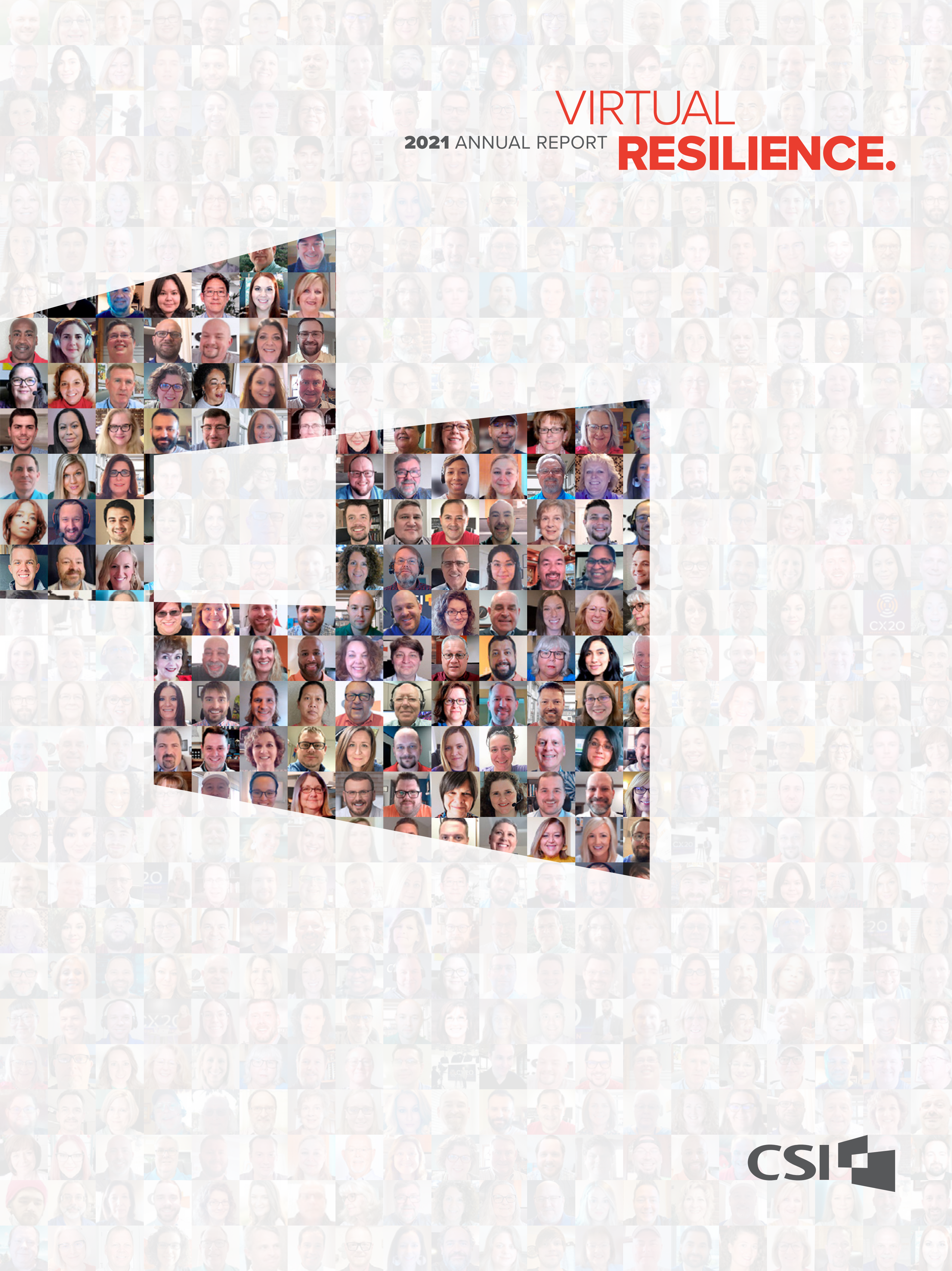
VIRTUAL RESILIENCE.

2021 ANNUAL REPORT



CSI

VIRTUAL **RESILIENCE.**

Fiscal Year 2021 was a year unlike any we've ever seen, and with hope, we'll never see again. The strains the pandemic placed on the financial and regulatory industries, the U.S. economy and indeed, humanity, seemed insurmountable for many.

Yet, through it all, CSI exhibited steadfast resilience, taking on every challenge thrown our way, and—virtually—turning it on its head. In the end, Fiscal Year 2021 closed out as the best sales year in our 56-year history.

We achieved this success the honest way. Our long-established business continuity plans, and business model, laid the pivotal groundwork that has allowed us, more than once, to face adversity without missing a beat.

So, when the pandemic hit, we quickly learned to thrive in a virtual environment, and over the course of the year, completed 32 bank mergers and conversions, 26 of which were done 100 percent remotely.

And we held countless other virtual activities, including prospect visits, sales meetings, CSI Board of Directors meetings and our first-ever virtual customer conference, which—attendees told us—set a new standard for virtual events.

We also accelerated enhancements to our digital offerings to ensure our customers could readily support their clients—empowering a successful push through this most difficult period.

Perhaps most importantly, this would not have been possible without the resilience of our incredible teams across CSI, which displayed unwavering strength, and seamlessly adapted to the virtual world and remote work. Many team members grace this report's cover.

Now, more than ever, CSI demonstrates the virtual resilience necessary to continue our growth trajectory, achieve our long-term goals and provide shareholders with solid financial results.

2021 **ANNUAL REPORT**

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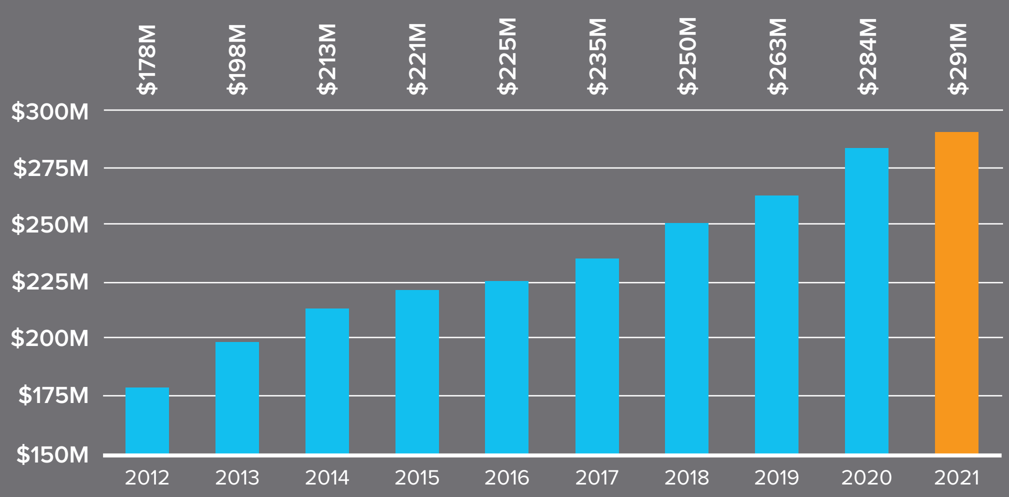
Financial Highlights

Years Ended February 28 and 29,	2021	2020	2019	% Change 2021	% Change 2020
Revenues	$ 291,337	$ 284,225	$ 263,345	2.5%	7.9%
Net income	$ 55,404	$ 52,846	$ 47,027	4.8%	12.4%
Earnings per common share	$ 2.01	$ 1.91	$ 1.69	5.2%	13.0%
Net cash provided by operating activities	$ 61,856	$ 59,375	$ 55,321	4.2%	7.3%
Capital expenditures, net	$ 24,977	$ 20,829	$ 18,165	19.9%	14.7%
Share repurchases and redemptions	$ 8,623	$ 4,440	$ 7,215	94.2%	(38.5)%
Cash dividends paid on common stock[1]	$ 53,004	$ 21,600	$ 18,650	145.4%	15.8%
Per share of common stock[1]	$ 1.92	$ 0.78	$ 0.67	146.2%	16.4%
Return on average shareholders' equity	22.4%	22.3%	22.8%		

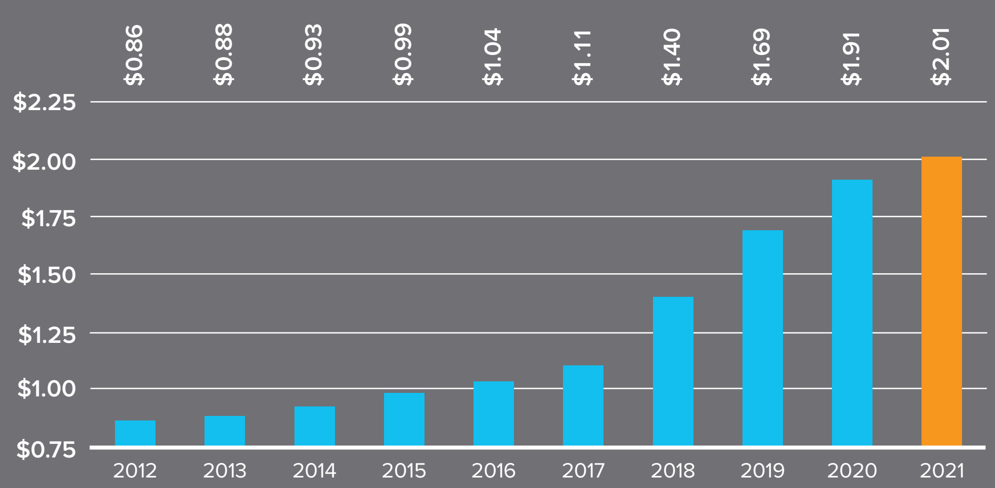
[1] Includes special cash dividend of $1.00 per share paid on December 30, 2020.

As of February 28 and 29,	2021	2020	2019	% Change 2021	% Change 2020
Total debt	$ –	$ –	$ –	– %	– %
Debt to total capitalization	– %	– %	– %		
Common shares outstanding	27,565,001	27,654,865	27,692,736	(0.3)%	(0.1)%
Stock price per common share	$ 60.00	$ 52.00	$ 29.00	15.4%	79.3%
Market capitalization	$ 1,653,900	$ 1,438,053	$ 803,089	15.0%	79.1%
Employees	1,268	1,209	1,176	5.0%	2.8%

All figures displayed in thousands, except share, per share and employee data.



Revenue
CAGR* – 5.9%



Earnings Per Share
CAGR* – 9.5%

* Compound Annual Growth Rate

Dear Shareholders,

CSI reported record results in fiscal 2021, marking our 21st consecutive year of revenue growth and our 24th consecutive year of earnings growth. In addition, our Board of Directors raised the cash dividend paid during fiscal 2021, marking our 49th consecutive year of increased dividends paid to CSI shareholders. We are very proud of our accomplishments, particularly considering the economic and operating challenges arising from the COVID-19 pandemic during fiscal 2021.

Our fiscal year began in March 2020 as the pandemic was declared, at which time we quickly implemented our business continuity plans and transitioned our teams to working remotely with no delays or disruption in service. We seamlessly pivoted to virtual meetings, virtual sales and virtual account conversions, a first in CSI's history. We also held our first virtual customer conference, which garnered the highest attendance ever for our annual, industry-leading event. Ultimately, the lockdown environment served as a catalyst to accelerate our digital transformation, which will shape products and services going forward.

In addition, while many companies were forced to lay off staff during the pandemic, CSI hired more employees to handle the record sales of new core customers and the increased demand for our products, including our advanced digital banking solutions.

Record Financial Results Top 56-Year History

Revenues for fiscal 2021 rose 2.5% to a record $291.3 million. Our growth benefited from the high percentage of revenues generated from long-term contracts and high customer renewal rates. We also experienced a record year for cross-sales, highlighting the demand for our solutions as well as our sales team's ability to meet customer demands during the pandemic.

CSI had its best sales year in the company's 56 years of operations. We signed 26 new banks during fiscal 2021 to our Enterprise Banking Group, with an average contract term of more than nine years. Our Business Solutions Group saw sales increase 31% year-over-year by increasing product penetration with existing customers and broadening our reach into new verticals.

Chairman and Chief Executive Officer Steve Powless

$291.3 million
revenues

up 2.5% from fiscal 2020

$55.4 million
net income

up 4.8% from fiscal 2020

Our operating income rose 11.1% to $72.5 million and benefited from higher margins due to an improved sales mix and lower operating expenses attributable to pandemic-related travel restrictions. Net income was a record $55.4 million, which was an increase of 4.8% compared with the prior fiscal year. Further, earning per share (EPS) grew 5.2% to $2.01 compared with the prior fiscal year.

Strong Cash Flows Fund New Services and Build Shareholder Returns

CSI's cash flow from operations remained very strong during fiscal 2021, allowing us to continue investing in new infrastructure, product development and software and hardware to support our future growth. We also increased our cash returned to shareholders with higher cash dividend payments and stock repurchases compared with fiscal 2020.

We invested $24.9 million in property, equipment and software during fiscal 2021, up 19.9% from fiscal 2020. We increased our cash dividend payments by 145.4% to $53.0 million, and stock repurchases were up 94.2% to $8.6 million in fiscal 2021 compared with fiscal 2020.

Our Board of Directors authorized a 19.1% increase in our quarterly cash dividend to $0.25 per share, effective with the September 2020 dividend. They also authorized a special $1.00 per share cash dividend that was paid to shareholders in December 2020. In addition, the Board extended the stock repurchase authorization by an additional $10 million in December 2020, highlighting their confidence in CSI's future.

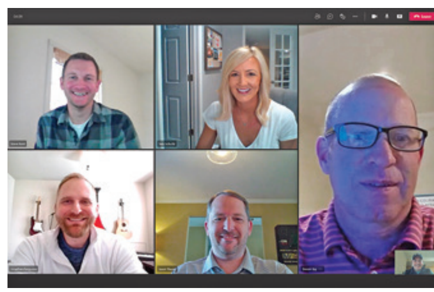
CSI President and Chief Operating Officer David Culbertson

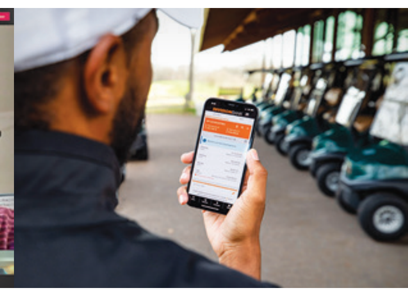
$72.5 million operating income

up 11.1% from fiscal 2020

Charge 2025 – CSI's Strategic Initiative for the Future Increases Opportunities for Growth

CSI has a long tradition of investing in our people, processes and infrastructure to deliver the products and services our customers need to grow and manage their businesses, while also reinforcing our continued growth opportunities. We launched a strategic growth initiative in 2010-2011, establishing the framework that ramped up CSI's national sales efforts and product development programs—which strengthened our core banking business and expanded our base of fintech services. We also added to our sales and marketing teams, which successfully expanded our geographic reach. These new markets have accounted for approximately two-thirds of our revenue growth since that time.





Last year, we made organizational changes to focus our management and financial resources on our key lines of business: CSI's Enterprise Banking Group (EBG) and Business Solutions Group (BSG). We named two Group Presidents to lead these business segments—Giovanni Mastronardi for EBG and Kurt Guenther for BSG—and aligned our sales and marketing efforts to support their teams. They each have significant experience in the fintech industry in guiding product strategy, enhancing customer experiences and driving new sales for CSI's banking and business solutions.

From left, Enterprise Banking Group President Giovanni Mastronardi and Business Solutions Group President Kurt Guenther

In addition, David Culbertson, CSI's President and Chief Operating Officer, was named to our Board of Directors in September 2020. He has more than 31 years of leadership at CSI. He was named COO in April 2017, President in June 2018 and will be named CEO in July 2021. At that time, I will move to a new role as Executive Chairman as part of our transition plan. In July 2022, I will step down as Executive Chairman while continuing as Chairman of the Board. David is well known and respected by employees, customers, prospects and industry leaders, and he embraces a vision for CSI's future that we believe will ensure our ongoing success.

CSI is fortunate to maintain a very strong balance sheet with no long-term debt and excellent cash flows to fund our ongoing initiatives. We have the cash and debt capacity to make strategic investments in our infrastructure, as well as scalable strategic acquisitions to continuously build long-term shareholder value. We have planned significant investments for fiscal 2022, including the completion of a multi-year upgrade in our payments processing platform, enhanced IT solutions to build on our robust security infrastructure and continued investments in the people and structure of our Business Solutions Group to drive higher sales.

We remain very positive about CSI's future and continue to make the investments in our team, products and services to enhance our growth opportunities. We also have engaged a fintech industry consultant to assist CSI in identifying future opportunities for growth, including adjacent fintech markets, acquisition targets and areas to leverage our core competencies. Our current strategic initiative program, Charge 2025, is focused on developing a future-ready workforce, making every customer interaction exceptional, accelerating transformational opportunities and raising the visibility of CSI as an innovative fintech organization. We believe we have excellent opportunities to diversify and expand our revenue base through this initiative.

We expect CSI's opportunities for growth to expand as the pandemic subsides. We believe our focus on long-term growth, rather than quarter-to-quarter management of earnings, will be an important part of building future shareholder value. We look forward to reporting on CSI's progress in fiscal 2022.

Steven A. Powless
Chairman and CEO

Management's Discussion and Analysis

of Financial Condition and Results of Operations

(in thousands, except share and per share data)

The following discussion and analysis provides information that management believes is relevant to an understanding of the Company's results of operations and financial condition. The discussion should be read in conjunction with the audited consolidated financial statements and notes thereto included elsewhere in this Annual Report.

FORWARD-LOOKING STATEMENTS

All statements except historical statements contained herein constitute "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. This annual report, quarterly reports and other written and oral statements that we make from time to time contain such forward-looking statements that may anticipate results based on management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" and words and terms of similar substance in connection with any discussion of future operating or financial performance. Nonetheless, all statements except historical statements contained herein constitute "forward-looking statements." Forward-looking statements are inherently uncertain and are based only on current expectations and assumptions that are subject to future developments that may cause results to differ materially.

Readers should carefully consider: (i) economic, competitive, technological and governmental factors affecting CSI's operations, customers, markets, services, products and prices; (ii) risk factors affecting the financial services information technology industry generally including, but not limited to, cybersecurity risks that may result in increased costs to CSI to protect against the risks, as well as liability or reputational damage to CSI in the event of a breach or suspected breach of our security; (iii) risk factors affecting the United States economy generally including without limitation acts of terrorism, military actions including war, and viral epidemics and pandemics that alter human behaviors, including the COVID-19 pandemic and its effect on our business operations and financial results; (iv) increasing domestic and international regulation imposing burdensome requirements regarding the privacy of consumer data especially consumer financial transaction data of which CSI possesses substantial quantities; and (v) other factors discussed in CSI's Annual Reports, Quarterly Reports, Information and Disclosure Statements, News Releases, and other documents posted from time to time on the OTCQX website (www.otcmarkets.com), including without limitation, the description of the nature of CSI's business and its management discussion and analysis of financial condition and results of operations for reported periods.

Except as required by law or OTC Markets Group, Inc., CSI undertakes no obligation to update, and is not responsible for updating, the information contained or incorporated by reference in this document beyond the publication date, whether as a result of new information or future events, or to conform this document to actual results or changes in CSI's expectations, or for changes made to this document by wire services or Internet services or otherwise.

OVERVIEW

Our Business. We provide service and information technology solutions to meet the business needs of financial institutions and corporate entities, predominantly, in both service bureau and in-house environments. Our customer mix includes community and regional banks, multi-bank holding companies and global technology, logistics and insurance organizations, as well as a variety of other business enterprises, each with a unique set of information, technology and service requirements.

We derive our revenues from: core bank processing services, maintenance, and support fees; software licensing and installation fees; professional services; and equipment and supply sales. In addition to core bank processing, our integrated banking solutions include: digital banking; payments solutions; cybersecurity and IT Infrastructure solutions; check imaging; cash management; branch and merchant capture; print and mail and electronic document distribution services; corporate intranets; Board portals; secure Web hosting; e-messaging; teller and platform services; ATM and debit card service and support; and compliance software and services for regulatory compliance, homeland security, anti-money laundering, anti-terrorism financing and fraud prevention.

Acquisitions. Our business strategy may include the acquisition from time-to-time of complementary businesses. Acquisitions may be financed by internally generated funds, debt, common stock or a combination of these. Our consolidated financial statements and results of operations reflect the acquired business after the completion of the acquisition and are not restated. We account for acquired businesses using the acquisition method of accounting which requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill.

Market Conditions. We believe that financial institutions are increasingly focused on technology solutions that can help them win and retain customers, generate incremental revenue, enhance their operating efficiencies and comply with increasing regulatory burdens.

Legislation, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Financial Choice Act of 2017 and the Economic Growth, Regulatory Relief and Consumer Protection Act of 2018, now supplemented by the 2020 legislative response to the COVID-19 pandemic, including the Coronavirus Aid, Relief and Security (CARES) Act, as well as changes in the financial industry have resulted and will continue to result in constantly changing regulations impacting the financial and financial technology industries. We cannot predict the ultimate effect of the COVID-19 pandemic, legislation, regulations and industry changes on our customers or our Company.

Historically, merger and acquisition activity among community banks has varied markedly from time to time. We expect some disruption of past patterns as the nation continues to adjust to the COVID-19 pandemic. Our bank customers have been active in the merger and acquisition market, resulting in both increased revenues as our customers acquire other banks and early contract termination fees as customers are acquired by non-CSI customer banks. However, the early termination fees do not fully offset the future stream of lost revenues from the terminating banks.

COVID-19 Pandemic. In March 2020, the World Health Organization formally recognized that a novel strain of coronavirus, COVID-19, had reached pandemic levels in the United States. In response, the United States federal government, as well as states and cities, have taken actions to prevent the spread of COVID-19 such as imposing travel restrictions and bans, quarantines, social distancing guidelines, shelter-in-place or lock-down orders and other similar limitations. Accordingly, the COVID-19 pandemic has adversely impacted economic activity in many business sectors and has contributed to significant volatility in financial markets during fiscal 2021.

Our operating performance is subject to economic and market conditions, including COVID-19, as well as their impacts on levels of consumer spending. As a result of the COVID-19 pandemic and the related decline in economic activity, we experienced a decline in payments volume and transactions that negatively impacted both of our operating segments' transaction-based fees. Most payment transaction volumes began to recover in the second quarter of fiscal 2021 and continued to improve into the fourth quarter of fiscal 2021. Despite the impacts on broad economic activity and our operating circumstances caused by COVID-19, the overall impact on our ability to deliver our services has been manageable and our balance sheet, liquidity, earnings, cash flow and sales results remain strong, in part due to reduced travel and other expenses for activities of necessity curtailed during the pandemic.

In response to the onset of the COVID-19 pandemic, we have taken several actions to protect the health and safety of our employees while maintaining business continuity. These actions include, among others: requiring a majority of our employees to work remotely; limiting or suspending non-essential travel; suspending all non-essential visitors to our facilities; disinfecting facilities and workspaces extensively and frequently; providing personal protective equipment; and requiring employees who must be present at our facilities to adhere to a variety of safety protocols. In addition, we have implemented various measures to support our employees who are working remotely while balancing additional personal responsibilities and priorities created by the pandemic and governmental responses. We have also provided increased pay for certain employees involved in critical infrastructure who cannot work remotely. We expect to continue such safety measures for the foreseeable future and may take further actions, or adapt these existing policies, as government authorities may require or recommend, or as we may determine to be in the best interest of our employees, customers and vendors.

We will continue to monitor and assess developments related to COVID-19 and implement appropriate actions to minimize the risk to our operations of any material adverse developments. Ultimately, the extent of the impact of the COVID-19 pandemic on our future operational and financial performance will depend on, among other matters, the duration and intensity of the pandemic; governmental and private sector responses to the pandemic and the impact of such responses on us, including the availability and administration of COVID-19 vaccines; and the continuing impact of the pandemic on our employees, customers, vendors, operations and sales, including any such impacts that result from recessionary or suppressive forces within the broader economy. All of these factors are inherently uncertain and cannot be predicted.

RESULTS OF OPERATIONS

The following table presents the percentage of revenues represented by each item in our consolidated statements of income and the percentage change in those items for the periods indicated:

	Percentage of Revenues			Percentage Change	
YEARS ENDED FEBRUARY 28 AND 29,	**2021**	2020	2019	**2021**	2020
Revenues	**100.0 %**	100.0 %	100.0 %	**2.5 %**	7.9 %
Operating expenses	**75.1**	77.0	79.0	**(0.1)**	5.2
Operating income	**24.9**	23.0	21.0	**11.1**	18.0
Non-operating income	**0.0**	0.0	1.6	**(35.1)**	(98.6)
Interest income, net	**0.2**	0.5	0.3	**(67.2)**	69.7
Income before income taxes	**25.1**	23.5	22.9	**9.5**	10.8
Provision for income taxes	**6.0**	4.9	5.0	**27.1**	5.1
Net income	**19.0 %**	18.6 %	17.9 %	**4.8 %**	12.4 %

** Percentages may not total to 100 due to rounding*

FISCAL 2021 COMPARED WITH FISCAL 2020

Revenues. Total revenues increased $7,112, or 2.5%, to $291,337 in fiscal 2021 compared with $284,225 in fiscal 2020. The growth in revenues was primarily driven by:

- growth in digital banking;
- growth in homeland security and fraud prevention services;
- slight increases in payments transaction volumes from existing customers, despite suppression resulting from the general decline in economic activity as a result of the COVID-19 pandemic;
- the addition of new customers; and
- cross-sales to existing customers;

partially offset by:

- lower contract termination fees in fiscal 2021 compared with fiscal 2020;
- a decrease in third-party hardware and software sales resulting from the effects of the COVID-19 pandemic; and
- the effect of departed business during fiscal 2021 and 2020.

Revenues included early contract termination fees of $5,768 in fiscal 2021 compared with $8,471 in fiscal 2020. These fees are generated when a customer terminates its contract prior to the end of the contracted term, a circumstance that typically arises when an existing CSI customer is acquired by another financial institution that is not a CSI customer. These fees can vary significantly from period to period based on the number and size of customers that are acquired and how early in the contract term a customer is acquired. Excluding the effect of the early contract termination fees from both periods, revenues increased $9,815, or 3.6%, for fiscal 2021 compared with fiscal 2020.

Operating Expenses. Operating expenses were 0.1% lower in fiscal 2021 compared with fiscal 2020 primarily due to:

- lower travel and marketing expenses due to COVID-19 restrictions; and
- lower cost of goods sold from lower sales of third-party hardware and software;

mostly offset by:

- higher software amortization, new capital investments, and higher software and hardware maintenance expenses due to new capital investments placed into service during the trailing twelve-month period;
- higher cost of goods sold in network services as well as higher costs of good sold on higher digital banking revenues and on other higher revenues;
- higher employee-related expenses in fiscal 2021 compared with fiscal 2020 due to:
    - higher staffing;
    - the effect of typical annual salary adjustments;
    - higher commissions;
    - higher health insurance expense;
    - special COVID-19 pandemic related employee incentives;
    - partially offset by lower profit-sharing plan contribution expenses; and
- higher occupancy related expenses.

Operating Income. Operating income increased $7,236, or 11.1%, in fiscal 2021 compared with fiscal 2020. Operating margin improved to 24.9% in fiscal 2021 compared with 23.0% in fiscal 2020.

Non-Operating Income. The Company generated $37 in non-operating income during fiscal 2021 compared with $57 in non-operating income during fiscal 2020. Both fiscal years' non-operating income was due to the sale of an investment that generated $5,593 in initial consideration received during fiscal 2019 and a remaining $1,050 in consideration received during fiscal 2020.

Interest Income, net. Consolidated net interest income was $443 in fiscal 2021 compared with $1,351 in fiscal 2020, primarily due to lower interest rates earned on invested cash balances partially offset by higher average invested cash balances.

Income Before Income Taxes. Income before income taxes increased $6,308, or 9.5%, for fiscal 2021 compared with fiscal 2020.

Provision for Income Taxes. The provision for income taxes increased to $17,588 in fiscal 2021 compared with $13,838 in fiscal 2020 due to higher taxable income and a higher effective tax rate in fiscal 2021 compared with fiscal 2020.

The consolidated effective income tax rate was 24.10% in fiscal 2021 and 20.75% in fiscal 2020. The increase in the effective rate was due primarily to the timing of the recognition of certain deductions and credits taken in both fiscal years and changes in the Company's estimation of potential future exposure related to certain ongoing federal and state tax audits.

Net Income. Net income increased 4.8% to $55,404 in fiscal 2021 from $52,846 in fiscal 2020. Earnings per share increased 5.2% to $2.01 in fiscal 2021 from $1.91 in fiscal 2020. The growth rate in earnings per share exceeded the growth rate in net income due to earnings per share rounding and 0.2% net fewer weighted average shares outstanding for fiscal 2021 as a result of shares purchased during fiscal 2021 and fiscal 2020 under the Company's share repurchase programs.

REPORTABLE SEGMENT DISCUSSION

The Company is a leading provider of financial, regulatory compliance and information technology solutions and services to financial institutions and other corporate entities. Beginning with the first quarter of fiscal 2021, the Company reorganized into two reportable operating segments, as follows:

Enterprise Banking Group ("EBG") comprises our core bank processing services including payments solutions as well as our integrated banking solutions for mobile and Internet banking.

Business Solutions Group ("BSG") comprises document solutions including check imaging, branch and merchant capture, print and mail and electronic document delivery services; managed services including network management, cloud-based managed services, corporate intranets, telecommunications services, secure remote working connectivity, secure Web hosting, Board portals, e-messaging, software licensing and installation fees, professional services, equipment and supply sales, and maintenance and support fees; and regulatory compliance services including compliance software, homeland security, anti-money laundering, anti-terrorism financing, and fraud prevention.

The Company's two reportable business segments are managed and reported upon separately based on fundamental differences in their operations. The Company evaluates the performance of its segments based on the contributions to operating income of the respective segments and allocates resources to them based on various factors, including product development and innovation focus, market conditions, emerging technologies, competition, and others. Only revenue and costs of revenue are considered in the evaluation for each segment. Operating expenses that are not directly attributable to one of the two reportable segments are presented in the aggregate at the consolidated Company level.

EBG

Years ended February 28 and 29,	2021	2020	% Change
Revenues	$ 178,903	$ 171,896	4.1%
Cost of revenue	92,774	93,577	-0.9%
Segment income	$ 86,129	$ 78,319	10.0%

EBG revenues increased $7,007, or 4.1%, for fiscal 2021 compared with fiscal 2020. Revenue growth was driven by increased revenue from new and existing customers including increased demand for the segment's digital banking solutions as banks accelerated their online support of customers due to the COVID-19 pandemic. Moreover, during the second half of fiscal 2021, the Company benefited from recovery in payments processing transaction volumes that were down in the first half of fiscal 2021 due to the effects of the COVID-19 pandemic, resulting in payments processing revenue growth compared with fiscal 2020. EBG cost of revenue decreased $803, or 0.9%, for fiscal 2021 compared with fiscal 2020 primarily related to lower travel expenses as a result of COVID-19 restrictions, partially offset by higher costs of goods sold on higher related revenues in digital banking. EBG operating income increased $7,810, or 10.0%, for fiscal 2021 compared with fiscal 2020.

BSG

Years ended February 28 and 29,	2021	2020	% Change
Revenues	$ 112,434	$ 112,329	0.1%
Cost of revenue	74,296	76,076	-2.3%
Segment income	$ 38,138	$ 36,253	5.2%

BSG revenues increased 0.1% for fiscal 2021 compared with fiscal 2020. The revenue change was primarily driven by increased document delivery and regulatory compliance revenues, partially offset by decreases in sales of third-party hardware and software, a decrease in network services, and migration from item capture (paper) transactions to digital banking transactions as a result of COVID-19 pandemic-related economic conditions. BSG cost of revenue decreased by $1,780, or 2.3%, for fiscal 2021 compared with fiscal 2020 primarily related to lower cost of goods sold on lower related revenues from resold third-party hardware and software products. BSG operating income increased by $1,885, or 5.2%, for fiscal 2021 compared with fiscal 2020.

FISCAL 2020 COMPARED WITH FISCAL 2019

Revenues. Total revenues increased $20,880, or 7.9%, to $284,225 in fiscal 2020 compared with $263,345 in fiscal 2019. The growth in revenues was primarily driven by:

- the addition of new customers;
- cross-sales to existing customers;
- increases in transaction volumes from existing customers;
- growth in mobile and Internet banking;
- growth in homeland security and fraud prevention services; and
- an increase in third-party software, hardware, and maintenance revenue;

partially offset by:

- the effect of departed business during fiscal 2020 and 2019.

Revenues included early contract termination fees of $8,471 in fiscal 2020 compared with $10,751 in fiscal 2019. These fees are generated when a customer terminates its contract prior to the end of the contracted term, a circumstance that typically arises when an existing CSI customer is acquired by another financial institution that is not a CSI customer. These fees can vary significantly from period to period based on the number and size of customers that are acquired and how early in the contract term a customer is acquired. Excluding the effect of the early contract termination fees from both periods, revenues increased $23,160, or 9.2%, for fiscal 2020 compared with fiscal 2019.

Operating Expenses. Operating expenses increased $10,911, or 5.2%, in fiscal 2020 compared with fiscal 2019. The increase in operating expenses was primarily due to:

- higher cost of goods sold on higher payments processing revenue and third-party software, hardware, and maintenance contract sales, as well as other revenues;
- higher employee-related expenses in fiscal 2020 compared with fiscal 2019 due to:
  - higher staffing;
  - the effect of typical annual salary adjustments;
  - higher profit-sharing plan contribution expenses due to higher adjusted earnings growth during fiscal 2020; and
- higher software amortization, hardware depreciation and software and hardware maintenance expenses due to new capital investments placed into service during the trailing twelve-month period;

partially offset by:

- a $1.2 million one-time operating charge during fiscal 2019 related to payments processing business transaction accounts; and
- $3.0 million in one-time compensation expenses during fiscal 2019 related to the gain on the sale of an investment and the retirement of Company executives.

Operating Income. Operating income increased $9,969, or 18.0%, in fiscal 2020 compared with fiscal 2019. Operating margin improved to 23.0% in fiscal 2020 compared with 21.0% in fiscal 2019.

Non-Operating Income. The Company generated $57 in non-operating income during fiscal 2020 compared with $4,093 in non-operating income during fiscal 2019. Both fiscal years' non-operating income was due to the sale of an investment that generated $5,593 in initial consideration received during fiscal 2019 and a remaining $1,050 in consideration received during fiscal 2020.

Interest Income, net. Consolidated net interest income was $1,351 in fiscal 2020 compared with $796 in fiscal 2019, primarily due to higher interest rates earned on cash balances and higher average invested cash balances.

Income Before Income Taxes. Income before income taxes increased $6,488, or 10.8%, for fiscal 2020 compared with fiscal 2019.

Provision for Income Taxes. The provision for income taxes increased to $13,838 in fiscal 2020 compared with $13,169 in fiscal 2019 due to higher taxable income in fiscal 2020 compared with fiscal 2019, partially offset by a lower effective tax rate in fiscal 2020 compared with fiscal 2019.

The consolidated effective income tax rate was 20.75% in fiscal 2020 and 21.88% in fiscal 2019. The decrease in the effective rate was due primarily to the magnitude of certain deductions and credits taken in each fiscal year and a reduction in the company's estimation of potential future exposure related to certain ongoing federal and state tax audits.

Net Income. Net income increased 12.4% to $52,846 in fiscal 2020 from $47,027 in fiscal 2019. Earnings per share increased 13.0% to $1.91 in fiscal 2020 from $1.69 in fiscal 2019. The growth rate in earnings per share exceeded the growth rate in net income due to 0.5% net fewer weighted average shares outstanding for fiscal 2020 as a result of shares purchased during fiscal 2020 and fiscal 2019 under the Company's share repurchase programs.

LIQUIDITY AND CAPITAL RESOURCES

FINANCIAL ASSET POSITION

Years ended February 28 and 29,	**2021**	2020	2019
Financial assets *	**$ 45,398**	$ 70,109	$ 56,553
Short- and long-term debt	-	-	-
Net financial assets	**$ 45,398**	$ 70,109	$ 56,553

** Consists of cash and cash equivalents, short-term loans and investments, and long-term loans and investments.*

Financial Position. As of February 28, 2021, we had cash and cash equivalents of $45,398, working capital of $33,936 and a current ratio (current assets to current liabilities) of 1.4:1. As of February 29, 2020, we had cash and cash equivalents of $70,109, working capital of $64,156 and a current ratio of 1.8:1. The reduction in cash and cash equivalents from fiscal 2020 to fiscal 2021 was primarily due to the payment of the special cash dividend of $1.00 per share on December 30, 2020. As of February 28, 2019, we had cash and cash equivalents of $56,553, working capital of $57,590 and a current ratio of 2.0:1.

Cash Equivalents. Cash equivalents consist of highly liquid investments with maturities of 90 days or less. Whenever possible, cash management is centralized and intercompany financing is used to provide working capital to our operations.

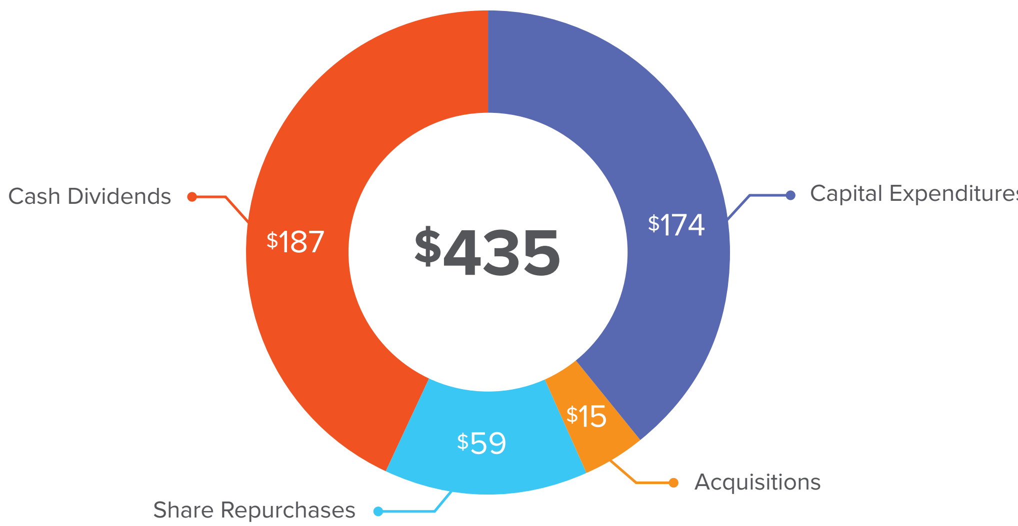
Debt Capacity. We have available lines of credit and revolving-credit agreements with multiple banks. As of February 28, 2021, we had access to $20,000 in lines of credit of which $5,000 expires within one year. Under these lines of credit, our lenders have committed to loan us up to $20,000 at our request, subject to our continued compliance with the terms and conditions of the agreements. No amounts were outstanding under these lines of credit as of February 28, 2021.

SUMMARY OF CASH FLOWS

Years ended February 28 and 29,	**2021**	2020	2019
Cash flows from (used in):			
Operating activities	**$ 61,856**	$ 59,375	$ 55,321
Investing activities	**(24,940)**	(19,779)	(13,564)
Financing activities	**(61,627)**	(26,040)	(25,865)
Net change in cash	**$ (24,711)**	$ 13,556	$ 15,892

PRIMARY USES OF CASH SINCE THE BEGINNING OF FISCAL 2012

(Millions)



Operating Activities. Net cash provided by operating activities was $61,856 for fiscal 2021, compared with $59,375 for fiscal 2020. The increase in net cash provided by operating activities was primarily attributable to higher current period net income.

Investing Activities. Net cash used in investing activities was $24,940 for fiscal 2021, compared with $19,779 for fiscal 2020. The increase in net cash used by investing activities was attributable to higher investments in software and software licenses, partially offset by a decrease in equipment purchases.

Financing Activities. Net cash used in financing activities was $61,627 for fiscal 2021, compared with $26,040 for fiscal 2020. The increase in net cash used by financing activities was primarily attributable to an increase of $31,404 in dividends paid to shareholders to $53,004 in fiscal 2021 compared with $21,600 in fiscal 2020, as well as an increase of $4,183 in common stock purchased and redeemed of $8,623 in fiscal 2021 compared with $4,440 in fiscal 2020.

CREDIT LINES

The Company renewed an unsecured bank credit line on April 15, 2020 that provides for funding of up to $15,000 and bears interest at a floating rate based on one-month LIBOR plus 0.90% (1.01% and 2.42% as of February 28, 2021 and February 29, 2020, respectively). The unsecured revolving credit agreement expires in January 2023. As of February 28, 2021, no amount was outstanding under the credit line.

The Company renewed an unsecured bank credit line on August 26, 2020 that provides for funding of up to $5,000 and bears interest at a floating rate equal to the prime rate minus 1.30% (1.95% and 3.45% as of February 28, 2021 and February 29, 2020, respectively). The credit line expires in August 2021. As of February 28, 2021, no amount was outstanding under the credit line.

The credit agreements contain customary restrictive and financial covenants as well as customary events of default. The terms of the credit agreements also include standard provisions related to conditions of borrowing, including customary material adverse effect clauses which could limit our ability to borrow funds. We have not experienced a material adverse effect, and we know of no circumstances or events that would be reasonably likely to result in a material adverse effect. At this time, we do not believe the material adverse effect clauses pose a material funding risk to us.

We believe our cash balances, operating cash flows, access to debt and equity financing and borrowing capacity, taken together, provide adequate resources to fund our ongoing liquidity requirements; to fund future expansion opportunities, capital expenditures and share repurchases; and to refinance debt, if any, as it matures. We believe that our liquidity resources will remain adequate despite the COVID-19 pandemic.

REPURCHASE OF COMMON STOCK

The Board of Directors has authorized the Company to repurchase shares of its common stock. Under this authorization, the Company may finance its share repurchases with available cash reserves or borrowings under its existing credit facilities. The primary share repurchase program does not include specific price targets or timetables and may be suspended at any time. The program is conducted on a continuous basis (subject to securities law restrictions) with rolling fund authorizations but, for completeness of presentation, the following descriptions of program activity track discrete fund authorizations through complete utilization of the funds.

In April 2017, the Board of Directors authorized a $10,000 increase in the share repurchase program. During fiscal 2018, we purchased 78,678 shares under the April 2017 authorization at an average price of $23.03 per share. During fiscal 2019, we purchased 267,346 shares under the April 2017 authorization at an average price of $25.38 per share. During fiscal 2020, we purchased 43,872 shares under the April 2017 authorization at an average price of $32.00 per share. In total, under the April 2017 authorization, we purchased 389,896 shares at an average price of $25.64.

In April 2019, the Board of Directors authorized a $10,000 increase in the share repurchase program. During fiscal 2020, we purchased 58,334 shares under the April 2019 authorization at an average price of $42.71. During fiscal 2021, we purchased 133,839 shares under the April 2019 authorization at an average price of $56.10. In total, under the April 2019 authorization, we purchased 192,173 shares at an average price of $52.04.

In December 2020, the Board of Directors authorized a $10,000 increase in the share repurchase program. During fiscal 2021, we purchased 5,108 shares under the December 2020 authorization at an average price of $60.75. As of February 28, 2021, $9,690 remained available pursuant to the December 2020 authorization for share repurchases.

A summary of common stock purchases under our share repurchase programs follows:

	Shares of Common Stock Purchased	Average Per-Share Price Paid	Total Cost of Common Stock Purchased
2021:			
December 2020 Program	**5,108**	**$ 60.75**	**$ 310**
April 2019 Program	**133,839**	**$ 56.10**	**$ 7,509**
Total	**138,947**		**$ 7,819**
2020:			
April 2019 Program	58,334	$ 42.71	$ 2,491
April 2017 Program	43,872	$ 32.00	$ 1,404
Total	102,206		$ 3,895
2019:			
April 2017 Program	267,346	$ 25.38	$ 6,784
Total	267,346		$ 6,784

DIVIDENDS ON COMMON STOCK

We declared and paid dividends of $53,004 in fiscal 2021 and $21,600 in fiscal 2020. A special cash dividend of $1.00 per share was paid in fiscal 2021. The regular quarterly cash dividend of $0.92 per share in fiscal 2021 reflected an increase of 17.9% over the $0.78 per share paid in fiscal 2020. Our regular dividend payout ratio (dividends as a percentage of net income) was 45.9% in fiscal 2021 and 40.9% in fiscal 2020. Our dividend payout ratio including the special dividend of $1.00 was 95.7% in fiscal 2021. The fiscal 2021 regular cash dividend rate marks the 49th consecutive year with an increase in the regular dividend rate.

We believe our current dividend rate provides a meaningful return to shareholders while maintaining sufficient capital to invest in growing our businesses. To the extent we have additional capital in excess of investment requirements, we typically offer a return to our shareholders through payment of dividends and the stock repurchase program. The Board of Directors has indicated that it plans to continue paying dividends as long as our financial performance remains favorable.

AUDIT AND NON-AUDIT FEES

Aggregate fees for professional services rendered for the Company by: (i) Crowe LLP ("Crowe"); (ii) BKD, LLP (“BKD”); and (iii) KPMG US LLP (“KPMG”) for fiscal 2021 and fiscal 2020 were:

	2021	2020
Crowe		
Audit fees	$ -	$ -
Audit related services	761	566
Tax preparation and planning services	-	-
Other non-auditing services	-	-
Total	$ 761	$ 566
BKD		
Audit fees	$ 144	$ 125
Audit related services	99	16
Tax preparation and planning services	-	-
Other non-auditing services	20	-
Total	$ 263	$ 141
KPMG		
Audit fees	$ -	$ -
Audit related services	-	37
Tax preparation and planning services	-	-
Other non-auditing services	-	-
Total	$ -	$ 37

Audit Fees. Aggregate fees billed for professional services rendered for the audit of the Company’s consolidated financial statements for fiscal 2021 and fiscal 2020.

Audit Related Services. Aggregate fees billed for employee benefit plan audits and service auditor reviews of our data processing controls and procedures as a third-party provider of these services to our customers.

Tax Preparation and Planning Services. Aggregate fees billed for the preparation or review of the Company’s federal and state income tax returns and tax consultations related to tax compliance and planning.

Other Non-Auditing Services. Aggregate fees billed for third party administration of our qualified defined contribution plan, and accounting consultations and assistance provided with respect to special issues and other transactions. We do not use Crowe, BKD, or KPMG for financial information systems design and implementation. These services, which include designing or implementing a system that aggregates source data underlying the financial statements or generates information that is significant to our financial statements, are provided internally or by other service providers. We have a full-time internal audit department and do not engage Crowe, BKD, or KPMG to provide compliance outsourcing services.

The Audit Committee of the Company’s Board has responsibility for appointing, approving compensation for and overseeing the work of the independent auditors. In recognition of this responsibility, the Audit Committee has established a policy to pre-approve all audit and permissible non-audit services provided by the independent auditors.

The Audit Committee has considered the non-audit services provided by Crowe and BKD and determined that the provision of such services had no effect on Crowe's and BKD's independence from the Company.

MARKET RISK

Market risk refers to the risk that a change in the level of one or more market prices, interest rates, indices, volatilities, correlations or other market factors such as liquidity, will result in losses for a certain financial instrument or group of financial instruments. We are exposed to credit risk on credit extended to customers, and interest rate risk and market price risk on investments and borrowings. We actively monitor these risks through a variety of control procedures involving senior management. We do not currently use any derivative financial instruments. We invest and borrow primarily on a short-term or variable rate basis. Based on the controls in place, credit worthiness of our customer base and the relative size of these financial instruments, we believe the market risk associated with these instruments will not have a material adverse effect on our consolidated financial position or results of operations.

OFF-BALANCE SHEET ARRANGEMENTS

As of February 28, 2021, we did not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our investors.

LEGAL PROCEEDINGS AND CONTINGENCIES

We and certain of our subsidiaries are involved from time to time in various commercial, tax and other legal disputes and proceedings that arise in the ordinary course of our business.

We record accruals for such contingencies to the extent that we conclude their occurrence is probable and any related damages are estimable. If a range of liability is probable and estimable and some amount within the range appears to be a better estimate than any other amount within the range, we accrue that amount. If a range of liability is probable and estimable and no amount appears to be a better estimate than any other amount within the range, we accrue the minimum of such probable range. These assessments can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions (see Notes to Consolidated Financial Statements, Note 1 – Nature of Operations and Summary of Significant Accounting Policies: Use of Estimates). Our assessments are based on estimates and assumptions that have been deemed reasonable by management.

While we do not believe any of our current legal disputes or proceedings will have a material adverse effect on our financial position or results of operations, the effects of litigation, tax audits and other proceedings are inherently unpredictable, and excessive results do occur. Although we may believe we have substantial defenses in these matters, we could in the future incur consequences that could have a material adverse effect on our consolidated financial position or results of operations in any particular period.

SUBSEQUENT EVENTS

On March 4, 2021, the Company's Board of Directors declared a cash dividend of 25 cents per share payable to shareholders of record as of the close of business on March 15, 2021. This dividend was paid on March 29, 2021 in the aggregate amount of $6,879.

On March 25, 2021, the Company's Board of Directors declared a cash dividend of 25 cents per share, or approximately $6,881 in the aggregate, payable on June 25, 2021 to shareholders of record as of the close of business on June 1, 2021.

On March 25, 2021, the Company's Board of Directors approved an Employee Stock Purchase Plan. If approved by the Company's shareholders, the Plan will allow participating employees to purchase Company stock at a discounted price.

SELECTED FINANCIAL DATA *(Unaudited; in thousands, except share, per share and employee data)*

YEARS ENDED FEBRUARY 28 AND 29,	**2021**		2020		2019		2018	
Income Summary								
Revenues	**$ 291,337**		$ 284,225		$ 263,345		$ 249,558	
Operating expenses	**218,825**		218,949		208,038		201,494	
Operating income	**72,512**		65,276		55,307		48,064	
Gain/(loss) on sale of investment	**37**		57		4,093		-	
Interest income (expense)	**443**		1,351		796		124	
Income before income taxes	**72,992**		66,684		60,196		48,188	
Provision for income taxes	**17,588**		13,838		13,169		9,012	
Net income	**$ 55,404**		$ 52,846		$ 47,027		$ 39,176	
Financial Position					*Revised*		*Revised*	
Working capital	**$ 33,936**		$ 64,156		$ 57,590		$ 52,218	
Current ratio	**1.4**		1.8		2.0		2.3	
Net tangible assets	**$ 174,446**		$ 178,340		$ 157,958		$ 124,756	
Property and equipment, net	**$ 43,755**		$ 45,144		$ 41,600		$ 37,044	
Capital expenditures, net	**$ 24,977**		$ 20,829		$ 18,165		$ 20,630	
Depreciation and amortization	**$ 26,457**		$ 23,215		$ 18,849		$ 16,322	
Total debt	**$ -**		$ -		$ -		$ -	
Total debt to total capitalization	**-**	%	-	%	-	%	-	%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**$ 98,969**		$ 88,491		$ 74,156		$ 64,386	
Net cash provided by operating activities	**$ 61,856**		$ 59,375		$ 55,321		$ 46,485	
Free cash flow	**$ 36,878**		$ 38,547		$ 37,156		$ 25,858	
Return on average shareholders' equity	**22.4**	%	22.3	%	22.8	%	21.8	%
Per Common Share								
Net income, basic	**$ 2.01**		$ 1.91		$ 1.69		$ 1.40	
Weighted average common and common equivalent shares outstanding, basic	**27,625,040**		27,685,543		27,818,606		27,926,788	
Net income, diluted	**$ 2.01**		$ 1.91		$ 1.69		$ 1.40	
Weighted average common and common equivalent shares outstanding, diluted	**27,625,040**		27,685,543		27,818,606		27,926,788	
Cash dividends paid, regular	**$ 0.92**		$ 0.78		$ 0.67		$ 0.59	
Cash dividends paid, special	**$ 1.00**		$ -		$ -		$ -	
Book value at year-end	**$ 8.88**		$ 9.04		$ 8.04		$ 6.83	
Market value at year-end	**$ 60.00**		$ 52.00		$ 29.00		$ 22.75	
Price-earnings ratio at year-end, diluted	**29.9**		27.2		17.2		16.3	
Dividend yield, regular	**1.5**	%	1.5	%	2.3	%	2.6	%
Dividend yield, including special dividend	**3.2**	%						
Dividend payout ratio, regular	**45.9**	%	40.9	%	39.7	%	42.1	%
Dividend payout ratio, including special dividend	**95.7**	%						
Margins								
EBITDA as a percent of total revenue	**34.0**	%	31.1	%	28.2	%	25.8	%
Operating income as a percent of total revenue	**24.9**	%	23.0	%	21.0	%	19.3	%
Income before taxes as a percent of total revenue	**25.1**	%	23.5	%	22.9	%	19.3	%
Net income as a percent of total revenue	**19.0**	%	18.6	%	17.9	%	15.7	%
Effective tax rate	**24.1**	%	20.8	%	21.9	%	18.7	%
Growth Rates								
Revenue	**2.5**	%	7.9	%	5.5	%	6.2	%
Net income	**4.8**	%	12.4	%	20.0	%	26.7	%
Earnings per common share, diluted	**5.2**	%	13.0	%	20.7	%	25.5	%
Cash dividends per common share, regular	**17.9**	%	16.4	%	13.6	%	11.3	%
Other								
Employees at year-end	**1,268**		1,209		1,176		1,161	

2017	2016	2015	2014	2013	2012	2011
$ 234,901	$ 224,725	$ 221,385	$ 212,914	$ 198,256	$ 178,224	$ 163,776
184,920	176,608	175,568	168,821	156,395	137,839	123,898
49,981	48,117	45,817	44,093	41,861	40,385	39,878
-	-	-	-	-	-	-
93	48	9	(34)	(16)	(60)	(182)
50,074	48,165	45,826	44,059	41,845	40,325	39,696
19,153	19,025	17,987	17,403	16,006	14,819	15,680
$ 30,921	$ 29,140	$ 27,839	$ 26,656	$ 25,839	$ 25,506	$ 24,016
Revised	*Revised*					
$ 43,862	$ 30,231	$ 23,116	$ 9,233	$ 7,498	$ 13,097	$ 9,483
2.3	2.1	1.8	1.3	1.3	1.5	1.5
$ 103,034	$ 85,349	$ 77,238	$ 62,952	$ 55,878	$ 55,088	$ 56,442
$ 35,421	$ 34,655	$ 33,079	$ 35,252	$ 34,996	$ 32,341	$ 30,008
$ 13,678	$ 19,914	$ 11,407	$ 13,421	$ 21,025	$ 10,382	$ 16,729
$ 15,489	$ 15,024	$ 14,576	$ 15,524	$ 14,932	$ 13,529	$ 14,224
$ -	$ -	$ -	$ 7	$ 67	$ 222	$ 3,290
- %	- %	- %	- %	0.1 %	0.2 %	3.0 %
$ 65,470	$ 63,141	$ 60,393	$ 59,617	$ 56,793	$ 53,914	$ 54,102
$ 49,650	$ 45,064	$ 38,550	$ 36,625	$ 41,102	$ 45,783	$ 38,533
$ 35,972	$ 25,150	$ 27,143	$ 23,204	$ 20,077	$ 35,401	$ 21,803
19.3 %	19.7 %	20.2 %	20.8 %	20.6 %	21.9 %	24.0 %
$ 1.11	$ 1.04	$ 0.99	$ 0.93	$ 0.88	$ 0.87	$ 0.82
28,014,364	28,213,610	28,321,414	28,881,336	29,390,244	29,299,260	29,219,132
$ 1.11	$ 1.04	$ 0.99	$ 0.93	$ 0.88	$ 0.86	$ 0.81
28,014,364	28,213,610	28,321,414	28,881,336	29,443,244	29,584,426	29,750,704
$ 0.53	$ 0.47	$ 0.38	$ 0.30	$ 0.27	$ 0.24	$ 0.21
$ -	$ -	$ -	$ -	$ 0.50	$ -	$ -
$ 6.06	$ 5.43	$ 5.12	$ 4.62	$ 4.29	$ 4.28	$ 3.66
$ 22.50	$ 17.98	$ 20.28	$ 16.63	$ 14.85	$ 16.40	$ 13.38
20.4	17.4	20.6	18.0	16.9	19.1	16.6
2.4 %	2.6 %	1.9 %	1.8 %	1.8 %	1.4 %	1.5 %
				5.2 %		
48.0 %	45.5 %	38.7 %	32.6 %	30.2 %	27.0 %	25.0 %
				87.1 %		
27.9 %	28.1 %	27.3 %	28.0 %	28.6 %	30.3 %	33.0 %
21.3 %	21.4 %	20.7 %	20.7 %	21.1 %	22.6 %	24.3 %
21.3 %	21.4 %	20.7 %	20.7 %	21.1 %	22.6 %	24.2 %
13.2 %	13.0 %	12.6 %	12.5 %	13.0 %	14.3 %	14.7 %
38.2 %	39.5 %	39.3 %	39.5 %	38.3 %	36.7 %	39.5 %
4.5 %	1.5 %	4.0 %	7.4 %	11.2 %	8.8 %	6.4 %
6.1 %	4.7 %	4.4 %	3.2 %	1.3 %	6.2 %	11.0 %
6.8 %	5.1 %	6.5 %	5.1 %	2.3 %	6.8 %	12.6 %
12.8 %	23.7 %	26.7 %	13.2 %	12.8 %	14.6 %	13.6 %
1,135	1,109	1,094	1,104	1,099	1,053	917

Management's Statement of Responsibility

Management of Computer Services, Inc. is responsible for the integrity and objectivity of the information contained in this annual report.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and, as such, include amounts based on judgments of management. Other financial information in this annual report is consistent with these financial statements.

The Company maintains a system of internal controls designed to provide reasonable assurance that transactions authorized by management are recorded and reported properly and that assets are safeguarded against loss or unauthorized use. Importantly, the system of controls is continually reviewed for its effectiveness and is augmented by written policies and guidelines, the careful selection and training of qualified personnel, and a strong program of internal audit.

The control environment is complemented by internal auditors who perform extensive audits and evaluate the adequacy of and the adherence to these controls, policies and procedures. In addition, the Company's independent public accountants have audited the financial statements in accordance with auditing standards generally accepted in the United States of America that include the consideration of the Company's internal controls to the extent necessary to form an independent opinion on the financial statements prepared by management.

The Board of Directors, through the Audit Committee, is responsible for: (i) assuring that management fulfills its responsibilities in the preparation of the Company's financial statements; (ii) appointing the independent accountants; and (iii) conducting reviews with the independent accountants, management, and the internal auditors. The Audit Committee meets regularly with management, the internal auditors and the independent accountants, jointly and separately, to receive reports on management's process of implementation and administration of internal accounting controls and other auditing and financial reporting matters. The independent accountants and the internal auditors have unfettered access to the Audit Committee.

Steven A. Powless
Chairman and CEO

Brian Brown
Treasurer and CFO

Independent Auditor's Report

and Consolidated Financial Statements

To the Shareholders and Board of Directors, Computer Services, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Computer Services, Inc., which comprise the consolidated balance sheets as of February 28, 2021 and February 29, 2020 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS: Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY: Our responsibility is to express an opinion on these consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION: In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Computer Services, Inc. as of February 28, 2021 and February 29, 2020 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER: The February 28, 2019 consolidated statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows before they were restated in conjunction with the February 29, 2020 financial statement audit, were audited by other auditors, and their report thereon, dated May 3, 2019 expressed an unmodified opinion. Our opinion is not modified with respect to this matter.

BKD
CPAs & Advisors

BKD, LLP

Kansas City, Missouri
May 17, 2021

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

FEBRUARY 28 AND 29,	2021	2020
ASSETS		
Current Assets		
Cash	$ 45,398	$ 70,109
Funds held on behalf of clients	8,566	8,912
Accounts receivable, net	42,223	37,993
Income tax receivable	932	1,352
Deferred contract costs	18,718	14,979
Prepaid expenses and other current assets	10,917	10,509
Total current assets	126,754	143,854
Property and equipment, net of accumulated depreciation	43,755	45,144
Software and software licenses, net of accumulated amortization of $58,003 in 2021 and $53,529 in 2020	22,728	18,224
Deferred contract costs	106,936	82,449
Internally developed software, net	6,855	5,517
Goodwill	60,115	60,115
Intangible assets, net	3,396	4,054
Right of use assets	6,734	7,606
Other assets	7,076	4,637
Total Assets	$ 384,349	$ 371,600
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 11,494	$ 9,528
Accrued expenses	8,602	9,432
Deferred contract liabilities	48,763	38,364
Deferred revenue	12,830	11,196
Client funding obligation - settlement liabilities	8,566	8,912
Current portion of operating lease liabilities	2,563	2,266
Total current liabilities	92,818	79,698
Deferred income taxes, net	29,314	24,394
Deferred contract liabilities	11,448	9,826
Other liabilities	1,721	1,723
Postretirement benefits	-	189
Operating lease liabilities	4,357	5,655
Total liabilities	139,658	121,485
Shareholders' Equity		
Preferred stock - 5,000,000 shares authorized; none issued	-	-
Common stock - no par; 60,000,000 shares authorized; 27,565,001 shares issued at February 28, 2021 27,654,865 shares issued at February 29, 2020	32,546	30,295
Retained earnings	211,852	217,865
Accumulated other comprehensive income, net	293	1,955
Total shareholders' equity	244,691	250,115
Total Liabilities and Shareholders' Equity	$ 384,349	$ 371,600

** See accompanying notes to consolidated financial statements.*

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share and per share data)

YEARS ENDED FEBRUARY 28 AND 29,		**2021**		2020		2019
Revenues	**$**	**291,337**	$	284,225	$	263,345
Operating expenses		**218,825**		218,949		208,038
Operating income		**72,512**		65,276		55,307
Non-operating income		**37**		57		4,093
Interest income, net		**443**		1,351		796
Income before income taxes		**72,992**		66,684		60,196
Provision for income taxes		**17,588**		13,838		13,169
Net income	**$**	**55,404**	$	52,846	$	47,027
Earnings per common share	**$**	**2.01**	$	1.91	$	1.69
Shares used in computing earnings per common share		**27,625,040**		27,685,543		27,818,606

** See accompanying notes to consolidated financial statements.*

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands, except share and per share data)

YEARS ENDED FEBRUARY 28 AND 29,		**2021**		2020		2019
Net income	**$**	**55,404**	$	52,846	$	47,027
Other comprehensive income						
Post retirement benefits adjustments		**(1,662)**		(1,662)		3,617
Comprehensive income	**$**	**53,742**	$	51,184	$	50,644

** See accompanying notes to consolidated financial statements.*

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands, except share and per share data)

	Common Stock Shares	Common Stock Amount	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance as of February 28, 2018	27,863,444	$ 25,838	$ 164,403	$ -	$ 190,241
Net income	-	-	47,027	-	47,027
Cumulative effect adjustment of ASU 2014-09	-	-	3,787	-	3,787
Cash dividends paid ($0.67 per share)	-	-	(18,650)	-	(18,650)
Issuance of common stock	12,934	340	-	-	340
Issuance of restricted stock	101,490	-	-	-	-
Restricted stock vested and tax benefit	-	2,400	-	-	2,400
Other comprehensive income	-	-	1,238	3,617	4,855
Purchase of common stock	(267,346)	(305)	(6,478)	-	(6,783)
Tax withholding related to share-based compensation	(17,786)	(20)	(412)	-	(432)
Balance as of February 28, 2019	27,692,736	28,253	190,915	3,617	222,785
Net income	-	-	52,846	-	52,846
Cash dividends paid ($0.78 per share)	-	-	(21,600)	-	(21,600)
Issuance of common stock	9,940	435	-	-	435
Issuance of restricted stock	73,438	-	-	-	-
Restricted stock vested and tax benefit	-	1,751	-	-	1,751
Restricted stock forfeited and tax benefit	(3,475)	-	-	-	-
Other comprehensive loss	-	-	-	(1,662)	(1,662)
Purchase of common stock	(102,206)	(126)	(3,769)	-	(3,895)
Tax withholding related to share-based compensation	(15,568)	(18)	(527)	-	(545)
Balance as of February 29, 2020	27,654,865	30,295	217,865	1,955	250,115
Net income	**-**	**-**	**55,404**	**-**	**55,404**
Cash dividends paid ($1.92 per share)	**-**	**-**	**(53,004)**	**-**	**(53,004)**
Issuance of common stock	**10,168**	**570**	**-**	**-**	**570**
Issuance of restricted stock	**57,411**	**-**	**-**	**-**	**-**
Restricted stock vested and tax benefit	**-**	**1,891**	**-**	**-**	**1,891**
Other comprehensive loss	**-**	**-**	**-**	**(1,662)**	**(1,662)**
Purchase of common stock	**(138,947)**	**(187)**	**(7,633)**	**-**	**(7,819)**
Tax withholding related to share-based compensation	**(18,496)**	**(23)**	**(780)**	**-**	**(804)**
Balance as of February 28, 2021	**27,565,001**	**$ 32,546**	**$ 211,852**	**$ 293**	**$ 244,691**

** See accompanying notes to consolidated financial statements.*

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

YEARS ENDED FEBRUARY 28 and 29,	**2021**	2020	2019
Operating Activities			
Net income	**$ 55,404**	$ 52,846	$ 47,027
Depreciation	**8,931**	8,737	8,224
Amortization	**15,231**	11,980	10,625
Amortization of right of use assets	**2,295**	2,498	-
Restricted stock expense	**1,891**	3,188	2,400
Stock-based compensation expense	**570**	435	340
(Gain)/loss on sale of property and equipment	**3**	(34)	140
Gain from equity investment	**(37)**	(57)	(4,093)
Deferred income taxes	**4,920**	5,244	3,418
Changes in operating assets and liabilities			
Accounts receivable	**(4,230)**	(258)	(7,206)
Income tax receivable	**420**	315	2,185
Prepaid expenses and other current assets	**(409)**	(814)	6,638
Right of use asset/lease liabilities	**(2,337)**	(2,182)	-
Other assets	**(2,439)**	(259)	24,094
Funds held on behalf of clients	**346**	-	-
Client funding obligation - settlement liabilities	**(346)**	-	-
Accounts payable and accrued expenses	**1,136**	(679)	(11,085)
Deferred revenue	**1,547**	(2,660)	3,989
Deferred contract liabilities	**12,021**	13,944	27,803
Deferred contract assets	**(28,226)**	(29,370)	(55,850)
Internally developed software	**(2,982)**	(1,532)	(2,807)
Other liabilities	**(1,853)**	(1,967)	(521)
Net cash from operating activities	**61,856**	59,375	55,321
Investing Activities			
Proceeds from sale of property and equipment	**-**	38	-
Purchase of property and equipment	**(7,545)**	(12,286)	(12,784)
Purchase of software and software licenses	**(17,432)**	(8,581)	(5,381)
Sale of equity investment	**37**	1,050	4,601
Net cash used in investing activities	**(24,940)**	(19,779)	(13,564)
Financing Activities			
Dividends paid	**(53,004)**	(21,600)	(18,650)
Purchase of common stock	**(7,819)**	(3,895)	(6,783)
Tax withholding related to share-based compensation	**(804)**	(545)	(432)
Net cash used in financing activities	**(61,627)**	(26,040)	(25,865)
Net Change in Cash	**(24,711)**	13,556	15,892
Cash, Beginning of Year	**70,109**	56,553	40,661
Cash, End of Year	**$ 45,398**	$ 70,109	$ 56,553
Supplemental Cash Flows Information			
Delayed consideration receivable	**$ -**	$ 993	$ (993)

** See accompanying notes to consolidated financial statements.*

Notes to Consolidated Financial Statements

(in thousands, except share and per share data)

NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Computer Services, Inc., including its subsidiaries, ("CSI" or the "Company") delivers core processing, digital banking, managed services, payments processing, print and electronic distribution, and regulatory compliance solutions to financial institutions and corporate entities across the nation. In addition to core processing, the Company's integrated banking solutions include: check imaging; cash management; branch and merchant capture; mobile and Internet banking; print and mail, and electronic document delivery services; corporate intranets; secure Web hosting; e-messaging; teller and platform services; ATM and debit card service and support; and payments solutions. For both financial institutions and corporate customers generally, the Company offers: cybersecurity risk assessment; network management; cloud-based managed services; and compliance software and services for regulatory compliance, homeland security, anti-money laundering, anti-terrorism financing and fraud prevention.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates: The preparation of consolidated 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents: The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. Deposit accounts that are comprised of funds held on behalf of others are not considered to be the Company's cash and cash equivalents, see following paragraph. The Company maintains cash balances at several financial institutions, the majority of which are in excess of the insurance limits of the Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses and does not believe it is exposed to any significant credit risk with respect to these cash deposits. In addition, the Company has entered into deposit placement programs that distribute a substantial portion of the Company's funds among different select FDIC-insured financial institutions to avoid or to minimize the effect of the insurance limits at any single institution.

Funds Held on Behalf of Others and Client Funding Obligation – Settlement Liability: The Company holds funds on behalf of card processing clients in connection with providing card processing services. End-of-day available client bank balances are held in depository accounts. Funds held on behalf of clients in the form of cash and cash equivalents are included in funds held on behalf of clients in the consolidated balance sheets. All funds held on behalf of clients represent assets that are restricted for use. Funds held on behalf of clients that meet the definition of restricted cash and restricted cash equivalents are not included in the beginning and end of period cash balances in the consolidated statements of cash flows.

Cash inflows and outflows related to funds held on behalf of clients are reported on a net basis in the operating section of the consolidated statements of cash flows. The Company is obligated to remit restricted cash held to card processing clients in connection with providing card processing services, generally the following business day. The settlement liability represents the amount of funds held on behalf of others which is included in current liabilities.

Accounts Receivable: Accounts receivable are stated at the amount of consideration from customers of which the Company has an unconditional right to receive plus any accrued and unpaid interest. The Company provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions.

Management establishes a reserve for losses on its accounts receivable based on historic loss experience and current economic conditions. Losses are charged off to the reserve when management deems further collection efforts will not produce additional recoveries.

During the years ended February 28, 2021 and February 29, 2020, losses on doubtful accounts receivable, where collectability is not reasonably assured, were $5 and $112, respectively.

Property and Equipment: Property and equipment acquisitions are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	40 years
Equipment	3 - 10 years

As of February 28, 2021 and February 29, 2020 property and equipment consisted of:

	2021	2020
Land	$ 1,716	$ 1,716
Buildings and improvements	36,428	30,155
Equipment	77,395	79,288
Construction in progress	779	6,444
	116,318	117,603
Less accumulated depreciation	72,563	72,459
Balance, end of year	$ 43,755	$ 45,144

Goodwill and Intangible Assets: Goodwill is evaluated annually for impairment or more frequently if impairment indicators are present. A qualitative assessment is performed to determine whether the existence of events or circumstances leads to a determination that it is more likely than not the fair value is less than the carrying amount, including goodwill. If, based on the evaluation, it is determined to be more likely than not that the fair value is less than the carrying value, then goodwill is tested further for impairment. The goodwill impairment loss, if any, is measured as the amount by which the carrying amount of an entity reporting unit, including goodwill, exceeds its fair value. Subsequent increases in goodwill value are not recognized in the consolidated financial statements.

The Company has elected to perform its annual analysis as of the end of each fiscal year. No impairment was identified for the years ended February 28, 2021, February 29, 2020 and February 28, 2019.

Intangible assets not subject to amortization primarily consist of governmental licenses to operate a competitive local telecommunications exchange carrier. Intangible assets not subject to amortization totaled $165 as of February 28, 2021 and February 29, 2020. No impairment was identified as of February 28, 2021, February 29, 2020 and February 28, 2019.

Other intangible assets primarily consist of customer relationships, non-compete agreements, patents and trade names. The intangibles are amortized on a straight-line method over three to 16 years.

The carrying amount of intangibles subject to amortization as of February 28, 2021 and February 29, 2020 was as follows:

	2021		2020	
	Gross Carrying Amount	**Accumulated Amortization**	**Gross Carrying Amount**	**Accumulated Amortization**
Customer relationships	**$ 11,593**	$ 8,576	$ 11,593	$ 7,952
Non-compete agreements	**1,700**	1,700	1,700	1,700
Patents	**427**	427	427	427
Trade name	**530**	316	530	282
Developed technology	**370**	370	370	370
Other	**216**	216	216	216
	$ 14,836	$ 11,605	$ 14,836	$ 10,947

Total amortization expense for each of the years ended February 28, 2021, February 29, 2020 and February 28, 2019 was $658.

The estimated annual future amortization expense for each of the next five years, and the estimated aggregate expense thereafter, for all intangible assets remaining as of February 28, 2021 are as follows:

Years ending February 28 and 29,	Amount
2022	$ 587
2023	580
2024	580
2025	580
2026	580
Thereafter	324
Total	$ 3,231

Software and Software Licenses and Related Amortization: Software and software licenses include the capitalization of certain costs incurred to develop new software or to enhance existing software that is primarily utilized by the Company to process customer transactions, software acquired in business acquisitions and licenses that are purchased from third parties.

Intangible assets with finite lives are being amortized on the straight-line basis over periods ranging from three to ten years. Such assets are periodically evaluated as to the recoverability of carrying values.

Capitalized Software Development Costs: The Company incurs salary and certain external costs to develop software for internal use. Under the guidance of Accounting Standard Codification (ASC) 350-40, *Internal-Use Software* (ASC 350-40), the Company has capitalized these costs and amortized them over the period of benefit. Under the provisions of ASC 350-40, costs in the preliminary project stage are expensed. Costs are capitalized once the Company has reached the application development stage, which includes costs and time for coding, software configuration, and testing. Any post-implementation activities such as maintenance or bug fixes are expensed.

The carrying amount of capitalized software development costs subject to amortization as of February 28, 2021 and February 29, 2020 was as follows:

	2021		2020	
	Gross Carrying Amount	**Accumulated Amortization**	Gross Carrying Amount	Accumulated Amortization
Internally developed software costs	**$ 13,596**	$ (6,741)	$10,601	$ (5,084)

Total amortization expense for the years ended February 28, 2021, February 29, 2020 and February 28, 2019 was $1,657, $1,405 and $1,162, respectively.

Long-Lived Asset Impairment: The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended February 28, 2021 and February 29, 2020.

Contract Balances: Deferred contract costs are the incremental costs that are directly associated with definitive term contracts with customers. These costs are deferred and amortized over the useful life, which in general is between 7 to 10 years. The costs associated with contract fulfillment are being capitalized and amortized over the useful life. The Company believes this is the preferable method of accounting as these customer acquisition and related integration costs are closely related to the revenue from the definitive term customer contracts and that they should be recorded as an asset and charged to expense over the same period the revenue is recognized. Amortization of deferred contract costs is included in operating expense on the accompanying consolidated statements of income.

The Company incurs costs to fulfill contracts related to travel and salaries for on-boarding and implementation services. These costs are not related to separate performance obligations, and therefore in accordance with ASC 340-40, *Other Assets and Deferred Costs – Contracts with Customers*, these costs are capitalized and amortized over the period of benefit, which has been determined to be the contract term.

The following table provides information about accounts receivable, contract assets and contract liabilities from contracts with customers.

	2021	2020
Accounts receivable, beginning of year	**$ 37,993**	$ 38,727
Accounts receivable, end of year	**42,223**	37,993
Contract assets:		
Deferred implementation cost, beginning of year	**35,300**	24,901
Deferred implementation cost, end of year	**42,481**	35,300
Customer discounts and incentive assets, beginning of year	**62,128**	43,157
Customer discounts and incentive assets, end of year	**83,173**	62,128
Contract liabilities		
Deferred revenue, beginning of year	**11,196**	13,857
Deferred revenue, end of year	**12,830**	11,196
Customer discounts and incentive liability, beginning of year	**35,605**	25,614
Customer discounts and incentive liability, end of year	**45,673**	35,605
Deferred implementation revenue liability, beginning of year	**12,585**	8,630
Deferred implementation revenue liability, end of year	**14,538**	12,585

Revenue Recognition: The Company generates revenue through the sale of data processing services, equipment and supplies, maintenance contracts, software, eBusiness services and other service products. The Company enters into service contracts with its customers primarily of one to ten years in length. Revenues are recognized as services are provided on these contracts.

Deferred revenue consists primarily of payments received from customers for annual software licenses and software maintenance agreements. These revenues are recognized on a straight-line method on a 12 to 60 month rolling basis as the revenue is earned.

The Company records revenue under certain contracts for postage and telecommunications net of the related expenses. The Company provides these services as a convenience to its customers at the Company's costs. The net pass through revenues for the years ended February 28, 2021, February 29, 2020 and February 28, 2019 were $2,110, $2,212 and $2,195, respectively.

The Company provides billings credits to certain customers to be used for future services. These credits are capitalized at contract inception and amortized over the contract life, generally 7 to 10 years. The Company has been recording incremental contract costs since 2014 as a result of an accounting policy election.

Performance Obligations: Revenue is recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration that it expects to be entitled to in exchange for those goods or services. The amount and timing of revenue recognition varies based on the nature of the goods or services provided and the terms and conditions of the customer contract. The Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), on March 1, 2018, using a modified retrospective approach with the cumulative effect of initially applying the new standard recognized in retained earnings at the beginning of the year of adoption.

Allocation of Transaction Price: The transaction price, once determined, is allocated between the various performance obligations in the contract based upon their relative standalone selling prices. The standalone selling prices are determined based on the prices at which the Company separately sells each good or service. For items that are not sold separately, the Company estimates the standalone selling prices using all information that is reasonably available.

Significant Judgments: The Company has determined that direct labor costs associated with product installations meet the criteria of being directly related to a contract or a renewal of a contract, as the costs generate and enhance the resources to satisfy the performance obligations. The Company capitalizes these costs as incurred, which are subsequently amortized over the life of the contract.

Each standard contract contains an early termination clause that allows the Company, if the customer terminates the Company's services prior to the end of the contract term, to collect as liquidated damages a percentage of the anticipated revenues that would have been earned during the remaining contract term. Revenues from early contract termination fees are recognized as operating income ratably during the period between notice of contract termination to when the Company has completed its performance obligation to the customer. Total early contract termination fees recorded as a component of revenues in the accompanying consolidated financial statements for the years ended February 28, 2021, February 29, 2020 and February 28, 2019 were $5,768, $8,471 and $10,751, respectively.

Disaggregation of Revenue: The following table presents the Company's revenues disaggregated into categories that depict economic factors which affect the nature, amount, timing, and uncertainty of revenue and cash flows of such revenues recognized during the years ended February 28, 2021, February 29, 2020 and February 28, 2019:

	2021	2020	2019
Enterprise Banking Group	**$ 178,903**	$ 171,896	$ 156,706
Business Solutions Group	**112,434**	112,329	106,639
Total Revenue	**$ 291,337**	$ 284,225	$ 263,345

Accounting Policies and Practical Expedients Elected: The Company elected to apply an accounting policy election which permits an entity to exclude from revenue (transaction price) any amounts collected from customers on behalf of governmental authorities, such as sales taxes, use tax, and other similar taxes collected concurrent with revenue-producing activities. Therefore, the Company presents revenue net of sales taxes and similar revenue-based taxes.

The Company elected to use the portfolio approach to evaluate contracts. As a practical expedient, a portfolio approach is permitted if it is reasonably expected that the approach's impact on the consolidated financial statements will not be materially different from the impact of applying the revenue standard on an individual contract basis.

The Company elected a practical expedient which allows the Company to recognize the promised amount of consideration without adjusting for the time value of money if the contract has a duration of one year or less, or if the reason the contract extended beyond one year is because the timing of delivery of the product is at the customer's discretion. The Company's contracts typically do not have significant financing components.

Fair Value of Financial Instruments: The fair value approximates the carrying value for all financial instruments.

Postretirement Benefit Obligation: The Company's postretirement benefit obligation was measured and calculated using the generally accepted actuarial method. The Compensation-Retirement Benefits topic of the ASC requires the Company to recognize the funded status of its postretirement benefit in the consolidated balance sheets with corresponding charges for net periodic postretirement benefit cost to operations and net actuarial gain and losses to other comprehensive income.

As of February 28, 2021, the postretirement benefit obligation has benefit obligations of $189 and employer contributions to the plan and benefits paid from the plan of $133. Current liabilities of $189 and noncurrent liabilities of $0 were recorded. Other comprehensive income is $293, net of tax. A discount rate of 3.55 percent was assumed.

As of February 29, 2020, the postretirement benefit obligation has benefit obligations of $447 and employer contributions to the plan and benefits paid from the plan of $291. Current liabilities of $258 and noncurrent liabilities of $189 were recorded. Other comprehensive income is $1,955, net of tax. A discount rate of 3.55 percent was assumed.

Income Taxes: The Company accounts for income taxes in accordance with ASC 740, Income Taxes. The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, the tax position will be realized or sustained upon examination. The term "more likely than not" means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any.

A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management's judgment. The Company recognizes interest as interest expense, and penalties on income taxes as penalty expense.

Cash paid for income tax expense during the years ended February 28, 2021, February 29, 2020 and February 28, 2019 was $12,249, $8,260 and $8,870, respectively.

The Company files consolidated income tax returns with its subsidiaries. With few exceptions, the Company is no longer subject to U.S. federal, or state and local income tax examinations by tax authorities for years before fiscal 2018.

Common Stock Split: On April 30, 2019, the Company effected a 2-for-1 stock split to shareholders of record as of April 11, 2019. All share and per share information has been retroactively adjusted to reflect the stock split.

Earnings per Share: Basic earnings per share represents income available to common shareholders divided by the weighted-average number of common shares outstanding during each period. The weighted average number of common shares outstanding was 27,625,040, 27,685,543 and 27,818,606 for the years ended February 28, 2021, February 29, 2020 and February 28, 2019, respectively.

Authorized and unissued stock shares are not deemed outstanding for earnings per share calculations.

Comprehensive Income: Comprehensive income consists of net income and other comprehensive income (loss), net of applicable income taxes. Other comprehensive income (loss) includes changes in funded status of the defined benefit plan.

Revisions: Certain immaterial revisions have been made to the 2020 consolidated financial statements for the consolidated statement of comprehensive income with no effect on net income or shareholders' equity.

NOTE 2. LEASES

The Company adopted ASU 2016-02, *Leases* (ASC 842) on March 1, 2019 (the effective date), using the comparative under ASC 840 transition method, which applies ASC 842 at the beginning of the period in which it is adopted. Prior period amounts have not been adjusted in connection with the adoption of this standard. The Company elected the package of practical expedients under the new standard, which permits entities to not reassess lease classification, lease identification or initial direct costs for existing or expired leases prior to the effective date. The Company has lease agreements with nonlease components that relate to the lease components. The Company elected to account for nonlease components and the lease components to which they relate as separate lease components for all. Also, the Company elected to keep short-term leases with an initial term of 12 months or less off the consolidated balance sheets. The Company did not elect the hindsight practical expedient in determining the lease term for existing leases as of March 1, 2019.

The most significant impact of adoption was the initial recognition of operating lease right of use (ROU) assets and operating lease liabilities of $6,588 and $6,714, respectively, while the accounting for existing capital leases (now referred to as finance leases) remained substantially unchanged. As part of adopting the standard, previously recognized liabilities for deferred rent and lease incentives were reclassified as a component of the ROU assets. The standard did not significantly affect the Company's consolidated statements of income, comprehensive income or cash flows.

Accounting Policies: The Company determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the consolidated balance sheets. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Company determines lease classification as operating or finance at the lease commencement date.

The Company accounts for the lease and nonlease components separately. The lease components consist of common area maintenance costs related to real estate leases.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Company uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. Certain leases require the Company to pay taxes, insurance, maintenance and other operating expenses associated with the leased asset. Such amounts are not included in the measurement of the lease liability to the extent they are variable in nature. These variable lease costs are recognized as a variable lease expense when incurred.

The lease term may include options to extend or to terminate the lease that the Company is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Company has elected not to record leases with an initial term of 12 months or less on the consolidated balance sheets. Lease expense on such leases is recognized on a straight-line basis over the lease term.

As of February 28, 2021, the weighted-average remaining lease term for the Company's operating leases was 41 months and the weighted average discount rate was 3.00 percent.

As of February 29, 2020, the weighted-average remaining lease term for the Company's operating leases was 48 months and the weighted average discount rate was 3.39 percent.

Nature of Leases: The Company has determined that all leases entered in to were classified as operating lease arrangements.

Operating Leases: The Company leases office space for the branch sales offices that expire in various years through 2027. These leases generally contain renewal options for periods ranging from 3 to 5 years and require the Company to pay all executory costs (property taxes, maintenance and insurance). Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

The Company leases a vehicle fleet for employees. Under the terms of the master lease agreement, the Company has guaranteed a residual value for the lease of a vehicle fleet. No amounts related to the residual value guarantee have been deemed probable.

Quantitative Disclosures: The lease cost and other required information for the years ended February 28, 2021 and February 29, 2020 are:

	2021	2020
Lease cost		
Operating lease cost	**$ 2,713**	$ 2,528
Short-term lease cost	**-**	169
Variable lease cost	**466**	416
	$ 3,179	$ 3,113
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flow from operating leases	**$ 2,729**	$ 2,301
Right of use assets obtained in exchange for new operating lease obligations	**$ 1,423**	$ 10,103

Future minimum lease payments and reconciliation to the consolidated balance sheet at February 28, 2021, are as follows:

Years ending February 28 and 29,	Amount
2022	$ 2,729
2023	2,067
2024	1,177
2025	704
2026	342
Thereafter	246
Total lease payments to be paid	7,265
Less future interest	(345)
Lease liabilities	$ 6,920

NOTE 3. LAND AVAILABLE FOR SALE

The cost of land available for resale of $1,269 and $1,347 as of February 28, 2021 and February 29, 2020, primarily represents costs associated with the development of an office park in Paducah, Kentucky. These costs are allocated to each lot based upon each lot's proportionate share of salable acreage and are included in other assets on the accompanying consolidated balance sheets. The project is substantially complete, and any future associated costs are not expected to be material.

NOTE 4. LINE OF CREDIT

The Company has a $15,000 revolving line of credit. Interest is payable monthly at one-month LIBOR plus 0.90 percent (1.01 percent and 2.42 percent as of February 28, 2021 and February 29, 2020, respectively). The line is unsecured, and at February 28, 2021 and February 29, 2020, the Company had not drawn on the line. The line expires in January of 2023.

The Company also has a $5,000 commercial revolving line of credit. Interest is payable monthly at prime minus 1.30 percent (1.95 and 3.45 percent as of February 28, 2021 and February 29, 2020, respectively). The line of credit is unsecured, and there were no outstanding borrowings on the lines as of February 28, 2021 and February 29, 2020. The line of credit expires in August 2021.

The Company is required to comply with certain covenants under the terms of its borrowing agreements. These provisions require the submission of certain certifications, prohibit certain transactions and require the Company to meet certain financial covenants.

Total interest expense for the years ended February 28, 2021, February 29, 2020 and February 28, 2019 was $4, $4 and $1, respectively. Cash paid for interest expense during the years ended February 28, 2021, February 29, 2020 and February 28, 2019 was $4, $4 and $1, respectively.

NOTE 5. INCOME TAXES

The Company files income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions.

The provision for income taxes includes these components:

	2021	2020	2019
Taxes currently payable	**$ 12,665**	$ 8,574	$ 11,057
Deferred income taxes	**4,923**	5,264	2,112
Total	**$ 17,588**	$13,838	$ 13,169

A reconciliation of income tax expense at the statutory rate to the Company's actual income tax expense for 2019, 2020 and 2021 is shown below:

	2021	2020	2019
Computed at the statutory rate (21%)	**$ 15,328**	$ 14,004	$ 12,207
Increase (decrease) resulting from			
Nondeductible expenses	**(258)**	137	215
State income taxes	**3,063**	2,847	2,388
Other	**(545)**	(3,150)	(1,641)
Actual tax expense	**$ 17,588**	$ 13,838	$13,169

The tax effects of temporary differences related to deferred taxes shown on the consolidated balance sheets were:

	2021	2020	2019
Deferred tax assets			
Accrued expenses	**$ 5,429**	$ 1,001	$ 1,361
Net operating loss carryforwards acquired	**58**	98	138
Deferred tax liabilities			
Property and equipment	**(7,805)**	(8,453)	(8,008)
Goodwill and intangible assets	**(3,571)**	(3,510)	(3,448)
Prepaid expenses	**(1,304)**	(1,286)	(1,062)
Other	**(22,121)**	(12,244)	(8,131)
Total	**$(29,314)**	$(24,394)	$(19,150)

As of February 28, 2021, the Company has unused operating loss carryforwards of $369, which expire in July 2026.

NOTE 6. STOCK RIGHTS AND OTHER EQUITY PROGRAMS

Shareholders' Rights Plan: The Company has a shareholders' rights plan that granted to shareholders one preferred stock purchase right (Right) for each outstanding share of the Company's common stock. Each Right entitles the purchase of one one-hundredth of a share of Series A Preferred stock at a price determined by, and under the conditions set forth in, the Amended and Restated Rights Agreement. Because the issuance of Rights may substantially dilute the stock ownership of a person or group attempting to take over the Company without the approval of the Company's Board of Directors, the Company's rights plan could make an acquisition of the Company (or a significant percentage of its outstanding capital stock) by a third party without first negotiating with the Board more difficult. The Rights expire on January 28, 2022, unless extended or reissued by the Board.

Share Repurchase Plan: The Board of Directors has authorized the Company to repurchase shares of its common stock. Under this authorization, the Company may finance its share repurchases with available cash or borrowings under its existing credit facilities. The share repurchase program does not include specific price targets or timetables and may be suspended at any time. The Company had the authority to repurchase up to $9,690, $7,509 and $1,404 of additional shares for the years ended February 28, 2021, February 29, 2020 and February 28, 2019, respectively.

NOTE 7. STOCK-BASED COMPENSATION

Beginning in June 2013, the Company has authorized the issuance of common stock to members of the Company's Board of Directors for services performed. Compensation expense recognized for common stock issued for services provided by members of the Board of Directors and fully vested was $570, $435 and $340 for the years ended February 28, 2021, February 29, 2020 and February 28, 2019, respectively.

Restricted Stock Plan: Beginning in June 2004, the Company has authorized, from time-to-time, the issuance of restricted stock to certain key employees under the Computer Services, Inc. Restricted Stock Plan. The shares vest ratably in annual installments beginning from the date of the grant. During the vesting period, the participants have voting rights and receive dividends, but the shares may not be sold, assigned, transferred, pledged or otherwise encumbered. Additionally, granted but unvested shares are forfeited upon termination of employment, unless certain criteria are met.

The Company follows authoritative accounting guidance related to stock-based compensation, which addresses the accounting for stock-based employee plans. The standard requires that such transactions are accounted for using a fair-value method of accounting.

The fair value of the restricted shares on the date of the grant is amortized ratably over the vesting period. Fair value of restricted shares granted is based on the closing price of company common stock as of the date of the restricted stock grant. Unearned compensation, initially recorded based on the market value of the shares on the date of grant, is amortized over four years.

The following is a summary of changes in unearned compensation on restricted stock as of February 28, 2021, February 29, 2020 and February 28, 2019:

	2021	2020	2019
Balance, beginning of year	**$ 4,715**	$ 3,968	$ 3,957
Grant of restricted stock			
March 19, 2018	-	-	100
May 1, 2018	-	-	2,181
December 4, 2018	-	-	130
May 8, 2019	-	2,328	-
May 13, 2019	-	100	-
July 15, 2019	-	64	-
December 13, 2019	-	100	-
March 19, 2020	**50**	-	-
May 6, 2020	**2,442**	-	-
Restricted stock vested	**(1,891)**	(1,751)	(2,400)
Restricted stock forfeited	-	(94)	-
Balance, end of year	**$ 5,316**	$ 4,715	$ 3,968

The following is a summary of changes in unvested shares of restricted stock as of February 28, 2021, February 29, 2020 and February 28, 2019:

	2021	2020	2019
Unvested balance, beginning of year	**169,729**	177,066	190,358
Granted	**57,411**	73,438	101,490
Vested	**(73,153)**	(77,300)	(114,782)
Forfeited	-	(3,475)	-
Unvested balance, end of year	**153,987**	169,729	177,066
Weighted average fair value:			
Granted	**$ 43.41**	$ 35.29	$ 23.75
Vested	**$ 25.86**	$ 22.66	$ 20.91
Forfeited	**$ -**	$ 27.15	$ -

Compensation expense recognized under the Computer Services, Inc. Restricted Stock Plan was $1,891, $3,188 and $2,400 for the years ended February 28, 2021, February 29, 2020 and February 28, 2019, respectively.

NOTE 8. EMPLOYEE BENEFITS

The Company maintains a qualified defined contribution plan that covers substantially all employees. Contributions to the plan are funded annually and totaled $6,540, $11,558 and $10,206, for the years ended February 28, 2021, February 29, 2020 and February 28, 2019, respectively. The Company has a deferred compensation agreement with its Chief Executive Officer that provides, upon disability or retirement, $1,000 in benefits. The present value of total estimated deferred compensation is being accrued in other long-term liabilities using the straight-line method over the remaining period to the full eligibility date. Expense for the years ended February 28, 2021, February 29, 2020 and February 28, 2019 was $0, $0 and $40, respectively.

NOTE 9. SELF-INSURANCE

The Company has elected to self-insure certain costs related to employee health and accident benefit programs. The Company has purchased insurance that limits its exposure for individual claims and limits its aggregate exposure to $150. Costs resulting from noninsured losses are charged to income when incurred. In establishing accruals for claims incurred and reported and estimates for claims incurred but not yet reported, the Company uses factors such as historical experience, known trends, and third-party administrator estimates to determine the appropriate amount to report as accrued liabilities. The amount of actual losses incurred could differ materially from the estimates reflected in these consolidated financial statements. Amounts charged to expense for self-insured employee health insurance programs totaled $10,148, $9,751 and $9,140 for the years ended February 28, 2021, February 29, 2020 and February 28, 2019, respectively.

NOTE 10. SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contingencies: The Company may from time-to-time, be the defendant in certain litigation arising in the ordinary course of business. In the opinion of management and outside legal counsel, any pending or threatened litigation involving the Company is adequately covered by insurance or the ultimate outcome will not have a material impact on the financial position or results of operations of the Company.

NOTE 11. SEGMENT REPORTING

The Company is a leading provider of financial, regulatory compliance and information technology solutions and services to financial institutions and other corporate entities.

Beginning in March 2020, the Company changed its reportable segment structure from one segment to two segments. The Company's two reportable business segments are managed separately based on fundamental differences in their operations. The Chief Operating Decision Makers (CODMs), determined to be the Senior Executive Leadership Team, evaluate the performance of its segments based on the contributions to operating income of the respective segments and allocate additional resources to them based on various factors, including product development and innovation focus, market conditions, emerging technologies, competitive factors, and others. Only revenue and cost of revenue are considered in the evaluation for each segment. Assets and liabilities are not allocated to segments for reporting presentation as the CODMs do not use such information as a key performance indicator.

During the fiscal year, the Company merged its subsidiary Attus Technologies, Inc. into the parent and reassigned its operations across the segments. As a result, the Company reassigned and allocated goodwill between the two reporting units. The reassignment of goodwill was completed using specific identification, based on historical operations of the subsidiary as acquisitions are directly linked to one of the two segments now containing those operations.

The Company's operations are classified into two reportable segments as follows:

Enterprise Banking Group ("EBG") comprises the Company's core bank processing services including payments solutions as well as the Company's integrated banking solutions for mobile and Internet banking.

Business Solutions Group ("BSG") comprises document solutions including check imaging, branch and merchant capture, print and mail services, and electronic document delivery services; managed services including network management, cloud-based managed services, corporate intranets, telecommunications services, secure remote working connectivity, secure Web hosting, Board portals, e-messaging, software licensing fees and installation fees, professional services, equipment and supply sales, and maintenance and support fees; and regulatory compliance services including compliance software and services, homeland security, anti-money laundering, anti-terrorism financing, and fraud prevention.

Goodwill attributable to the EBG and BSG segment as of February 28, 2021 was $15,491 and $44,624, respectively.

	Year Ended February 28, 2021		
	EBG	BSG	Total
Revenues	$ 178,903	$ 112,434	$ 291,337
Cost of revenue	92,774	74,296	167,070
Research and development	-	-	18,724
Selling, general, and administration	-	-	33,031
Operating expenses	-	-	218,825
Segment income	$ 86,129	$ 38,138	-
Operating income			72,512
Other income (expense)			480
Income before income taxes			$ 72,992

NOTE 12. CHANGE IN ACCOUNTING PRINCIPLE

On March 1, 2020, the Company adopted ASU 2018-15, *"Intangibles—Goodwill and Other—Internal-Use Software* (Subtopic 350-40): *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract* (ASC 350-40). The guidance requires that the Company capitalize certain implementation costs for cloud computing arrangements and amortize the expense over the term of the hosting arrangement. As of February 28, 2021, the Company had capitalized $956 in implementation costs.

NOTE 13. SUBSEQUENT EVENTS

On March 4, 2021, the Company's Board of Directors declared a cash dividend of $0.25 per share, payable to shareholders of record as of the close of business on March 15, 2021. The dividend was paid on March 29, 2021 in the aggregate amount of $6,879.

On March 25, 2021, the Company's Board of Directors declared a cash dividend of $0.25 per share, or approximately $6,881 in the aggregate, payable on June 25, 2021 to shareholders of record as of the close of business on June 1, 2021.

On March 25, 2021, the Company's Board of Directors approved an Employee Stock Purchase Plan. If approved by the Company's shareholders, the Plan will allow participating employees to purchase Company stock at a discounted price.

The Company has evaluated events through May 17, 2021, which is the date the consolidated financial statements were available to be issued.

QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

(in thousands, except per share data)

	Quarter				
	First	Second	Third	Fourth	Total
2021					
Revenues	**$ 70,639**	**$ 72,462**	**$ 72,750**	**$ 75,487**	**$ 291,337**
Operating expenses	**51,923**	**54,000**	**55,133**	**57,770**	**218,825**
Operating income	**18,716**	**18,462**	**17,617**	**17,717**	**72,512**
Non-operating income	**-**	**37**	**-**	**-**	**37**
Interest income, net	**129**	**202**	**68**	**44**	**443**
Income before income taxes	**18,845**	**18,702**	**17,685**	**17,761**	**72,992**
Provision for income taxes	**4,692**	**4,442**	**4,200**	**4,255**	**17,588**
Net income	**$ 14,153**	**$ 14,260**	**$ 13,485**	**$ 13,506**	**$ 55,404**
Earnings per common share, basic	**$ 0.51**	**$ 0.52**	**$ 0.49**	**$ 0.49**	**$ 2.01**
Market price					
High	**$ 52.45**	**$ 62.00**	**$ 62.85**	**$ 63.50**	
Low	**$ 37.01**	**$ 48.20**	**$ 56.36**	**$ 56.56**	
Close	**$ 49.94**	**$ 60.50**	**$ 56.50**	**$ 60.00**	
2020					
Revenues	$ 69,022	$ 70,346	$ 72,115	$ 72,742	$ 284,225
Operating expenses	53,679	54,237	57,202	53,831	218,949
Operating income	15,342	16,109	14,913	18,911	65,276
Non-operating income	-	57	-	-	57
Interest income, net	323	370	323	335	1,351
Income before income taxes	15,665	16,536	15,236	19,246	66,684
Provision for income taxes	3,125	3,473	3,200	4,042	13,838
Net income	$ 12,541	$ 13,064	$ 12,037	$ 15,204	$ 52,846
Earnings per common share, basic	$ 0.45	$ 0.47	$ 0.43	$ 0.56	$ 1.91
Market price					
High	$ 40.00	$ 44.75	$ 47.50	$ 55.00	
Low	$ 28.03	$ 34.82	$ 41.07	$ 42.04	
Close	$ 37.00	$ 43.00	$ 42.90	$ 52.00	
2019					
Revenues	$ 64,892	$ 67,062	$ 67,638	$ 63,753	$ 263,345
Operating expenses	51,893	54,373	53,376	48,396	208,038
Operating income	12,999	12,690	14,262	15,357	55,307
Non-operating income	-	3,858	235	-	4,093
Interest income, net	98	192	234	272	796
Income before income taxes	13,097	16,740	14,730	15,629	60,196
Provision for income taxes	3,001	3,737	3,349	3,082	13,169
Net income	$ 10,096	$ 13,003	$ 11,381	$ 12,547	$ 47,027
Earnings per common share, basic	$ 0.36	$ 0.47	$ 0.41	$ 0.45	$ 1.69
Market price					
High	$ 24.70	$ 28.98	$ 26.63	$ 29.00	
Low	$ 21.81	$ 24.43	$ 23.83	$ 23.88	
Close	$ 24.43	$ 26.25	$ 26.38	$ 29.00	

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CSI Leadership

EXECUTIVE OFFICERS

Steven A. Powless
Chairman and CEO

David Culbertson
President and COO

Brian Brown
Treasurer and CFO

BOARD OF DIRECTORS

Steven A. Powless
Chairman and CEO, Computer Services, Inc.
Member, Executive Committee
Member, Risk Committee

Dana Bowers
Founder and Chief Solution Architect, Venminder, Inc.
Member, Risk Committee

Michael Carter
Managing Director and Global Co-Head, Technology Investment Banking RBC Capital Markets
Member, Profit Sharing Committee

David Culbertson
President and COO, Computer Services, Inc.

Basil N. Drossos
Former General Motors Executive
Chairman, Audit Committee
Chairman, Profit Sharing Committee

Terrance P. Haas
CEO, Turnkey Risk Solutions
Former CEO, Harvard Drug Group
Member, Audit Committee
Member, Executive Committee
Chairman, Risk Committee

Kristin Rudolph Muhlner
CEO and Co-Founder, Affect Therapeutics
Former Executive Chairman, Skyword
Former CEO of newBrand Analytics and RollStream
Member, Profit Sharing Committee

David M. Paxton
Chairman, Paxton Media Group
Chairman, Executive Committee
Chairman, Compensation Committee

Robert L. Walker
Lead Independent Director
Former Senior Vice President and CFO, Western and Southern Financial Group
Member, Audit Committee
Member, Executive Committee
Member, Compensation Committee

Tammy D. Souder
Chief Administrative Officer, Computer Services, Inc.
Secretary to the Board

Investor Information

ANNUAL SHAREHOLDERS MEETING
The Annual Shareholders Meeting will be hosted virtually on Thursday, July 8, 2021 at 9 a.m. CDT. Join the livestream at www.csiweb.com.

SHAREHOLDER INQUIRIES
Communications regarding stock holdings, stock certificates, dividend payments, changes of address, consolidation of accounts, transfers of ownership or other stock matters may be directed to Computershare Limited.

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Courier Services:
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462 South 4th St., Suite 1600, Louisville, KY 40202

Shareholder Services Number: 800.522.6645
TTD for Hearing Impaired: 800.231.5469

Shareholder Website: www-us.computershare.com/investor/

Shareholder Online Inquiries:
www-us.computershare.com/investor/contact

Investor Centre™ Portal: www.computershare.com/investor

INVESTOR RELATIONS
The Computer Services, Inc. annual report, quarterly reports, press releases and current stock price information are available on the company's website at www.csiweb.com. Visitors to our website may use the email updates option to automatically receive electronic notification of company announcements. Prospective investors, securities analysts, portfolio managers and representatives of financial institutions seeking these reports or other information regarding the company may contact:

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Computer Services, Inc.
3901 Technology Drive, Paducah, KY 42001-5201
Telephone: 270.442.7361, ext. 10689
Fax: 270.442.9905
Email: brian.brown@csiweb.com

COMMON STOCK
Computer Services, Inc. has approximately 5,998 shareholders based on an estimate of the number of individual participants represented by security position listings and the number of record holders of the company's common stock. The company's common stock is traded on the Premier QX tier of the OTC Markets (www.otcmarkets.com) under the symbol CSVI. Quarterly dividends on Computer Services, Inc. common stock, when declared by the Board of Directors, are paid on or about March 31, June 25, September 25, and December 26. The company does not currently offer a dividend reinvestment program.

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