

Edgar Filing: TOTAL SYSTEM SERVICES INC - Form 10-K/A

TOTAL SYSTEM SERVICES INC
Form 10-K/A
April 22, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment No. 1

(Mark One)

Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2002 or

Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission file number 1-10254

TOTAL SYSTEM SERVICES, INC.
(Exact Name of Registrant as specified in its charter)

Georgia 58-1493818
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1600 First Avenue 31901
Columbus, Georgia (Zip Code)
(Address of principal executive offices) (706) 649-2204
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$.10 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
NONE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES X NO _____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

YES X NO _____

As of February 17, 2003, 197,049,470 shares of the \$.10 par value common stock of Total System Services, Inc. were outstanding. The aggregate

Edgar Filing: TOTAL SYSTEM SERVICES INC - Form 10-K/A

market value of the shares of \$.10 par value common stock of Total System Services, Inc. held by nonaffiliates on December 31, 2002 was approximately \$505,364,000 (based upon the closing price of such stock on June 28, 2002).

Portions of Registrant's Proxy Statement, including Financial Appendix, dated March 12, 2003 are incorporated in Parts I, II, III and IV of this report.

The undersigned registrant hereby amends Item 15 of its Annual Report on Form 10-K for the year ended December 31, 2002 by adding Exhibit 99.1, the Annual Report on Form 11-K for the Total System Services, Inc. Employee Stock Purchase Plan for the year ended December 31, 2002, and by adding Exhibit 99.2, the Annual Report on Form 11-K for the Total System Services, Inc. Director Stock Purchase Plan for the year ended December 31, 2002, as set forth below and in the attached exhibits.

PART IV

Item 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) 1. Financial Statements

The following Consolidated Financial Statements of TSYS are specifically incorporated by reference from pages F-20 through F-42 of the Financial Appendix to TSYS' Proxy Statement to Item 8, Part II, Financial Statements and Supplementary Data.

Consolidated Balance Sheets - December 31, 2002 and 2001.

Consolidated Statements of Income - Years Ended December 31, 2002, 2001 and 2000.

Consolidated Statements of Cash Flows - Years Ended December 31, 2002, 2001 and 2000.

Consolidated Statements of Shareholders' Equity and Comprehensive Income - Years Ended December 31, 2002, 2001 and 2000.

Notes to Consolidated Financial Statements.

Report of Independent Auditors.

2. Index to Financial Statement Schedules

The following report of independent auditors and consolidated financial statement schedule of Total System Services, Inc. are included:

Report of Independent Auditors.

Schedule II - Valuation and Qualifying Accounts - Years Ended December 31, 2002, 2001 and 2000.

All other schedules are omitted because they are inapplicable

Edgar Filing: TOTAL SYSTEM SERVICES INC - Form 10-K/A

or the required information is included in the Notes to Consolidated Financial Statements.

3. Exhibits

Exhibit

Number	Description
--------	-------------

3.1	Articles of Incorporation of Total System Services, Inc. ("TSYS"), as amended, incorporated by reference to Exhibit 4.1 of TSYS' Registration Statement on Form S-8 filed with the Commission on April 18, 1997 (File No. 333-25401).
-----	---

3.2	Bylaws of TSYS, as amended.
-----	-----------------------------

10. EXECUTIVE COMPENSATION PLANS AND ARRANGEMENTS

10.1	Director Stock Purchase Plan of TSYS, incorporated by reference to Exhibit 10.1 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1999, as filed with the Commission on March 16, 2000.
------	--

10.2	Total System Services, Inc. 2002 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.2 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 2001, as filed with the Commission on March 19, 2002.
------	---

10.3	Synovus Financial Corp. 2002 Long-Term Incentive Plan in which executive officers of TSYS participate, incorporated by reference to Exhibit 10.3 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 2001, as filed with the Commission on March 19, 2002.
------	---

10.4	Synovus Financial Corp./Total System Services, Inc. Deferred Compensation Plan, incorporated by reference to Exhibit 10.4 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 2001, as filed with the Commission on March 19, 2002.
------	--

10.5	Total System Services, Inc. 1992 Long-Term Incentive Plan, which was renamed the Total System Services, Inc. 2000 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.5 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1992, as filed with the Commission on March 18, 1993.
------	--

2

10.6	Total System Services, Inc. Directors' Deferred Compensation Plan, incorporated by reference to Exhibit 10.6 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 2001, as filed with the Commission on March 19, 2002.
------	---

10.7	Wage Continuation Agreement of TSYS, incorporated by reference to Exhibit 10.7 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1992, as filed with the Commission on March 18, 1993.
------	---

Edgar Filing: TOTAL SYSTEM SERVICES INC - Form 10-K/A

- 10.8 Incentive Bonus Plan of Synovus Financial Corp. in which executive officers of TSYS participate, incorporated by reference to Exhibit 10.8 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1992, as filed with the Commission on March 18, 1993.
- 10.9 Agreement in connection with use of aircraft, incorporated by reference to Exhibit 10.9 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1992, as filed with the Commission on March 18, 1993.
- 10.10 Split Dollar Insurance Agreement of TSYS, incorporated by reference to Exhibit 10.10 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1993, as filed with the Commission on March 22, 1994.
- 10.11 Synovus Financial Corp. 1994 Long-Term Incentive Plan in which executive officers of TSYS participate, incorporated by reference to Exhibit 10.11 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1994, as filed with the Commission on March 9, 1995.
- 10.12 Synovus Financial Corp. Executive Bonus Plan in which executive officers of TSYS participate, incorporated by reference to Exhibit 10.12 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1995, as filed with the Commission on March 19, 1996.
- 10.13 Change of Control Agreements for executive officers of TSYS, incorporated by reference to Exhibit 10.13 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1995, as filed with the Commission on March 19, 1996.
- 10.14 Stock Option Agreement of Samuel A. Nunn, incorporated by
3
reference to Exhibit 10.14 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1996, as filed with the Commission on March 20, 1997.
- 10.15 Synovus Financial Corp. Deferred Stock Option Plan in which executive officers of TSYS participate, incorporated by reference to Exhibit 10.15 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 2001, as filed with the Commission on March 19, 2002.
- 10.16 Vital Processing Services, L.L.C. Restricted Unit Agreement for executive officers of TSYS, incorporated by reference to Exhibit 10.16 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 2000, as filed with the Commission on March 21, 2001.
- 10.17 Lease Agreement between First Security Bank, National Association, and TSYS incorporated by reference to Exhibit 10.15 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1997, as filed with the Commission on March 23, 1998.
- 10.18 Synovus Financial Corp. 2000 Long-Term Incentive Plan in

Edgar Filing: TOTAL SYSTEM SERVICES INC - Form 10-K/A

which executive officers of TSYS participate, incorporated by reference to Exhibit 10.16 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 1999, as filed with the Commission on March 16, 2000.

- 10.19 Split Dollar Insurance Agreement and related Executive Benefit Substitution Agreement of Synovus Financial Corp. in which executive officers of TSYS participate, incorporated by reference to Exhibit 10.19 of TSYS' Annual Report on Form 10-K for the fiscal year ended December 31, 2001, as filed with the Commission on March 19, 2002.
- 20.1 Proxy Statement, including Financial Appendix, for the Annual Meeting of Shareholders of TSYS to be held on April 17, 2003, certain pages of which are specifically incorporated herein by reference.
- 21.1 Subsidiaries of Total System Services, Inc.
- 23.1* Independent Auditors' Consents.

4

- 24.1 Powers of Attorney contained on the signature pages of the 2002 Annual Report on Form 10-K.
- 99.1* Annual Report on Form 11-K for the Total System Services, Inc. Employee Stock Purchase Plan for the year ended December 31, 2002.
- 99.2* Annual Report on Form 11-K for the Total System Services, Inc. Director Stock Purchase Plan for the year ended December 31, 2002.
- 99.3* Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.4* Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*Filed herewith.

- (b) Reports on Form 8-K

On October 15, 2002, TSYS filed a Form 8-K with the Commission in connection with the announcement of its earnings for the third quarter of 2002.

5

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities

Edgar Filing: TOTAL SYSTEM SERVICES INC - Form 10-K/A

Exchange Act of 1934, as amended, Total System Services, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TOTAL SYSTEM SERVICES, INC.
(Registrant)

April 22, 2003

By: /s/ James H. Blanchard

James H. Blanchard,
Chairman of the Executive Committee

6

Certification of Chief Executive Officer

I, Richard W. Ussery, certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K of Total System Services, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

Edgar Filing: TOTAL SYSTEM SERVICES INC - Form 10-K/A

- c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

7

- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 22, 2003

/s/Richard W. Ussery

Richard W. Ussery
Chief Executive Officer

8

Certification of Chief Financial Officer

I, James B. Lipham, certify that:

- 1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K of Total System Services, Inc.;
- 2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all

Edgar Filing: TOTAL SYSTEM SERVICES INC - Form 10-K/A

material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 22, 2003

/s/James B. Lipham

James B. Lipham
Chief Financial Officer

INDEX TO EXHIBITS

Exhibit Number -----	Description -----
23.1	Independent Auditors' Consents
99.1	Annual Report on Form 11-K for the Total System Services, Inc. Employee Stock Purchase Plan for the year ended December 31, 2002.
99.2	Annual Report on Form 11-K for the Total System Services, Inc. Director Stock Purchase Plan for the year ended December 31, 2002.
99.3	CEO Certification
99.4	CFO Certification