,102	339,324
Employee	1,024,534	940,909
Rollovers	8,920	75,251
	-----	-----
Total additions	1,425,556	1,355,484
	-----	-----
	1,100,797	1,115,490
	-----	-----
Deductions from net assets attributed to:		
Benefits paid to participants	635,778	992,145
	-----	-----
Net increase in net assets	465,019	123,345
Net assets available for benefits at beginning of period	6,131,984	6,008,639
	-----	-----
Net assets available for benefits at end of period	\$ 6,597,003	6,131,984
	=====	=====

See accompanying notes to financial statements.

WORLD ACCEPTANCE CORPORATION
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2001 and 2000

(1) Description of Plan

The following description of the World Acceptance Corporation Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the

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Plan's provisions.

(a) General

The Plan, which was formed in February 1993, is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). On January 1 and July 1 of each year, employees of World Acceptance Corporation (the "Plan Sponsor" or "Employer") who meet certain eligibility requirements may elect to become participants in the Plan.

(b) Administrative Costs

Substantially all administrative costs of the Plan are paid by the Plan Sponsor.

(c) Contributions

The Plan provides for participant contributions on a pretax compensation reduction basis. Participants may elect to contribute to the Plan by deferring up to 15% of annual compensation up to specified maximum amounts. The Plan Sponsor matches specified percentages of employee contributions, as determined by the Employer's Board of Directors. In applying the matching percentage, only employee contributions up to a maximum of 6 percent of compensation are eligible. The Plan Sponsor may also contribute a discretionary non-elective Employer contribution as determined annually by the Board of Directors.

(d) Participant Accounts

Each participant's account is credited with the participant's contribution and the Employer's matching contribution. Discretionary Employer contributions are allocated to individual participant accounts based on the proportion of each participant's annual compensation, as defined by the Plan, compared to the total annual compensation of all participants. Investment income is allocated to the individual participant accounts based on the proportion of each participant's account balance compared to the total balance within each fund.

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WORLD ACCEPTANCE CORPORATION
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2001 and 2000

(e) Vesting

Participants are immediately vested in their voluntary contribution plus earnings thereon. Vesting of employer contributions is based on years of continuous service. A participant is 100% vested after seven years of credited service, according to the following schedule:

Percent of

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Years of Service -----	Nonforfeitable Interest -----
Less than 1	0%
1	0%
2	0%
3	20%
4	40%
5	60%
6	80%
7 or more	100%

Notwithstanding the aforementioned, upon reaching normal retirement age or upon death or disability, participants become 100% vested.

(f) Payment of Benefits

Participants are entitled to receive a distribution of their vested accounts upon the occurrence of retirement, death, total and permanent disability, or termination of employment for any other reason. Vested participants are also entitled to leave their benefits in the Plan until retirement. The method of payment is a lump-sum distribution.

(g) Forfeitures

The Plan allocates participant forfeitures of Employer matching contributions as a reduction of the matching contributions otherwise made for the plan year following the plan year in which the forfeiture occurs. Forfeitures of discretionary Employer contributions are treated as if the forfeitures were additional Plan Sponsor nonelective contributions for the plan year in which the forfeitures occur.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements have been prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

WORLD ACCEPTANCE CORPORATION
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2001 and 2000

(b) Investments

The investments and changes therein of this trust fund have been reported to the Plan by PaineWebber Trust Company (Trustee) as having been determined through the use of fair values. Fair value is determined through the use of quoted market values for the underlying investments. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

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(c) Contribution Refund

Refunds payable to participants at December 31, 2001 and 2000 were \$47,953 and \$2,017, respectively. These refunds were due to excess contributions, which were refunded to participants in 2002 for the year ended December 31, 2001 and in 2001 for the year ended December 31, 2000.

(d) Payment of Benefits

Benefits are recorded when paid. On termination of service, a participant will become eligible to receive a lump-sum amount equal to the value of his or her vested account balance.

(e) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and changes therein and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(f) Reclassification

Certain reclassifications have been made to the 2000 information to conform to the 2001 presentation. These reclassifications had no impact on net assets or the change in net assets as previously reported.

(3) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100 percent vested in their accounts.

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WORLD ACCEPTANCE CORPORATION
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2001 and 2000

(4) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated November 12, 1993, that the Plan is qualified and the trust established under the Plan is tax-exempt under the appropriate sections of the Internal Revenue Code (the "Code"). The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Code, and believes that the Plan continues to qualify and to operate as designed.

(5) Investments

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A participant may direct employee contributions in 1% increments in a variety of investment options.

Participants may make changes in their investment elections at any time. Participants may change their deferral percentage no more than twice annually.

Investments at December 31, 2001 and 2000 greater than 5% of net assets are as follows:

	2001	2000
	-----	-----
AIM International Equity Fund	\$ 470,350	444,200
Alliance Premier Growth Fund	1,004,233	1,282,365
Franklin Balance Sheet Investment Fund	631,595	312,535
Franklin Short-Interim U.S. Government Fund	708,453	*
Investment Company of America	466,213	*
Oppenheimer Capital Appreciation Fund	509,533	577,305
PaineWebber Growth and Income	*	434,733
PaineWebber Investment Grade Income	*	662,198
PaineWebber Stable Value GIC	1,004,162	893,464
Pimco Mid Cap	405,669	484,555
USB Tactical Allocation Fund	454,752	342,887
World Acceptance Corp. Common Stock	660,367	424,995

* Less than 5% of net assets.

(6) Related Party Transactions

Several of the Plan's investments are issued by PaineWebber Trust Company, therefore these transactions qualify as party-in-interest transactions. Investments in Riggs Bank, the Custodian of PaineWebber Trust Company, and in World Acceptance Corporation also qualify as party-in-interest transactions.

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WORLD ACCEPTANCE CORPORATION RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2001 and 2000

(7) Plan Amendment

On December 21, 2001, the Plan executed an Amendment effective August 28, 2001, except as otherwise noted in the Amendment. This Amendment adopted changes related to the Economic Growth and Tax Relief Reconciliation Act of 2001. These changes will affect participants of the Plan as of January 1, 2002.

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Schedule 1

WORLD ACCEPTANCE CORPORATION
RETIREMENT SAVINGS PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2001

(a) Party in- interest	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value
	Money Market Funds	
*	Riggs	Prime Money Market Fund
	Mutual Funds	
	AIM	International Equity Fund
	Alliance	Premier Growth Fund
	American	Bond Fund of America
	American	Investment Co. of America
	Franklin	Balance Sheet Investment Fund
	Franklin	Short-Interim U.S. Govt. Fund
	Oppenheimer	Capital Appreciation Fund
*	PaineWebber	Stable Value GIC
*	PIMCO	Mid Cap Growth Fund
*	USB	Tactical Allocation Fund
	Common Stock	
*	World Acceptance Corporation	Common stock, no par value

* Indicates party-in-interest to the Plan.

** Cost information has not been included in column (d) because all investments are participant directed.

See accompanying independent auditors' report.

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the World Acceptance Corporation Retirement Savings Plan Advisory Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

WORLD ACCEPTANCE CORPORATION
RETIREMENT SAVINGS PLAN

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By: World Acceptance Corporation Retirement
Savings Plan Advisory Committee

Date: July 10, 2002

By: /s/ Charles D. Walters

Charles D. Walters, Committee Member

By: /s/ A. Alexander McLean

A. Alexander McLean, III, Committee
Member

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EXHIBIT INDEX

Exhibit No.

Document

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Consent of KPMG LLP

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