

TEAM FINANCIAL INC /KS  
Form 10-Q  
November 13, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2006

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 000-26335

**TEAM FINANCIAL, INC.**

(Exact name of registrant as specified in its charter)

**KANSAS**

(State or other jurisdiction  
of incorporation or organization)

**48-1017164**

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

**8 West Peoria, Suite 200, Paola, Kansas 66071**

(Address of principal executive offices) (Zip Code)

Registrant's telephone, including area code: **(913) 294-9667**

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 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 large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

**APPLICABLE ONLY TO CORPORATE ISSUERS:**

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

There were 3,598,784 shares of the Registrant's common stock, no par value, outstanding as of November 10, 2006.

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**Part I.**                      **Financial Information**

<u>Item 1.</u>	<u>Financial Statements</u>  <u>Unaudited Consolidated Statements of Financial Condition as of September 30, 2006 and December 31, 2005</u>  <u>Unaudited Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2006 and 2005</u>  <u>Unaudited Consolidated Statements of Comprehensive Income for the Three and Nine Months Ended September 30, 2006 and 2005</u>  <u>Unaudited Consolidated Statements of Changes In Stockholders' Equity for the Nine Months Ended September 30, 2006</u>  <u>Unaudited Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2006 and 2005</u>  <u>Notes to Unaudited Consolidated Financial Statements</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis Of Financial Condition and Results of Operations</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosure About Market Risk</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>

**Part II.**                      **Other Information**

<u>Item 1.</u>	<u>Legal Proceedings</u>
<u>Item 1.a</u>	<u>Risk Factors</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
<u>Item 3.</u>	<u>Default upon Senior Securities</u>
<u>Item 4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>
<u>Item 5.</u>	<u>Other Information</u>
<u>Item 6.</u>	<u>Exhibits</u>
<u>Signature Page</u>	
Exhibit 31.1	Certification of Chief Executive Officer Pursuant to Section 302 of Sarbanes- Oxley Act of 2002
Exhibit 31.2	Certification of Chief Financial Officer Pursuant to Section 302 of Sarbanes- Oxley Act of 2002
Exhibit 32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350
Exhibit 32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. 1350



## TEAM FINANCIAL, INC. AND SUBSIDIARIES

## Unaudited Consolidated Statements of Financial Condition

(In Thousands)

	September 30, 2006	December 31, 2005
<b>Assets</b>		
Cash and due from banks	\$ 12,956	\$ 14,592
Federal funds sold and interest bearing bank deposits	2,519	19,768
Cash and cash equivalents	15,475	34,360
Investment securities:		
Available for sale, at fair value (amortized cost of \$177,476 and \$183,719 at September 30, 2006 and December 31, 2005, respectively)	175,093	181,758
Other non-marketable securities (amortized cost of \$8,955 and \$8,669 at September 30, 2006 and December 31, 2005, respectively)	8,955	8,651
Total investment securities	184,048	190,409
Loans receivable, net of unearned fees	468,562	420,181
Allowance for loan losses	(5,769 )	(5,424 )
Net loans receivable	462,793	414,757
Accrued interest receivable	5,583	4,607
Premises and equipment, net	16,489	16,359
Assets acquired through foreclosure	902	455
Goodwill	10,700	10,700
Intangible assets, net of accumulated amortization	2,792	3,223
Bank-owned life insurance policies	19,725	19,173
Other assets	1,774	2,486
Total assets	\$ 720,281	\$ 696,529
<b>Liabilities and Stockholders Equity</b>		
Deposits:		
Checking deposits	\$ 168,269	\$ 186,791
Savings deposits	30,382	31,944
Money market deposits	60,207	46,465
Certificates of deposit	272,649	242,678
Total deposits	531,507	507,878
Federal funds purchased and securities sold under agreements to repurchase	4,172	4,036
Federal Home Loan Bank advances	108,090	111,131
Notes payable	192	202
Subordinated debentures	22,681	16,005
Accrued expenses and other liabilities	5,657	3,928
Total liabilities	672,299	643,180
Stockholders Equity:		
Preferred stock, no par value, 10,000,000 shares authorized; no shares issued		
Common stock, no par value, 50,000,000 shares authorized; 4,501,516 and 4,499,470 shares issued; 3,598,784 and	27,901	27,880

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4,034,995 shares outstanding at September 30, 2006 and December 31, 2005, respectively

Capital surplus	588	417
Retained earnings	32,710	30,941
Treasury stock, 902,732 and 464,475 shares of common stock at cost at September 30, 2006, and December 31, 2005, respectively	(11,645 )	(4,583 )
Accumulated other comprehensive loss	(1,572 )	(1,306 )

Cash and cash equivalents at beginning of period	140,112	74,009
Cash and cash equivalents at end of period	\$ 49,510	\$ 127,640

**Supplemental disclosure of cash flow information:**

Interest paid	\$ 5,220	\$ 5,221
Income taxes paid	\$ 55,874	\$ 50,019

- 5 -

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