

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended June 30, 2001

OR

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

For the transition period from _____ to _____

Commission Number 0-14112

JACK HENRY & ASSOCIATES, INC.

(Exact name of registrant as specified in its charter)

Delaware

43-1128385

(State or other jurisdiction of
incorporation or organization)

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

663 Highway 60, P. O. Box 807, Monett, MO 65708

(Address of principal executive offices)

Registrant's telephone number, including area code: (417) 235-6652

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

None

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

Common Stock (\$.01 par value)

(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark 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.

As of August 24, 2001, Registrant had 89,043,335 shares of Common Stock outstanding (\$.01 par value). On that date, the aggregate market value of the Common Stock held by persons other than those who may be deemed affiliates of registrant was \$2,271,050,259 (based on the average of the reported high and low sales prices on NASDAQ on such date).

DOCUMENTS INCORPORATED BY REFERENCE

Certain sections of the Company's Annual Report to Stockholders for the fiscal year ended June 30, 2001 and of the registrant's Notice of Annual Meeting of Stockholders and Proxy Statement for its Annual Meeting of Stockholders, as described in the Footnotes to the Table of Contents included herewith, are incorporated herein by reference into Parts II and III of this Report.

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(1) Certain information is incorporated by reference, as indicated below, from the Annual Report to Stockholders for the fiscal year ended June 30, 2001 (the "Annual Report") and the Company's Notice of Annual Meeting of the Stockholders and Proxy Statement (the "Proxy Statement").

(2) Annual Report, page 20 under the section entitled "Quarterly Financial Information."

(3) Proxy Statement sections entitled "Election of Directors" and "Executive Officers and Significant Employees."

(4) Proxy Statement sections entitled "Executive Compensation", "Compensation Committee Report", "Audit Committee Report" and "Company Performance."

(5) Proxy Statement sections entitled "Stock Ownership of Certain Stockholders" and "Election of Directors."

PART I

Item 1. Business

Jack Henry & Associates, Inc. ("JHA" or the "Company") is a leading provider of integrated computer systems to banks with under \$10.0 billion of total assets, credit unions and other financial institutions in the United States. We offer a complete, integrated suite of data processing system solutions to improve our customers' management of their entire back-office and customer interaction processes. We believe our solutions enable our customers to provide better service to their customers and compete more effectively against larger banks and alternative financial institutions. Our customers either install and use our systems in-house or outsource these operations to us. We perform data conversion, hardware and software installation and software customization for the implementation of our systems and applications. We also provide continuing customer support services to ensure proper product performance and reliability, which provides us with continuing client relationships and recurring revenue. For our customers who prefer not to acquire hardware and software, we provide outsourcing services through eight data centers and 14 item processing centers located across the United States.

Our gross revenue has grown from \$126.3 million in fiscal 1997 to \$345.5 million in fiscal 2001, representing a compound annual growth rate over this five-year period of 29.6%. Net income from continuing operations has grown from \$18.5 million in fiscal 1997 to \$55.6 million in fiscal 2001, a compound annual growth rate of 32%.

Industry Background

According to the Automation in Banking 2001 report, all financial institutions, including commercial banks, thrifts and credit unions in the United States, increased spending on hardware, software, services and telecommunications to \$38.3 billion in 2000 from \$27.2 billion in 1996, representing a compound annual growth rate of 11.4%. An industry survey shows that 93% of financial institutions believe upgrading technology is the most important issue to their continued success. We believe that the market opportunity for providers of hardware and software systems, maintenance, support and related outsourcing services targeted toward community banks and credit unions will continue to grow as a result of the competitive pressure on financial institutions.

There are approximately 8,300 commercial banks and 10,500 credit unions in the United States. Our primary market has historically been commercial banks with less than \$10.0 billion in assets, of which there were approximately 8,200 at December 31, 2000. As of December 31, 2000, banks with under \$10.0 billion in assets had aggregate assets of approximately \$1.9 trillion. Consolidation within the financial services industry has resulted in a 3.7% compound annual decline in the population of community banks and a 1.4% compound annual decline in their aggregate assets between 1995 and 2000. We also serve credit unions in the United States. These are cooperative, not-for-profit financial institutions organized to promote savings and provide credit to their members. As of December 31, 2000, there were 10,538 federally insured credit unions in the United States. Although the number of these credit unions has declined at a 2.6% compound annual rate between 1995 and 2000, their aggregate assets have increased at a 7.3% compound annual rate to \$449.8 billion in 2000.

We believe that community/regional banks and credit unions play an important role with the geographic and demographic communities and customers they serve. Typically, customers of these banks and credit unions rely on these financial institutions because of their ability to provide personalized, relationship-based service and their focus on local community and business needs. We believe these core strengths will allow community/regional banks and credit unions to effectively compete with larger banks and alternative financial institutions. In order to succeed and to maintain strong customer relationships, we believe these banks and credit unions must continue to:

- * focus on their primary products and services;
- * respond rapidly to customer demand for new products and services;
- * implement advanced technologies, such as Imaging and Internet banking;
- * use advanced technologies in back-office operations to improve operating efficiency and control costs while increasing service and lowering costs to their customers; and

- * integrate products and services into their core service offerings and data processing infrastructure, to provide the same wide range of services as are offered by larger banks.

In 2000, approximately 59% of commercial banks utilized in-house hardware and software systems to perform all of their core systems and data processing functions. Off-site data processing centers provided systems services on an outsourced basis for the remaining 41% of banks. Since the mid-1980s, banks have tended to shift their data processing requirements in-house from outsourcing such functions to third-party data centers. Of the community banks in the United States with in-house installations, approximately 53%, 21%, and 7% utilize IBM, Unisys and NCR hardware, respectively. No other specific hardware platform had more than a 5% share of the market.

The Internet continues to become a more powerful and efficient medium for the delivery of financial services, including Internet banking, bill payment, bill presentment and other services for individuals, and cash management and other services for the commercial customers of financial institutions. Financial institutions provide Internet banking solutions to retain customers, attract new customers, reduce operating costs, and gain non-interest sources of revenue. According to industry sources, approximately 30% of banks in the United States offer Internet banking. We believe that community/regional financial institutions risk losing customers to larger or alternative financial institutions if they do not offer competitive Internet banking services.

Our Solution

We are a single-source provider of a comprehensive and flexible suite of integrated products and services that address the information technology and data processing needs of financial institutions. Our business derives revenues from three primary sources:

- * software licensing and installation services;
- * support and services; and
- * hardware sales.

We develop software applications designed primarily for use on hardware supporting the IBM OS/400 and UNIX/NT operating systems. Our product and service offerings are centered on four proprietary software applications, each comprising the core data processing and information management functions of a commercial bank or credit union. Key functions of each of our core software applications include deposits, loans, and general ledger. Our software applications make extensive use of parameters allowing our customers to tailor the software to their needs. Our software applications are designed to provide maximum flexibility in meeting our customer data processing requirements within a single, integrated system. Our core proprietary software applications are:

- * Silverlake System[R], which operates on the IBM AS/400 and is used primarily by banks with total assets up to \$10.0 billion;
- * CIF 20/20[TM], which operates on the IBM AS/400 and is used primarily by banks with total assets up to \$300.0 million;
- * Core Director[TM], which operates on hardware supporting a UNIX/NT environment and is used by banks employing client-server technology; and
- * Symitar System[TM], which operates on the IBM RS/6000 with a UNIX/NT operating system and is used by credit unions.

To complement our core software applications, we provide a variety of complementary products and services for use on an in-house or an outsourced basis by community/regional financial institutions.

We believe that our solution provides strategic advantages to our customers by enabling them to:

- * Implement Advanced Technologies with Full Functionality. Our comprehensive suite of products and services is designed to meet our customers' information technology needs through custom-tailored solutions using proprietary software products. Our clients can either perform these functions themselves on an in-house basis through the installation of our hardware and software systems or outsource those functions to us.

- * Rapidly Deploy New Products and Services. Once a financial institution has implemented our core software, either in-house or on an outsourced basis, we can quickly and efficiently install additional applications and functions. This allows our customers to rapidly deploy new products and services.
- * Focus on Customer Relationships. Our products and services allow our customers to stay focused on their primary business of gaining, maintaining and expanding their customer relationships while providing the latest financial products and services.
- * Access Outsourcing Solutions to Improve Operating Efficiency. Customers utilizing our outsourcing solutions benefit from access to all of our products and services without having to maintain personnel to develop, update and run these systems and without having to make large up-front capital expenditures to implement these advanced technologies.

Our Strategy

Our objective is to grow our revenue and earnings internally, supplemented by strategic acquisitions. The key components of our business strategy are to:

- * Provide High-Quality, Value-Added Products and Services to Our Clients. We compete on the basis of providing our customers with the highest-value products and services in the market. We believe we have achieved a reputation as a premium product and service provider.
- * Continue to Expand Our Product and Service Offerings. We continually upgrade our core software applications and expand our complementary product and service offerings to respond to technological advances and the changing requirements of our clients. For example, we offer a turn-key Internet banking solution that enables financial institutions to rapidly deploy sophisticated new products and services. Our integrated solutions enable our customers to offer competitive services relative to larger banks and alternative financial institutions. We intend to continue to expand our range of Internet banking and other products and services as well as provide additional services such as network services and computer facilities design.
- * Expand Our Existing Customer Relationships. We seek to increase the information technology products and services we provide to those customers that do not utilize our full range of products and services. In this way, we are able to increase revenues from current customers with minimal additional sales and marketing expenses.
- * Expand Our Customer Base. We seek to establish long-term relationships with new customers through our sales and marketing efforts and selected acquisitions. As of June 30, 2001, we had over 2,800 customers, up from 1,240 in 1996.
- * Build Recurring Revenue. We enter into contracts with customers to provide services that meet their information technology needs. We provide ongoing software maintenance and support for our in-house customers. Additionally, we provide data processing for our outsourcing customers and ATM transaction switching services, both on contracts that typically extend for periods of five years.
- * Maximize Economies of Scale. We strive to develop and maintain a sufficiently large client base to create economies of scale, enabling us to provide value-priced products and services to our clients while expanding our operating margins.
- * Attract and Retain Capable Employees. We believe that attracting and retaining high-quality employees is essential to our continued growth and success. Our corporate culture focuses on the needs of employees, a strategy that we believe has resulted in low employee turnover. In addition, we selectively use employee stock options to serve as a strong incentive and retention tool.

Our Acquisitions

To complement and accelerate our internal growth, we selectively acquire companies that provide us with one or more of the following:

- * new customers;
- * products and services to complement our existing offerings;

- * additional outsourcing capabilities; and
- * entry into new markets related to financial institutions.

When evaluating acquisition opportunities, we focus on companies with a strong employee base and management team and excellent customer relationships. Since fiscal 1995, we have completed the following acquisitions:

Fiscal Year	Company	Products and Services
2000	Symitar	Data processing systems and services for credit unions
2000	Sys-Tech	Uninterruptible power supply systems and computer facilities design
2000	BancData Systems	Outsourcing services
2000	Open Systems Group	UNIX/NT-based data processing systems for banks
1999	Peerless Group	Data processing systems for banks and credit unions
1999	Digital Data Services	Outsourcing services
1999	Hewlett Computer Services	Outsourcing services
1998	Vertex	Teller software
1998	Financial Software Systems	Payroll software
1998	GG Pulley	Image and item processing products and services
1997	Liberty Banking Services	Outsourcing services
1996	Central Interchange	ATM network services
1995	Liberty	Data processing systems for banks and outsourcing services
1995	Sector	Data processing systems for banks
1995	CommLink	ATM network services

Our Products and Services

Changing technologies, business practices and financial products have resulted in issues of compatibility, scalability and increased complexity for the hardware and software used in many financial institutions. We have responded to these issues by developing a fully integrated suite of products and services consisting of core software systems, hardware and complementary products and services. These address virtually all of a commercial bank or credit union's customer interaction, back-office data and information processing needs.

We provide our full range of products and services to financial institutions through both in-house and outsourced delivery models. For those customers who prefer to purchase systems for their in-house facilities, we contract to sell computer hardware, license core and complementary software and contract to provide installation, training and ongoing maintenance and support and other services.

We also offer our full suite of software products and services on an outsourced basis to customers who do not wish to maintain, update and run these systems or to make large up-front capital expenditures to implement these advanced technologies. Our principal outsourcing service is the delivery of mission-critical data processing services using our data centers located within the United States. We provide our outsourcing services through an extensive national data and service center network, comprised of eight data centers and 14 item processing centers. We monitor and maintain our network on a seven-day, 24-hour basis. Customers typically pay monthly fees on multi-year service contracts for these services.

Hardware Systems

Our software operates on a variety of hardware systems. We have entered into remarketing agreements with IBM, NCR and other hardware providers that allow us to purchase hardware at a discount and sell (remarket) it to our customers together with our software applications. We currently sell the IBM AS/400, which is IBM's premier mid-range hardware system, the IBM RS/6000, NCR servers and reader/sorters, BancTec reader/sorters and Unisys reader/sorters.

We have a long-term strategic relationship with IBM, dating to the initial design of our first core software applications more than 20 years ago. In addition to our remarketing agreement with IBM, which we renew annually, we have been named a "Premier Business Partner" of IBM for the last nine consecutive years. Our relationship with IBM provides us with a substantial and ongoing source of revenue.

Our remarketing strategy was expanded in 2001 to include Unisys reader/sorter hardware products to allow us to respond to customer demand for alternative hardware products and sell our complementary image software applications to a broader-based market.

Core Software Applications

Each of our core software systems consists of several fully-integrated application modules, such as deposits, loans, general ledger, and the customer information file, which is a centralized file containing customer data for all applications. We can custom-tailor these modules utilizing parameters determined by our customer. The applications can be connected to a wide variety of peripheral hardware devices used in bank operations. Our software is designed to provide maximum flexibility in meeting our customers' data processing requirements within a single system to minimize data entry and improve efficiencies.

For our customers who choose to acquire in-house capabilities, we generally license our core system under standard license agreements which provide the customer with a fully-paid, nonexclusive, nontransferable right to use the software on a single computer and at a single location. These same systems can be delivered on an outsourced basis as well.

Our core software applications are differentiated broadly by size of customer, scalability, customizable functionality, customer competitive environment and, to a lesser extent, cost. Our core applications include:

- * Silverlake System, which operates on the IBM AS/400 and is used primarily by banks with total assets up to \$10.0 billion;
- * CIF 20/20, which operates on the IBM AS/400 and is used primarily by banks with total assets up to \$300.0 million;
- * Core Director, which operates on hardware supporting a UNIX/NT environment and is used by banks employing client-server technology; and
- * Symitar System, which operates on the IBM RS/6000 with a UNIX/NT operating system and is used by credit unions.

Complementary Products and Services

To enhance our core software applications, we provide a number of complementary products and services, including:

VertexTM Teller Automation System is an online teller automation system that enables tellers to process transactions more efficiently and with greater accuracy.

Streamline Platform AutomationTM is a fully-automated new account origination solution that integrates new customer data, including signature cards, disclosure statements, and loan applications into the core customer data files on a real-time basis.

Alliance Check Image SolutionsTM allow our customers to create and store digital check images for inclusion in monthly statements and to facilitate their customer support services.

4|sightTM Item Image Solutions is our new generation of imaging products, which allows our customers to create and store digital check images for inclusion in monthly statements, facilitate their customer support services and leverage their investments with system integration.

Silhouette Document ImagingTM utilizes digital storage and retrieval technology to provide online instant access to document images, such as loan documents and signature cards.

PinPoint Report RetrievalTM enables system-wide storage and retrieval of computer-generated reports for simplified information access.

NetTellerTM and MemberConnect WebTM provides Internet-based home banking and commercial cash management. See "Online Banking" below.

InTouch Voice ResponseTM provides a fully-automated interactive voice response system for 24-hour telephone-based banking and customer service.

Centurion Disaster RecoveryTM provides multi-tiered disaster recovery protection, including comprehensive disaster planning and procedures.

TimeTrack Payroll SystemTM is a fully-integrated payroll accounting and human resources software system.

FormSmart[™] provides day-to-day operating forms, year-end tax forms and other printing and office supplies.

CommLink[™] ATM & Transaction Processing Solutions provides national switching and processing services for ATM, debit card transactions and point-of-sale transactions.

Other software products such as proof of deposit, secondary market loan servicing, account reclassification, and investment sweeps further complement our core systems.

Installation and Training

Although not a requirement of the software contract, virtually all of our customers contract with us for installation and training services in connection with their purchase of in-house systems. The complete installation process of a core system typically includes planning, design, data conversion, hardware set-up and testing. At the culmination of this installation process, one of our installation teams travels to our customer's facilities to ensure the smooth transfer of data to the new system. Installation fees are charged separately to our customers on either a fixed fee or hourly charge model depending on the system, with full pass-through to our customers of travel and other expenses. Installation services are also required in connection with new outsourcing customers, and are billed separately at the time of installation.

Both in connection with installation of new systems and on an ongoing basis, our customers need, and we provide, extensive training services and programs related to our products and services. Training can be provided in our regional training centers, at meetings and conferences or onsite at our customers' locations, and can be customized to meet our customers' requirements. The large majority of our customers acquire training services from us, both to improve their employees' proficiency and productivity and to make full use of the functionality of our systems. Generally, training services are paid for on an hourly basis, however, we have recently been successful in marketing annual subscriptions for training services, representing blocks of training time that can be used by our customers in a flexible fashion and the related revenue is recognized as the services are provided.

Support and Services

Following the installation of our hardware and software systems at a customer site, we provide ongoing software support services to assist our customers in operating the systems and to periodically update the software. We also offer support services for hardware, primarily through our hardware suppliers, providing customers who have contracted for this service with "one-call" system support covering hardware and software applications.

Support is provided through a 24-hour telephone service available to our customers seven days a week. Most questions and problems can be resolved quickly by our experienced support staff. For more complicated issues, our staff, with our customers' permission, can log on to our customers' systems remotely. We maintain our customers' software largely through releases which contain improvements and incremental additions. Updates also are issued when required by changes in applicable laws and regulations. We provide maintenance and support services on our core systems as well as our complementary software products.

Nearly all of our in-house customers purchase support services from us. These services are a significant source of recurring revenue, are contracted for on an annual basis and are typically priced at approximately 18% of the particular software product's license fee. These fees may be increased as our customers' asset base increases and as they increase the level of functionality of their system by purchasing additional complementary products. Software support fees are generally paid in advance for the entire year, with proration for new contracts which start during the year. Hardware support fees are also paid in advance for the entire contract period which ranges from one to five years. Most contracts automatically renew annually unless we or our customer gives notice of termination at least 60 days prior to expiration. Identical support is provided to our outsourced customers, but are not separately priced in their overall monthly fees.

Online Banking

We provide a suite of fully integrated Internet products and services that enables financial institutions to offer Internet banking and e-commerce solutions to their customers. Our offerings include:

NetTeller, an Internet-based home banking system for individual customers and commercial cash management for business customers of

community banks;

MemberConnect Web, an Internet-based home banking system for credit union members;

Bill Pay, which allows customers to pay bills online; and

NetHarbor, which provides our customers with a custom-branded web portal that enables them to provide their customers with a variety of customized information and e-commerce opportunities, including user-defined content such as local or special interest events, weather, financial news and other information.

Research and Development

We devote significant effort and expense to develop new software and service products and continually upgrade and enhance our existing offerings. Typically, we upgrade our core software applications and complementary services once per year. We believe that our research and development efforts are highly efficient because of the extensive experience of our research and development staff and because our product development is highly customer-driven. Through our regular contact with customers at user group meetings, sales contacts and through our ongoing maintenance services, our customers inform us of the new products and functionalities they desire.

Sales and Marketing

Our primary markets consist of commercial banks and credit unions. We have not devoted significant marketing and sales efforts to other financial institutions such as thrifts. Historically, we have primarily and most successfully marketed to banks with up to \$5.0 billion in total assets and credit unions of all sizes.

Our sales efforts are conducted by a dedicated field sales force, an inside sales team and a technical sales support team, all of which are overseen by regional sales managers. Our dedicated field sales force is responsible for pursuing lead generation activities and representing the majority of our products and solutions to current and prospective clients. Our inside sales force sells certain complementary products to our existing customers. All sales force personnel have responsibility for a specific territory. The sales support team writes business proposals and contracts and prepares responses to request-for-proposals regarding our software and hardware solutions. All of our sales professionals receive a base salary and performance-based commission compensation.

Our marketing effort consists of attendance at trade shows, printed media advertisement placements, internally developed and managed marketing campaigns. We also conduct a number of field and national user group meetings each year that enable us to keep in close contact with our customers and demonstrate new products and services to them.

We have 24 installations in the Caribbean primarily through the marketing efforts of our wholly-owned foreign sales subsidiary, Jack Henry International Limited. Our international sales have historically accounted for less than 1% of our revenues.

Backlog

Our backlog consists of contracted in-house products and services (prior to delivery) and the minimum amounts due on the remaining portion of outsourcing contracts, which are typically for five-year periods. Our backlog at June 30, 2001 was \$49.5 million for in-house products and services and \$77.6 million for outsourcing services, with a total backlog of \$127.1 million. Backlog at June 30, 2000 was \$43.0 million for in-house products and services and \$61.4 million for outsourcing services, with a total backlog of \$104.4 million. Our backlog is subject to seasonal variations and can fluctuate quarterly due to various factors, including slower contract processing rates during the summer months.

Competition

The market for companies that provide technology solutions to financial institutions is competitive and fragmented, and we expect continued competition from both existing competitors and companies that enter our existing or future markets. Some of our current competitors have longer operating histories, larger customer bases and greater financial resources. The principal competitive factors affecting the market for our services include comprehensiveness of the applications, features and functionality, flexibility and ease of use, customer support, references from existing customers and price. We compete with large vendors that offer transaction processing products and services to financial institutions, including Bisys, Inc., AllTel Information Services, Fiserv, Inc. and Marshall and Ilsley Corporation. In addition, we compete with a number of providers that offer one or more specialized products or services. There has been significant

consolidation among providers of information technology products and services to financial institutions, and we believe this consolidation will continue in the future.

Intellectual Property, Patents and Trademarks

Although we believe that our success depends upon our technical expertise more than on our proprietary rights, our future success and ability to compete depends in part upon our proprietary technology. We have already registered or filed applications for our primary trademarks. None of our technology is patented. Instead, we rely on a combination of contractual rights and copyrights, trademarks and trade secrets to establish and protect our proprietary technology. We generally enter into confidentiality agreements with our employees, consultants, resellers, customers and potential customers. We restrict access to and distribution of our source code and further limit the disclosure and use of other proprietary information. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain or use our products or technology. We cannot be sure that the steps taken by us in this regard will be adequate to prevent misappropriation of our technology or that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology.

Government Regulation

The financial services industry is subject to extensive and complex federal and state regulation. Our current and prospective customers, which consist of financial institutions such as community/regional banks and credit unions, operate in markets that are subject to substantial regulatory oversight and supervision. We must ensure that our products and services work within the extensive and evolving regulatory requirements applicable to our customers, including those under the federal truth-in-lending and truth-in-deposit rules, usury laws, the Equal Credit Opportunity Act, the Fair Housing Act, the Electronic Funds Transfer Act, the Fair Credit Reporting Act, the Bank Secrecy Act and the Community Reinvestment Act. The compliance of our products and services with these requirements depends on a variety of factors including the particular functionality, the interactive design and the classification of customers. Our customers must assess and determine what is required of them under these regulations and they contract with us to ensure that our products and services conform to their regulatory needs. It is not possible to predict the impact that any of these regulations could have on our business in the future.

We are not chartered by the Office of the Comptroller of Currency, the Board of Governors of the Federal Reserve System, the National Credit Union Administration or other federal or state agencies that regulate or supervise depository institutions. The services provided by our OutLink Data Centers are subject to examination by the Federal depository institution regulators under the Bank Service Company Act. On occasion these services are also subject to examination by state banking authorities.

We provide outsourced data and item processing through our geographically dispersed OutLink Data Centers, electronic transaction processing through CommLink ATM and Transaction Processing Solutions, Internet banking through NetTeller online banking, and bank business recovery services through Centurion Disaster Recovery. As a service provider to financial institutions, our operations are governed by the same regulatory requirements as those imposed on financial institutions. We are subject to periodic review by federal depository institution regulators who have broad supervisory authority to remedy any shortcomings identified in such reviews.

The privacy requirements in Title V of the Gramm-Leach-Bliley Act ("the Act"), adopted in November of 1999, represent a significant change in the federal legal framework governing how providers of financial services in this country interact with their customers. Regulations implementing Title V established standards for financial institutions relating to administrative, technical and physical safeguards for customer records and information. Financial institutions are required to evaluate their controls on access to customer information and their policies for encrypting customer information while it is being transmitted or stored on networks to which unauthorized persons may have access. As a software company that provides services to financial institutions, we are covered under these regulations and may have to adopt additional safeguards within our software to ensure that we and our customers are in compliance with the Act.

Employees

As of June 30, 2001 and 2000, we had 1,910 and 1,589 full time employees respectively. Our employees are not covered by a collective bargaining agreement and there have been no labor-related work stoppages. We consider our relationship with our employees to be good.

RISK FACTORS

The Company's business and the results of its operations are affected by numerous factors and uncertainties, some of which are beyond their control. The following is a description of some of the important risk factors and uncertainties that may cause the actual results of the Company's operations in future periods to differ materially from those currently expected or desired.

We may not be able to continue or effectively manage our rapid growth. We have grown at a rapid pace, both internally and through acquisitions. Our expansion has and will continue to place significant demands on our administrative, operational, financial and management personnel and systems. We cannot assure you that we will be able to enhance and expand our product lines, manage costs, adapt our infrastructure and modify our systems to accommodate future growth.

If we fail to adapt our products and services to changes in technology, we could lose existing customers and be unable to attract new business. The markets for our software and hardware products and services are characterized by changing customer requirements and rapid technological changes. These factors and new product introductions by our existing competitors or by new market entrants could reduce the demand for our existing products and services and we may be required to develop or acquire new products and services. Our future success is dependent on our ability to enhance our existing products and services in a timely manner and to develop or acquire new products and services. If we are unable to develop or acquire new products and services as planned, or fail to achieve timely market acceptance of our new or enhanced products and services, we may incur unanticipated expenses, lose sales or fail to achieve anticipated revenues.

Acquisitions may be costly and difficult to integrate. We have acquired several businesses and will continue to explore possible business combinations in the future. We may not be able to successfully integrate acquired companies. We may encounter problems in connection with the integration of new businesses including: financial control and computer system compatibility; unanticipated costs; unanticipated quality or customer problems with acquired products or services; diversion of management's attention; adverse effects on existing business relationships with suppliers and customers; loss of key employees; and significant amortization expenses related to identifiable intangible assets. Without additional acquisitions, we may not be able to grow and to develop new products and services as quickly as we have in the past to meet competitive challenges. If our integration strategies fail, our business, financial condition and results of operations could be materially and adversely affected.

If our strategic relationship with IBM were terminated, it could have a negative impact on the continuing success of our business. We have developed a strategic relationship with IBM. As part of this collaborative relationship, we market and sell IBM hardware and equipment to our customers under an industry remarketer agreement and resell maintenance on IBM hardware products to our customers. Much of our software is designed to be compatible with the IBM hardware that is run by a majority of our customers. If IBM were to terminate or fundamentally modify our strategic relationship, our relationship with our customers and our revenues and earnings would suffer. We could also lose software market share or be required to redesign existing products or develop new products that would be compatible with the hardware used by our customers.

Competition may result in price reductions and decreased demand for our products and services. We expect that competition in the markets we serve will remain vigorous. We compete on the basis of product quality, reliability, performance, ease of use, quality of support and pricing. We cannot guarantee that we will be able to compete successfully with our existing competitors or with companies that may enter our markets in the future. Certain of our competitors have strong financial, marketing and technological resources and, in some cases, a larger customer base than we do. They may be able to adapt more quickly to new or emerging technologies or to devote greater resources to the promotion and sale of their products and services.

The loss of key employees could adversely affect our business. We depend to a significant extent on the contributions and abilities of our senior management. Our Company has grown significantly in recent years and our management remains concentrated in a small number of key employees. If we lose one or more of our key employees, we could suffer a loss of sales and delays in new product development, and management resources would have to be diverted from other activities to compensate for this loss. We do not have employment agreements with any of our executive officers, however, we currently have a management succession plan in place and are naming specific managers successors.

Consolidation of financial institutions could reduce the number of our customers and potential customers. Our primary market consists of approximately 8,300 commercial banks and 10,500 credit unions. The number of commercial banks and credit unions has decreased as a result of mergers and acquisitions and is expected to continue to decrease as more consolidation occurs, which will reduce our number of potential customers. As a result of this consolidation, some of our existing customers could terminate, or refuse to renew their contracts with us and potential customers could break off negotiations with us.

The services we provide to our customers are subject to government regulation that could hinder our ability to develop portions of our business or impose additional constraints on the way we conduct our operations. The financial services industry is subject to extensive and complex federal and state regulation. As a supplier of services to financial institutions, some of our operations are examined by the Office of the Comptroller of the Currency, the Federal Reserve Board and the Federal Deposit Insurance Corporation, among other regulatory agencies. These agencies regulate services we provide and the manner in which we operate, and we are required to comply with a broad range of applicable laws and regulations. In addition, existing laws, regulations and policies could be amended or interpreted differently by regulators in a manner that has a negative impact on our existing operations or that limits our future growth or expansion. Our customers are also regulated entities, and the form and content of actions by regulatory authorities could determine both the decisions they make concerning the purchase of data processing and other services and the timing and implementation of these decisions. The development of financial services over the Internet has raised concerns with respect to the use, confidentiality and security of private customer information. Regulatory agencies, Congress and state legislatures are considering numerous regulatory and statutory proposals to protect the interests of consumers and to require compliance by the industry with standards and policies that have not been defined.

Network or Internet security problems could damage our reputation and business. We rely on standard network and Internet security systems, most of which we license from third parties, to provide the security and authentication necessary to effect secure transmission of data. Computer networks and the Internet are vulnerable to unauthorized access, computer viruses and other disruptive problems. In addition, advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may render our security measures inadequate. Someone who is able to circumvent security measures could misappropriate proprietary information or cause interruptions in our operations or those of our customers. Security risks may result in liability to us and also may deter financial institutions from purchasing our products. We may need to expend significant capital or other resources protecting against the threat of security breaches or alleviating problems caused by breaches. Eliminating computer viruses and alleviating other security problems may result in interruptions, delays or cessation of service to users, any of which could harm our business.

As technology becomes less expensive and more advanced, purchase prices of hardware may decline and our revenues and profits from remarketing arrangements may decrease. Computer hardware technology is rapidly developing. Hardware manufacturers are producing less expensive and more powerful equipment each year, and we expect this trend to continue into the future. As computer hardware becomes less expensive, revenues and profits derived from our hardware remarketing may decrease and become a smaller portion of our revenues and profits.

An operational failure in our outsourcing facilities could cause us to lose customers. Damage or destruction that interrupts our provision of outsourcing services could damage our relationship with certain customers and may cause us to incur substantial additional expense to repair or replace damaged equipment. Although we have installed back-up systems and procedures to prevent or reduce disruption, we cannot assure you that we will not suffer a prolonged interruption of our transaction processing services. In the event that an interruption of our network extends for more than several hours, we may experience data loss or a reduction in revenues by reason of such interruption. In addition, a significant interruption of service could have a negative impact on our reputation and could lead our present and potential customers to choose service providers other than us.

Item 2. Properties

We own approximately 138 acres located in Monett, Missouri on which we maintain six office buildings. We also own buildings in Houston, Texas; Allen, Texas; Albuquerque, New Mexico; Angola, Indiana; Lenexa, Kansas and

Shawnee, Kansas. Our owned facilities represent approximately 240,000 square feet of office space. We have 33 leased office facilities in 20 states which total approximately 258,000 square feet.

We own five aircraft that are utilized for business purposes. Many of our customers are located in communities that do not have an easily accessible commercial airline service. We primarily use our airplanes in connection with installation, sales of systems and internal requirements for day to day operations. Transportation costs for installation and other customer services are billed to our customers. We lease property, including real estate and related facilities, at the Monett, Missouri municipal airport.

Item 3. Legal Proceedings

We are subject to various routine legal proceedings and claims arising in the ordinary course of business. We do not expect that the results in any of these legal proceedings will have a material adverse effect on our business, financial condition, results of operations or cash flows.

Item 4. Submission of Matters To a Vote of Security Holders

None.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The Company's common stock is quoted on the Nasdaq National Market under the symbol "JKHY". The following table sets forth, for the periods indicated, the high and low sales price per share of the common stock as reported by the Nasdaq National Market. All prices have been adjusted to give effect to the 2 for 1 split of the common stock which occurred on March 2, 2001.

Fiscal 2001 -----	High -----	Low -----
First Quarter	\$27.25	\$19.41
Second Quarter	33.13	20.69
Third Quarter	31.38	19.81
Fourth Quarter	31.19	18.75
Fiscal 2000 -----		
First Quarter	\$11.35	\$ 7.75
Second Quarter	14.13	8.19
Third Quarter	20.00	12.06
Fourth Quarter	26.50	15.00

The Company established a practice of paying quarterly dividends at the end of fiscal 1990 and has paid dividends with respect to every quarter since that time. Quarterly dividends per share paid on the common stock for the two most recent fiscal years ended June 30, 2001 and 2000, as adjusted to reflect the 2 for 1 stock split in March 2001 and 2000, are as follows:

Fiscal 2001 -----	Dividend -----
First Quarter	\$.025
Second Quarter	.025
Third Quarter	.030
Fourth Quarter	.030
Fiscal 2000 -----	
First Quarter	\$.020
Second Quarter	.020
Third Quarter	.025
Fourth Quarter	.025

The declaration and payment of any future dividends will continue to be at the discretion of our Board of Directors and will depend upon, among other factors, our earnings, capital requirements, contractual restrictions, and operating and financial condition. The Company does not currently foresee any changes in its dividend practices.

On August 17, 2001, there were 25,283 holders of the Company's common stock. On that same date the last sale price of the common shares as reported on NASDAQ was \$24.70 per share.

Item 6. Selected Financial Data

Selected Financial Information (*)
(In Thousands, Except Per Share Information)

Income Statement Data	Year Ended June 30,				
	2001	2000	1999	1998	1997
Revenue (1)	\$345,468	\$225,300	\$193,527	\$148,235	\$126,256
Income from continuing operations	\$ 55,631	\$ 34,350	\$ 32,726	\$ 24,205	\$ 18,492
Loss from discontinued operations	\$ -	\$ 332	\$ 758	\$ 668	\$ 450
Net income	\$ 55,631	\$ 34,018	\$ 31,968	\$ 23,537	\$ 18,042
Diluted income per share (2):					
Income from continuing operations	\$.61	\$.40	\$.39	\$.29	\$.23
Loss from discontinued operations	\$ -	\$ -	\$.01	\$.01	\$ -
Net income	\$.61	\$.40	\$.38	\$.28	\$.23
Dividends declared per share (2)	\$.11	\$.09	\$.08	\$.06	\$.05

Balance Sheet Data	June 30,				
	2001	2000	1999	1998	1997
Working capital	\$ 65,032	\$(47,990)	\$ 24,133	\$ 35,758	\$ 16,387
Total assets	\$433,121	\$321,082	\$177,823	\$133,830	\$100,476
Long-term debt	\$ 228	\$ 320	\$ 211	\$ 654	\$ 651
Stockholders' equity	\$302,504	\$154,545	\$115,798	\$ 83,591	\$ 60,549

* Selected financial information for all prior periods have been restated to include all acquisitions that have been accounted for as pooling-of-interest as if each had occurred at the beginning of the earliest period reported.

(1) Revenues include software licensing and installation revenues; support and service revenues; and hardware sales; less sales returns and allowances.

(2) Prior period amounts have been adjusted to reflect the 100% stock dividends paid March, 2001 and 2000.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the "Selected Financial Data" and the consolidated financial statements and related notes included elsewhere in this report.

OVERVIEW

We provide integrated computer systems for in-house and outsourced data processing to commercial banks with under \$10.0 billion in total assets, credit unions and other financial institutions. We have developed and acquired banking application software systems that we market, together with compatible computer hardware, to financial institutions throughout the United States. We also perform data conversion and software installation for the implementation of our systems and provide continuing customer maintenance and support services after the systems are installed. For our customers who prefer not to make an up-front investment in software and hardware, we provide our full range of products and services on an outsourced basis through our eight data centers and fourteen item processing centers located across the United States.

We derive revenues from three primary sources:

- sales of software licenses and installation services;
- support and services fees; and
- hardware sales.

Over the last five fiscal years, our revenues have grown from \$126.3 million in fiscal 1997 to \$345.5 million in fiscal 2001. Income from continuing operations has grown from \$18.5 million in fiscal 1997 to \$55.6 million in fiscal 2001. This growth has resulted primarily from internal expansion supplemented by strategic acquisitions, allowing us to develop new products and expand the number of customers who use our core software systems to approximately 2,425 as of June 30, 2001.

Since July 1994, we have completed 15 strategic acquisitions. Ten of these acquisitions were accounted for using the purchase method of accounting and our consolidated financial statements include the results of operations of the acquired companies from the dates of their respective acquisitions. The remaining five acquisitions were accounted for as poolings-of-interests. The comparisons set forth below reflect the fact that the consolidated financial statements for fiscal years 2000 and 1999 have been restated to include all acquisitions accounted for as poolings-of-interests as if each had occurred at the beginning of the earliest period reported.

Software sales and installation revenue includes the licensing of application software systems and the conversion and installation services contracted with us by the customer. We license our proprietary software products under standard license agreements which typically provide the customer with a non-exclusive, non-transferable right to use the software on a single computer and for a single financial institution location upon payment of the license fee. Generally, 25% to 50% of license fees are payable upon execution of the license agreement with additional payments due upon either delivery of the software or the installation of the last application module. We recognize 100% of software license revenue upon delivery of the software and documentation. We recognize installation services each month as services are performed under hourly contracts and at the completion of the installations under fixed fee contracts.

Support and services fees are generated from ongoing services to assist the customer in operating the systems and to modify and update the software and from providing outsourced data processing services. Revenues from software support are generated pursuant to annual agreements and are recognized ratably over the life of the agreements. Outsourcing services are performed through data centers. Revenues from outsourced data processing are derived from monthly usage fees typically under five-year service contracts with our customers. We recognize the revenues under these outsourcing contracts as services are performed.

Cost of services represents direct costs associated with conversion and installation efforts, ongoing support for our in-house customers and operation of our data centers providing services for our outsourced customers. These costs are recognized as they are incurred.

We have entered into remarketing agreements with several hardware manufacturers under which we sell computer hardware and related services to our customers along with our in-house banking software systems. Revenues from hardware sales are recognized when the manufacturers ship the hardware. Cost of hardware consists of the direct costs of purchasing the equipment from the manufacturers. These costs are recognized at the same time as the related revenue.

The Company has two business segments: bank systems and services and credit union systems and services. The respective segments include all related software, installation, support and service and hardware sales, along with related cost of services and hardware.

RESULTS OF OPERATIONS

FISCAL 2001 COMPARED TO FISCAL 2000

REVENUE - Revenues increased by 53% from \$225.3 million in fiscal 2000 to \$345.5 million in fiscal 2001. Software licensing and installation increased 76%; support and service revenues increased 38% and hardware sales increased 57% compared to fiscal 2000. The significant increase is due to organic growth in comparison to the prior year, which was directly impacted by the Y2K slowdown, and a full year impact on the current year of acquisitions made during fiscal 2000.

Non-hardware revenues, which includes software licensing and installation, support and services revenues increased 52% to \$235.4 million and accounted for 68% of this year's revenues, compared to \$155.2 million or 69% of revenues for fiscal 2000.

Hardware sales increased 57% to \$110.1 million, and accounted for 32% of revenues, compared to \$70.1 million, or 31% of total revenues for fiscal 2000. The increase in hardware sales was in line with the increase in non-hardware revenues for the same reasons.

COST OF SALES - Cost of sales increased 52% from \$127.2 million in fiscal 2000 to \$193.8 million in fiscal 2001, compared to a 53% increase in revenues. Cost of hardware increased 48% compared with the 57% increase in hardware revenue. Cost of services increased 55% compared to the 52% increase in non-hardware revenues. This is primarily due to operations acquired in the prior year, whose gross margins are less than the rest of the Company's.

GROSS PROFIT - Gross profit increased 55% from \$98.1 million in fiscal 2000 to \$151.6 million in fiscal 2001. Gross margin on non-hardware revenue was 50% compared to 51% last year. Gross margin on hardware revenues was 31% compared to 27% last year primarily due to sales mix. The total gross margin percentage for fiscal 2001 was 44%, up slightly from fiscal 2000.

OPERATING EXPENSES - Operating expenses increased 40% from \$47.1 million in fiscal 2000 to \$65.8 million in fiscal 2001. Selling and marketing expenses increased 46%, research and development increased 36% and general and administrative expenses increased 36% during fiscal 2001. Operating expenses increased due to higher commissions related to stronger sales, continued development and refinement of new and existing products and higher overhead related to prior acquisitions and overall growth.

OTHER INCOME (EXPENSE) - Other income increased from \$755,000 in fiscal 2000 to \$1.2 million in fiscal 2001. The primary change is due to the debt related to acquisitions in fiscal 2000 being retired in August 2000 with operating cash flows and the proceeds from the secondary offering in August 2000. Interest income increased \$.5 million, interest expense decreased \$1.0 million and other decreased by \$1.1 million due to a gain on sale of stock investment in the prior year.

PROVISION FOR INCOME TAXES - The provision for income taxes was \$31.2 million, or 36% of income from continuing operations before income taxes in fiscal 2001, compared with \$17.4 million, or 34% of income from continuing operations before income taxes in fiscal 2000. The rate increase is due to the federal and state tax benefits realized in the prior year from the disposition of specific assets.

INCOME FROM CONTINUING OPERATIONS - Income from continuing operations increased 62% from \$34.4 million, or \$.40 per diluted share in fiscal 2000 to \$55.6 million, or \$.61 per diluted share in fiscal 2001.

DISCONTINUED OPERATIONS - None this year compared to \$332,000 loss from discontinued operations in fiscal 2000, all of which was realized in the

three months ended September 30, 1999.

FISCAL 2000 COMPARED TO FISCAL 1999

REVENUE - Revenues increased by 16% from \$193.5 million in fiscal 1999 to \$225.3 million in fiscal 2000. Software licensing and installation increased 22%; support and service revenues increased 37% and hardware sales decreased 7% compared to fiscal 1999. The changes in revenues from the prior year are a direct result of the Y2K induced slow down of system sales during the first half of fiscal 2000, the significant increase in post-Y2K demand for our products and services and the contribution of \$21.1 million from our Open Systems Group ("OSG") acquisition in September 1999.

COST OF SALES - Cost of sales increased 19% from \$107.2 million in fiscal 1999 to \$127.2 million in fiscal 2000, compared to a 16% increase in revenues. Cost of hardware decreased 7% compared with the 7% decrease in hardware revenue. Cost of services increased 45% compared to the 31% increase in non-hardware revenues, with the most significant increase in costs resulting from the addition of OSG.

GROSS PROFIT - Gross profit increased 14% from \$86.3 million in fiscal 1999 to \$98.1 million in fiscal 2000. The gross margin percentage for fiscal 2000 was 44%, down from 45% during 1999, primarily because of changes in sales mix due to the impact of Y2K.

OPERATING EXPENSES - Operating expenses increased 29% from \$36.6 million in fiscal 1999 to \$47.1 million in fiscal 2000. Selling and marketing expenses increased 36%, research and development increased 55% and general and administrative expenses increased 16% during fiscal 2000. These expenses grew more rapidly than revenue because, despite the impact of Y2K referred to above, we continued operations and staffing levels necessary to meet anticipated demand in the second half of fiscal 2000. The most significant increase was in research and development, a large portion of which was a result of the continued development of our Internet-related products.

OTHER INCOME (EXPENSE) - Other income decreased 60% from \$1.9 million in fiscal 1999 to \$755,000 in fiscal 2000. The \$1.1 million gain on sale in September 1999 of a stock investment, acquired in the Peerless acquisition, in large part offset the increase in interest expense of \$1.8 million and the decrease in interest income of \$756,000 from cash investments in fiscal 2000 compared to fiscal 1999.

PROVISION FOR INCOME TAXES - The provision for income taxes was \$17.4 million, or 34% of income from continuing operations before income taxes in fiscal 2000, compared with \$18.9 million, or 37% of income from continuing operations before income taxes in fiscal 1999. This decrease in the effective tax rate reflects benefits derived from our tax planning efforts to reduce state income taxes.

INCOME FROM CONTINUING OPERATIONS - Income from continuing operations increased 5% from \$32.7 million, or \$.39 per diluted share in fiscal 1999 to \$34.4 million, or \$.40 per diluted share in fiscal 2000.

DISCONTINUED OPERATIONS - We incurred a \$332,000 loss from discontinued operations in fiscal 2000, all of which was realized in the three months ended September 30, 1999. This was \$426,000 less than the loss from discontinued operations for fiscal 1999.

Business Segment Discussion

Revenues in the bank systems and services business segment increased from \$220.7 million in fiscal 2000 to \$298.3 million in fiscal 2001, or 35% increase. Gross profit in this business segment increased from \$96.1 million in fiscal 2000 to \$138.1 million, or 44% increase for the year ended June 30, 2001. The changes in revenue and gross profit from the prior year are a direct result of the impact of Y2K on the prior year and the full year benefit in the current year of acquisitions made during fiscal 2000.

Revenues in the credit union systems and services business segment increased from \$4.7 million in fiscal 2000 to \$47.2 million in fiscal 2001, or 916% increase. Gross profit in this business segment increased from \$2.1 million in fiscal 2000 to \$13.5 million, or 15% increase for the year ended June 30, 2001. The increases are due to the acquisition of Symitar Systems, Inc. on June 7, 2000, which enhanced the Company's position in the credit union marketplace.

Revenues in the bank systems and services business segment increased from \$191.3 million in fiscal 1999 to \$220.7 million in fiscal 2000, or 15% increase. Gross profit in this business segment increased from \$84.7 million in fiscal 1999 to \$96.1 million, or 13% increase for the year ended

June 30, 2000. The changes in revenue and gross profit from the prior year are a direct result of the Y2K induced slowdown of system sales during the first half of fiscal 2000 and acquisitions made during the respective years.

Revenues in the credit union systems and services business segment increased from \$2.2 million in fiscal 1999 to \$4.7 million in fiscal 2000, or 111% increase. Gross profit in this business segment increased from \$1.6 million in fiscal 1999 to \$2.1 million, or 27% increase for the year ended June 30, 2000. The increases are primarily due to the acquisition of Symitar Systems, Inc. on June 7, 2000, which enhanced the Company's position in the credit union marketplace.

Liquidity and Capital Resources

JHA has historically generated positive cash flow from operations and has generally used existing resources and funds generated from operations to meet capital requirements. The Company expects this trend to continue in the future.

Our cash and cash equivalents increased to \$18.6 million at June 30, 2001, from \$5.2 million at June 30, 2000. Net cash from continuing operations was \$72.9 million, \$48.9 million and \$37.8 million for the years ended June 30, 2001, 2000 and 1999, respectively. The cash used in the year ended June 30, 2001, was primarily attributable to capital expenditures of \$57.8 million and to retire outstanding debt. The cash used during fiscal 2000 was primarily attributable to acquisition costs of \$93.3 million and capital expenditures of \$32.6 million. The cash used in the year ended June 30, 1999, was primarily attributable to capital expenditures of \$38.9 million.

On August 16, 2000, the Company completed a secondary offering of 1.5 million shares (pre-split) of its common stock at \$43.00 per share (pre-split) less a 5% underwriters' discount and offering expenses paid by the Company. The net proceeds of approximately \$60.5 million, plus the proceeds from sale of common stock and issuance of stock options exercised was used to retire all outstanding debt that had been incurred during fiscal 2000. The balance remained available for working capital, capital expenditures and other general corporate purposes. Cash from financing activities was \$69.4 million for the year ended June 30, 2000 and was primarily line-of-credit advances used for acquisitions.

JHA currently has two bank credit lines upon which it can draw an aggregate amount at any one time outstanding of \$58.0 million. The major credit line provides for funding of up to \$50.0 million and bears interest at variable LIBOR-based rates (4.49% at June 30, 2001). The second credit line provides for funding of up to \$8.0 million and bears interest at the prime rate (6.75% at June 30, 2001).

Subsequent to June 30, 2001, the Company's Board of Directors declared a cash dividend of \$.03 per share on its common stock payable on September 20, 2001, to stockholders of record on September 6, 2001. Current funds from operations are adequate for this purpose. The Board has indicated that it plans to continue paying dividends as long as the Company's financial picture continues to be favorable.

Recent Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141, Business Combinations. This standard eliminates the pooling method of accounting for business combinations initiated after June 30, 2001. In addition, SFAS No. 141 addresses the accounting for intangible assets and goodwill acquired in a business combination. SFAS No. 141 is effective for business combinations completed after June 30, 2001. Adoption of this standard is not expected to have a material effect on the Company's consolidated financial position or results of operations.

In July 2001, the FASB also issued SFAS No. 142, Goodwill and Intangible Assets, which revises the accounting for purchased goodwill and intangible assets. Under SFAS No. 142, goodwill and intangible assets with indefinite lives will no longer be amortized, but will be tested for impairment annually and also in the event of an impairment indicator. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001, with early adoption permitted for companies with fiscal years beginning after March 15, 2001, if their first quarter financial statements have not previously been issued (i.e., as of July 1, 2001, for the Company). The impact of adoption of this standard will be the Company's cessation of the amortization of goodwill beginning July 1, 2001.

Forward Looking Statements

Except for the historical information contained herein, the matters discussed in the Management's Discussion and Analysis of Financial Condition

and Results of Operations and other portions of this report contain forward-looking statements within the meaning of federal securities laws. Actual results are subject to risks and uncertainties, including both those specific to the Company and those specific to the industry, which could cause results to differ materially from those contemplated. The risks and uncertainties include, but are not limited to, the matters detailed herein at "Risk Factors", above. Undue reliance should not be placed on the forward-looking statements. The Company does not undertake any obligation to publicly update any forward-looking statements.

Item 7A. Quantitatives and Qualitative Disclosure about 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 currently exposed to credit risk on credit extended to customers, interest risk on investments in U.S. government securities and long-term debt. We actively monitor these risks through a variety of controlled procedures involving senior management. We do not currently use any derivative financial instruments. Based on the controls in place, credit worthiness of the customer base and the relative size of these financial instruments, we believe the risk associated with these instruments will not have a material adverse affect on our consolidated financial position or results of operations.

Item 8. Financial Statements and Supplementary Data

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Financial Statement Schedules:

There are no schedules included because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

Supplementary Data:

The information required by this item is contained under the caption "Quarterly Financial Information" on page 20 of the 2001 Annual Report. Such information is hereby incorporated by reference.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Jack Henry & Associates, Inc.:

We have audited the accompanying consolidated balance sheets of Jack Henry & Associates, Inc. and Subsidiaries (the "Company") as of June 30, 2001 and 2000, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended June 30, 2001. These consolidated financial statements are the responsibility of the Company's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Jack Henry & Associates, Inc. and Subsidiaries at June 30, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2001 in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

St. Louis, Missouri
August 21, 2001

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, Except Per Share Data)

	YEAR ENDED JUNE 30,		
	2001	2000	1999
REVENUES			
Software licensing and installation	\$101,259	\$ 57,688	\$ 47,181
Support and service	134,138	97,519	71,278
Hardware sales	110,071	70,093	75,068
Total	\$345,468	\$225,300	\$193,527
COST OF SALES			
Cost of hardware	75,629	51,045	54,661
Cost of services	118,242	76,139	52,582
Total	\$193,871	\$127,184	\$107,243
GROSS PROFIT	\$151,597	\$ 98,116	\$ 86,284
OPERATING EXPENSES			
Selling and marketing	27,770	19,015	14,030
Research and development	10,871	8,022	5,183
General and administrative	27,216	20,069	17,347
Total	\$ 65,857	\$ 47,106	\$ 36,560
OPERATING INCOME FROM CONTINUING OPERATIONS	\$ 85,740	\$ 51,010	\$ 49,724
OTHER INCOME (EXPENSE)			
Interest income	1,386	863	1,619
Interest expense	(920)	(1,910)	(93)
Other, net	717	1,802	363
Total	\$ 1,183	\$ 755	\$ 1,889
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	\$ 86,923	\$ 51,765	\$ 51,613
PROVISION FOR INCOME TAXES	31,292	17,415	18,887
INCOME FROM CONTINUING OPERATIONS	\$ 55,631	\$ 34,350	\$ 32,726
LOSS FROM DISCONTINUED OPERATIONS, net of taxes	-	332	758
NET INCOME	\$ 55,631	\$ 34,018	\$ 31,968
Diluted income per share:			
Income from continuing operations	\$.61	\$.40	\$.39
Loss from discontinued operations	-	-	.01
Net income	\$.61	\$.40	\$.38
Diluted weighted average shares	91,344	85,278	85,282
Basic income per share:			
Income from continuing operations	\$.64	\$.42	\$.41
Loss from discontinued operations	-	-	.01
Net income	\$.64	\$.42	\$.40
Basic weighted average shares outstanding	86,834	81,766	80,674

See notes to consolidated financial statements.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share and Per Share Data)

	JUNE 30,	
	2001	2000
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 18,589	\$ 5,186
Investments, at amortized cost	985	946
Trade receivables	116,573	73,940
Income taxes receivable	537	3,478
Prepaid cost of product	17,191	10,645
Prepaid expenses and other	17,425	8,130
Deferred income taxes	750	825
Total	\$172,050	\$103,150
PROPERTY AND EQUIPMENT	176,193	118,749
Accumulated depreciation	37,754	25,464
	\$138,439	\$ 93,285
OTHER ASSETS:		
Intangible assets, net of amortization	101,389	109,282
Computer software, net of amortization	5,806	5,813
Prepaid cost of product	12,007	7,694
Other non-current assets	3,430	1,858
Total	\$122,632	\$124,647
Total assets	\$433,121	\$321,082
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 17,846	\$ 9,255
Short-term borrowings	-	70,500
Accrued expenses	9,595	9,750
Current portion of long-term debt	87	123
Deferred revenues	79,490	61,512
Total	\$107,018	\$151,140
LONG-TERM DEBT	228	320
DEFERRED REVENUES	15,514	9,945
DEFERRED INCOME TAXES	7,857	5,132
Total liabilities	\$130,617	\$166,537
STOCKHOLDERS' EQUITY:		
Preferred stock - \$1 par value; 500,000 shares authorized; none issued	-	-
Common stock - \$.01 par value; shares authorized 2001 - 250,000,000; 2000 - 50,000,000; shares issued 2001 - 88,846,710; 2000 - 41,357,853	888	414
Additional paid-in capital	145,211	43,753
Retained earnings	156,405	110,378
Total stockholders' equity	\$302,504	\$154,545
Total liabilities and stockholders' equity	\$433,121	\$321,082
	=====	=====

See notes to consolidated financial statements.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In Thousands, Except Share and Per Share Data)

	YEAR ENDED JUNE 30,		
	2001	2000	1999
PREFERRED SHARES:	-	-	-
COMMON SHARES:			
Shares, beginning of year	41,357,853	20,517,090	20,194,870
Shares issued upon exercise of options	3,097,363	500,792	314,277
Shares issued for Employee Stock Purchase Plan	21,267	11,466	7,943
Shares issued in secondary offering	1,500,000	-	-
Stock dividend	42,870,227	20,328,505	-
Shares, end of year	88,846,710	41,357,853	20,517,090
COMMON STOCK - PAR VALUE \$.01 PER SHARE:			
Balance, beginning of year	\$ 414	\$ 205	\$ 202
Shares issued upon exercise of options	30	5	3
Shares issued in secondary offering	15	-	-
Other	-	1	-
Stock dividend	429	203	-
Balance, end of year	\$ 888	\$ 414	\$ 205
ADDITIONAL PAID-IN CAPITAL:			
Balance, beginning of year	\$ 43,753	\$ 32,210	\$ 26,267
Shares issued upon exercise of options	18,274	6,394	3,264
Shares issued for Employee Stock Purchase Plan	818	488	312
Shares issued in secondary offering	60,510	-	150
Stock dividend	(429)	(203)	-
Tax benefit on exercise of options	22,285	4,864	2,217
Balance, end of year	\$ 145,211	\$ 43,753	\$ 32,210
RETAINED EARNINGS:			
Balance, beginning of year	\$ 110,378	\$ 83,383	\$ 57,122
Net loss for the three months ended September 30, 1999 - Sys-Tech, Inc.	-	264	-
Retained deficit of acquired businesses	-	-	(19)
Net income	55,631	34,018	31,968
Dividends (2001- \$.11 per share; 2000 - \$.09 per share; 1999 - \$.07 per share)	(9,604)	(7,287)	(5,688)
Balance, end of year	\$ 156,405	\$ 110,378	\$ 83,383
TOTAL STOCKHOLDERS' EQUITY	\$ 302,504	\$ 154,545	\$ 115,798

See notes to consolidated financial statements.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	YEAR ENDED JUNE 30,		
	2001	2000	1999
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income from continuing operations	\$ 55,631	\$ 34,350	\$ 32,726
Adjustments to reconcile income from continuing operations to cash from operating activities:			
Depreciation and amortization	21,888	15,473	7,901
Provision for deferred income taxes	2,800	2,400	221
Gain on sale of investments	-	(1,105)	-
Other	(3)	175	157
Changes in:			
Trade receivables	(42,633)	(11,870)	(8,540)
Prepaid expenses and other	(22,069)	(9,451)	(6,397)
Accounts payable	8,591	3,080	(3,308)
Accrued expenses	(155)	(1,781)	2,716
Income taxes (including tax benefit from exercise of stock options)	25,225	2,483	805
Deferred revenues	23,547	15,106	11,568
	-----	-----	-----
Net cash from continuing operations	\$ 72,822	\$ 48,860	\$ 37,849
CASH FLOWS FROM DISCONTINUED OPERATIONS	\$ -	\$ 700	\$ (608)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(57,781)	(32,619)	(38,884)
Purchases of investments	(982)	(946)	(6,708)
Proceeds from sale of investments	-	3,605	-
Proceeds from maturity of investments	1,000	6,702	3,100
Purchase of customer contracts	-	-	(7,105)
Computer software developed/acquired	(1,447)	(875)	(867)
Business acquisition costs, net of cash acquired	-	(93,280)	(5,905)
Other, net	375	(6)	(241)
	-----	-----	-----
Net cash from investing activities	\$(58,835)	\$(117,419)	\$ (56,610)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock upon exercise of stock options	18,304	6,399	3,267
Proceeds from sale of common stock	61,344	488	462
Dividends paid	(9,604)	(7,287)	(5,688)
Short-term borrowings, net	(70,500)	70,101	(2)
Principal payments on long-term debt	(128)	(296)	(27)
	-----	-----	-----
Net cash from financing activities	\$ (584)	\$ 69,405	\$ (1,988)
	-----	-----	-----
Net cash activity for the three months ended September 30, 1999 - Sys-Tech, Inc.	\$ -	\$ 264	\$ -
	-----	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 13,403	\$ 1,810	\$ (21,357)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,186	3,376	24,733
	-----	-----	-----
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 18,589	\$ 5,186	\$ 3,376
	=====	=====	=====

See notes to consolidated financial statements.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

DESCRIPTION OF THE COMPANY

Jack Henry & Associates, Inc. ("JHA" or the "Company") is a computer software company which has developed or acquired several banking and credit union software systems. The Company's revenues are predominately earned by marketing those systems to financial institutions nationwide along with the computer equipment (hardware) and by providing the conversion and software customization services for a financial institution to install a JHA software system. JHA also provides continuing support and services to customers using the systems either in-house or outsourced.

CONSOLIDATION

The consolidated financial statements include the accounts of JHA and all of its wholly-owned subsidiaries and all significant intercompany accounts and transactions have been eliminated.

POOLING OF INTERESTS TRANSACTIONS

The consolidated financial statements for all periods presented include Peerless Group, Inc. ("Peerless"), acquired on December 16, 1998, and Sys-Tech, Inc. ("Sys-Tech"), acquired on June 1, 2000. These acquisitions were accounted for as poolings of interests, and therefore, all appropriate prior periods have been restated to reflect the acquisitions as if they had occurred at the beginning of the earliest period reported (see Note 13).

Prior to the consummation of the Sys-Tech acquisition, Sys-Tech's year end was September 30. Therefore, the consolidated statements of income and cash flows for the year ended June 30, 1999 reflect the results of operations and cash flows for the Company for the years then ended combined with Sys-Tech for the year ended September 30, 1999. As a result of the Company and Sys-Tech having different fiscal year ends, Sys-Tech's results of operations for the three month period ended September 30, 1999 were included in the consolidated statement of income for the year ended June 30, 1999. Revenues, net loss from operations and net loss of Sys-Tech for the three month period ended September 30, 1999 were \$1,402,000, \$378,000 and \$264,000, respectively.

COMMON STOCK

On January 29, 2001 and January 31, 2000, the Company's Board of Directors declared 100% stock dividends on its common stock, effectively 2 for 1 stock splits. The stock dividends were paid March 2, 2001 and 2000 to stockholders of record at the close of business on February 15, 2001 and February 17, 2000, respectively. All per share and shares outstanding data in the consolidated statements of income and the notes to the consolidated financial statements have been retroactively restated to reflect the stock splits.

On October 31, 2000, the stockholders voted to increase the number of shares of common stock which the Company is authorized to issue from 50,000,000 to 250,000,000.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUE RECOGNITION

In October, 1997, the Accounting Standards Executive Committee of the American Institute of Public Accountants ("AcSEC") issued Statement of Position ("SOP") 97-2, "Software Revenue Recognition". The Company adopted SOP 97-2 effective July 1, 1998. SOP 97-2 generally requires revenue earned on software arrangements involving multiple elements to be allocated to each element based on the relative fair values of the elements. In March 1998, AcSEC issued SOP 98-4, "Deferral of the Effective Date of a Provision of SOP

97-2, Software Recognition", which deferred portions of SOP 97-2 for one year. Revenues in fiscal year 1999 from the sales of software are recognized in accordance with the enacted portions of SOP 97-2 and revenues in fiscal 2000 from the sale of software are recognized in accordance with SOP 98-4. These adoptions did not have a material effect on revenue recognition or results of operations.

The Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," on December 3, 1999. SAB No. 101, as amended, provides the SEC Staff's views on selected revenue recognition issues and was adopted by the Company in the fourth fiscal quarter of fiscal year 2001. The adoption of SAB No. 101 did not have a material effect on the Company's consolidated financial statements.

The Company's various sources of revenue and the methods of revenue recognition are as follows:

Software licensing fees - Initial licensing fees are recognized upon delivery of the unmodified software.

Software installation and related services - Fees for these services are recognized as the services are performed on hourly contracts and at completion on fixed-fee contracts.

Support and service fees - Fees from these contracts are recognized ratably over the life of the in-house support or outsourcing service contract.

Hardware - Revenues from sales of hardware are recognized upon direct shipment by the supplier to the Company's customers. Costs of items purchased and remarketed are reported as cost of hardware in cost of sales.

PREPAID COST OF PRODUCT

Costs for these remarketed hardware and software maintenance contracts, which are prepaid, are recognized ratably over the life of the contract, generally one to five years, with the related revenue amortized from deferred revenues.

DEFERRED REVENUES

Deferred revenues consist primarily of prepaid annual software support fees and prepaid hardware maintenance fees. Hardware maintenance contracts are multi-year, therefore, the deferred revenue and prepaid cost of product are classified in accordance with the terms of the contract. Software and hardware deposits are also reflected as deferred revenues.

COMPUTER SOFTWARE DEVELOPMENT

The Company capitalizes new product development costs incurred from the point at which technological feasibility has been established through the point at which the product is ready for general availability. The capitalized costs, which include salaries and benefits, equipment costs and other direct expenses, are amortized to expense based on the estimated product life (generally five years).

CASH EQUIVALENTS

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

INVESTMENTS

The Company invests its cash that is not required for current operations primarily in U.S. government securities and money market accounts. The Company has the positive intent and ability to hold its debt securities until maturity and accordingly, these securities are classified as held-to-maturity and are carried at historical cost adjusted for amortization of premiums and accretion of discounts. Premiums and discounts are amortized and accreted, respectively, to interest income using the level-yield method over the period to maturity. The held-to-maturity securities typically mature in less than one year. Interest on investments in debt securities is included in income when earned.

The amortized cost of held-to-maturity securities is \$985,000 and \$946,000 at June 30, 2001 and 2000, respectively. Fair market values of these securities did not differ significantly from amortized cost due to the nature of the securities and minor interest rate fluctuations during the periods.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost and depreciated principally using the straight-line method over the estimated useful lives of the assets.

INTANGIBLE ASSETS

Intangible assets consist of excess purchase price over the fair value of net assets acquired, customer relationships, software and trade names acquired in business acquisitions. The amounts are amortized over an estimated economic benefit period, generally five to twenty years using the straight-line method.

The Company reviews its long-lived assets and identifiable intangibles for impairment whenever events or changes in circumstances have indicated that the carrying amount of its assets might not be recoverable.

COMPREHENSIVE INCOME

Comprehensive income for each of the three years ended June 30, 2001 equals the Company's net income.

BUSINESS SEGMENT INFORMATION

In accordance with Statements of Financial Accounting Standards ("SFAS") No. 131, "Disclosure About Segments of an Enterprise and Related Information," the Company's operations are classified as two business segments: bank systems and services and credit union systems and services (see Note 14). Revenue by type of product and service is presented on the face of the consolidated statements of income. Substantially all the Company's revenues are derived from operations and assets located within the United States of America.

INCOME TAXES

Deferred tax liabilities and assets are recognized for the tax effects of differences between the financial statement and tax bases of assets and liabilities. A valuation allowance would be established to reduce deferred tax assets if it is likely that a deferred tax asset will not be realized.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities. SFAS No. 133, as amended by SFAS No. 137 and 138 was adopted July 1, 2000 and did not have a material effect on the Company's consolidated financial position and results of operations.

In July 2001, the FASB issued SFAS No. 141, Business Combinations. This standard eliminates the pooling method of accounting for business combinations initiated after June 30, 2001. In addition, SFAS No. 141 addresses the accounting for intangible assets and goodwill acquired in a business combination. SFAS No. 141 is effective for business combinations completed after June 30, 2001. Adoption of this standard is not expected to have a material effect on the Company's consolidated financial position or results of operations.

In July 2001, the FASB also issued SFAS No. 142, Goodwill and Intangible Assets, which revises the accounting for purchased goodwill and intangible assets. Under SFAS No. 142, goodwill and intangible assets with indefinite lives will no longer be amortized, but will be tested for impairment annually and also in the event of an impairment indicator. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001 with early adoption permitted for companies with fiscal years beginning after March 15, 2001 if their first quarter financial statements have not previously been issued (i.e., as of July 1, 2001, for the Company). The impact of adoption of this standard will be the Company's cessation of the amortization of goodwill beginning July 1, 2001.

RECLASSIFICATION

Where appropriate, prior years' financial information has been reclassified to conform with the current years' presentation.

NOTE 2: FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values for held-to-maturity securities are based on quoted market prices. For all other financial instruments, including amounts receivable and payable, short-term borrowings and long-term debt, fair values

approximate carrying value, based on the short-term nature of the assets and liabilities and the variability of the interest rates on the borrowings.

NOTE 3: PROPERTY AND EQUIPMENT

The classification of property and equipment, together with their estimated useful lives is as follows:

	(In Thousands)		Estimated useful life
	Year Ended June 30,		
	2001	2000	
Land	\$ 6,519	\$ 4,602	
Land improvements	4,731	3,795	5-20 years
Buildings	39,290	29,810	25-30 years
Equipment and Furniture	79,892	55,412	5-8 years
Aircraft and Equipment	31,737	21,915	8-10 years
Construction in Process	14,024	3,215	
	\$176,193	\$118,749	
Less accumulated Depreciation	37,754	25,464	
Property & Equipment, net	\$138,439	\$ 93,285	

NOTE 4: OTHER ASSETS

Intangible assets relate to acquisitions and consist of the following:

	(In Thousands)	
	Year ended June 30,	
	2001	2000
Goodwill	\$ 32,355	\$ 32,355
Customer relationships	90,612	90,612
Tradenames	3,915	3,915
	\$126,882	\$126,882
Less accumulated amortization	25,493	17,600
Balance, end of year	\$101,389	\$109,282

Computer software includes the unamortized cost of software products developed or acquired by the Company which were required to be capitalized by accounting principles generally accepted in the United States of America. Following is an analysis of the computer software costs:

	(In Thousands)	
	Year ended June 30,	
	2001	2000
Balance, beginning of year	\$5,813	\$3,015
Acquired software	-	3,000
Capitalized development costs	1,447	875
	\$7,260	\$6,890
Less amortization expense	1,456	1,077
Balance, end of year	\$5,806	\$5,813

NOTE 5: LINES OF CREDIT AND LONG-TERM DEBT

LINES OF CREDIT

JHA currently has two bank credit lines upon which it can draw an aggregate amount at any one time outstanding of \$58.0 million. The major credit line provides for funding of up to \$50.0 million and bears interest at variable LIBOR-based rates (4.49% at June 30, 2001, and weighted average interest rates of 7.79% and 6.72% for the years ended June 30, 2001 and 2000, respectively and expires December 15, 2001). At June 30, 2000, this line allowed for up to \$75.0 million of funding, and was amended on September 7, 2000 to reduce the maximum to the aforementioned amount. There were no amounts outstanding under this line at June 30, 2001. At June 30, 2000, there was \$70.5 million outstanding of which the balance outstanding on August 16, 2000 was retired with the proceeds from the secondary offering (see Note 15). The second credit line provides for funding of up to \$8.0 million and bears interest at the prime rate (6.75% at June 30, 2001 and expires March 15, 2002), and is secured by \$1.0 million of investments with the remainder unsecured. There were no amounts outstanding under this line at June 30, 2001 or 2000.

Sys-Tech had a line of credit with a maximum loan amount of \$400,000, bearing interest at the lender's prime rate plus one-half (10.0% throughout June 30, 1999). Amounts outstanding were none and \$399,000 as of June 30, 2000 and 1999, respectively. The line was secured by the accounts receivable and other current assets of Sys-Tech. Subsequent to the acquisition of Sys-Tech and prior to June 30, 2000, the line was repaid and canceled.

LONG-TERM DEBT

The Company has notes payable which were assumed during the acquisition of BancData Solutions, Inc. (See Note 15), bearing interest at 10%, payable monthly. The notes are secured by equipment. Sys-Tech had a note payable with an original loan amount of \$400,000, bearing interest at 10%, payable monthly, due August 4, 2001. The note was secured by specific real estate. The note was repaid subsequent to the acquisition of Sys-Tech and prior to June 30, 2000.

	(In Thousands)	
	Year ended June 30,	
	----- 2001 -----	----- 2000 -----
Long-term debt	\$ 315	\$ 443
Less current maturities	87	123
	----- \$ 228 =====	----- \$ 320 =====

Future maturities of long-term debt as of June 30, 2001, is as follows:

	(In Thousands)

2002	\$ 87
2003	89
2004	96
2005	43
	----- \$ 315 =====

The Company paid interest of \$1,150,000, \$1,600,000, and \$93,000 in 2001, 2000 and 1999, respectively.

NOTE 6: LEASE COMMITMENTS

The Company leases certain property under operating leases which expire over the next six years. As of June 30, 2001, net future minimum lease payments under non-cancelable terms are as follows: \$3,675,000, \$3,612,000, \$2,340,000, \$1,254,000, \$395,000 and \$250,000 in 2002, 2003, 2004, 2005, 2006, and thereafter, respectively. Rent expense for all operating leases amount to \$3,400,000, \$2,200,000 and \$1,800,000 in 2001, 2000 and 1999, respectively.

NOTE 7: INCOME TAXES

The provision for income taxes on income from continuing operations consists of the following:

	(In Thousands)		
	Year ended June 30,		
	2001	2000	1999
Current:			
Federal	\$26,817	\$14,050	\$16,860
State	1,675	965	1,806
Deferred:			
Federal	2,200	1,900	204
State	600	500	17
	-----	-----	-----
	\$31,292	\$17,415	\$18,887
	=====	=====	=====

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

	(In Thousands)	
	Year ended June 30,	
	2001	2000
Deferred tax assets:		
Carryforwards (operating losses, capital losses, credits, etc.)	\$ 314	\$ 615
Expense reserves (bad debts, insurance, franchise tax, vacation, etc.)	516	825
Intangible assets	1,742	1,548
Other, Net	200	-
	-----	-----
	2,772	2,988
Deferred tax liabilities:		
Accelerated tax depreciation	(8,157)	(6,173)
Accelerated tax amortization	(1,722)	(1,060)
Other, net	-	(62)
	-----	-----
	(9,879)	(7,295)
	-----	-----
Net deferred tax liability	\$(7,107)	\$(4,307)
	=====	=====

The deferred taxes are classified on the balance sheet as follows:

	(In Thousands)	
	Year ended June 30,	
	2001	2000
Deferred income taxes (current)	\$ 750	\$ 825
Deferred income taxes (long-term)	(7,857)	(5,132)
	-----	-----
	\$(7,107)	\$(4,307)
	=====	=====

The following analysis reconciles the statutory federal income tax rate to the effective income tax rates reflected above:

	Year ended June 30,		
	2001	2000	1999
Computed "expected" tax expense (benefit)	35%	35%	35%
Increase (reduction) in taxes resulting from:			
State income taxes, net of federal income tax benefits	2%	2%	3%
Research and development credit	(1%)	(1%)	-
Other	-	(2%)	(1%)
	36%	34%	37%

Net operating loss carryforwards of \$847,000 (from acquisitions) expire through the year 2014. The Company paid income taxes of \$3,300,000, \$13,280,000 and \$13,988,000 in 2001, 2000 and 1999, respectively.

NOTE 8: INDUSTRY AND SUPPLIER CONCENTRATIONS

The Company sells its products to banks and financial institutions throughout the United States and generally does not require collateral. Reserves (which are insignificant at June 30, 2001 and 2000) are maintained for potential credit losses.

In addition, the Company purchases most of its computer hardware and related maintenance for resale in relation to installation of JHA software systems from one supplier. There are a limited number of hardware suppliers for these required materials. If this relationship were terminated, it could have a significant negative impact on the future operations of the Company.

NOTE 9: STOCK OPTION PLANS

The Company currently issues options under two stock option plans: the 1996 Stock Option Plan ("1996 SOP") and the Non-Qualified Stock Option Plan ("NSOP").

The 1996 SOP was adopted by the Company on October 29, 1996, for its employees. This plan replaced the terminating 1987 SOP. Terms and vesting periods of the options are determined by the Compensation Committee of the Board of Directors when granted and for options outstanding include vesting periods up to 2 2 years. Shares of common stock are reserved for issuance under this plan at the time of each grant which must be at or above fair market value of the stock at the grant date. The options terminate 30 days after termination of employment, three months after retirement, one year after death or ten years after grant. As of June 30, 2001, there were 1,412,940 shares available for future grants under the plan from the original 13,000,000 shares approved by the stockholders.

The NSOP was adopted by the Company on October 31, 1995, for its outside directors. Options are exercisable beginning six months after grant at a price equal to 100% of the fair market value of the stock at the grant date. The options terminate when director status ends, upon surrender of the option or ten years after grant. A total of 1,200,000 shares of common stock have been reserved for issuance under this plan with a maximum of 300,000 for each director. As of June 30, 2001, there were 660,000 shares available for future grants under the plan.

A summary of the activity of all of the Company's stock option plans is:

	Year ended June 30,		
	2001	2000	1999
Options outstanding, beginning of year	13,257,568	8,832,760	8,800,368
Options granted	1,422,280	5,969,000	1,389,548
Options exercised	(3,285,433)	(1,416,392)	(1,291,556)
Options forfeited	(104,616)	(127,800)	(65,600)
Options outstanding, end of year	11,289,799	13,257,568	8,832,760
Weighted-average exercise price for options outstanding	\$12.68	\$10.12	\$ 5.40
Weighted-average exercise price for options granted	\$23.57	\$15.75	\$10.65
Weighted-average exercise price for options exercised	\$ 6.89	\$ 4.72	\$ 2.59
Weighted-average fair value of options granted	\$ 9.58	\$ 6.69	\$ 4.79

Following is an analysis of stock options outstanding (O) and exercisable (E) as of June 30, 2001:

Range of Exercise Prices	Shares		Weighted-Average Remaining Contractual Life in Years	Weighted-Average Exercise Price	
	O	E	O	O	E
\$ 1 to 6	3,424,445	3,424,445	4.92	\$ 4.29	\$ 4.29

6 to 13	1,865,574	1,602,646	7.40	9.51	9.54
13 to 17	4,490,000	2,159,000	8.76	16.88	16.88
17 to 30	1,479,780	182,000	9.31	23.00	23.53
30 to 32	30,000	-	10.00	31.06	-
-----	-----	-----	-----	-----	-----
\$ 1 to 32	11,289,799	7,368,091	7.45	\$12.68	\$ 9.59

OPTIONS FORFEITED

Fiscal Year	Range of Exercise Price	Shares	Weighted-Average Exercise Price
2001	\$12 to 22	104,616	\$18.39
====	=====	=====	=====
2000	\$ 4 to 17	127,800	\$ 6.19
====	=====	=====	=====
1999	\$ 6 to 11	65,600	\$ 9.35
====	=====	=====	=====

As permitted under SFAS No. 123, "Accounting for Stock-Based Compensation", the Company has elected to continue to follow Accounting Principles Board ("APB") No. 25, "Accounting for Stock Issued to Employees", in accounting for stock-based awards to employees. Under APB No. 25, the Company generally recognizes no compensation expense with respect to such awards, since the exercise price of the stock options awarded are equal to the fair market value of the underlying security on the grant date.

Pro forma information regarding net income and earnings per share is required by SFAS No. 123 for awards granted after December 31, 1994, as if the Company had accounted for its stock-based awards to employees under the fair value method of SFAS No. 123. The fair value of the Company's stock-based awards to employees was estimated as of the date of the grant using a Black-Scholes option pricing model.

The Company's pro forma information for continuing operations follows:

	(In Thousands, Except Per Share Data)		
	Year ended June 30,		
	2001	2000	1999
	-----	-----	-----
Net income			
As reported	\$ 55,631	\$ 34,350	\$ 32,726
	=====	=====	=====
Pro forma	\$ 36,450	\$ 26,503	\$ 27,453
	=====	=====	=====
Diluted income per share			
As reported	\$.61	\$.40	\$.38
	=====	=====	=====
Pro forma	\$.40	\$.31	\$.32
	=====	=====	=====
Basic income per share			
As reported	\$.64	\$.42	\$.40
	=====	=====	=====
Pro forma	\$.42	\$.32	\$.34
	=====	=====	=====

Assumptions:

Expected life (years)	2.92	2.95	2.97
Volatility	54%	56%	56%
Risk free interest rate	4.4%	6.2%	5.0%
Dividend yield	.36%	.36%	.35%

NOTE 10: EARNINGS PER SHARE

The following table reflects a reconciliation between Basic and Diluted net income per share:

(In Thousands, Except Per Share Data)
Year ended June 30,

	2001			2000			1999		
	Net Income	Weighted Average Shares	Per Share Amount	Net Income	Weighted Average Shares	Per Share Amount	Net Income	Weighted Average Shares	Per Share Amount
Basic Income Per Share:									
Net income available to Stockholders	\$55,631	86,834	\$0.64	\$34,018	81,766	\$0.42	\$31,968	80,674	\$0.40
Effect of dilutive securities:									
Stock options	-	4,510	\$0.03	-	3,512	\$0.02	-	4,608	\$0.02
Diluted Income Per Share:									
Net income available to common stockholders	\$55,631	91,344	\$0.61	\$34,018	85,278	\$0.40	\$31,968	85,282	\$0.38

NOTE 11: EMPLOYEE BENEFIT PLANS

Stock Purchase Plan - The Company established an employee stock purchase plan on January 1, 1996. The plan allows the majority of employees the opportunity to directly purchase shares of the Company. Purchase prices for all participants are based on the closing bid price on the last business day of the month.

401(k) Employee Stock Ownership Plan ("ESOP") - The Company has a 401(k) Employee Stock Ownership Plan (the "Plan") covering substantially all employees of the Company and its subsidiaries. As of July 1, 1987, the plan was amended and restated to include most of the existing ESOP provisions, to add salary reduction contributions allowed under Section 401(k) of the Internal Revenue Code and to require employer matching contributions. The Company matches 100% of employee contributions up to 5% of compensation subject to a maximum of \$5,000. The Company has the option of making a discretionary contribution to the Plan, however, none has been made for any of the three most recent fiscal years. The Company assumed responsibility for the Peerless Employee 401(k) Plan as of the acquisition date, and merged it into the Plan as of July 22, 2000. The Company assumed responsibility for the Symitar Employee 401(k) Plan as of the acquisition date (see Note 13), and plans to merge it into the Plan as of December 31, 2001. The total expense related to the Plans was \$2,986,000, \$2,430,000 and \$1,321,000 for 2001, 2000 and 1999, respectively.

NOTE 12: DISCONTINUED OPERATIONS

In the last quarter of 1996, the Company discontinued the operations of its BankVision Software, Ltd. subsidiary ("BankVision") which it planned to sell by December 31, 1996. The estimated loss on disposal recorded in 1996 was \$2,620,000.

On September 7, 1999, the Company completed the sale of BankVision for \$1,000,000. Under the terms of the agreement, the purchaser made a \$500,000 down payment and executed promissory notes to pay \$250,000 (plus interest) in September of 2000 and 2001. The net assets of the subsidiary, as of that date, approximately equal the sales proceeds, and as a result, the transaction had minimal effect on its financial results for fiscal year 2000. Total loss from discontinued operations was none, \$332,000 and \$758,000 for the years ended June 30, 2001, 2000 and 1999, respectively.

NOTE 13: BUSINESS ACQUISITIONS

POOLING OF INTERESTS TRANSACTIONS:

The Company acquired all the outstanding shares of Peerless on December 16, 1998, for approximately \$36,000,000 (3,308,000 shares split adjusted) in Company stock.

The 1999 consolidated financial statements were restated for the effect of this pooling transaction. The following table presents a reconciliation of revenue and net income previously reported by the Company and Peerless to those presented in the accompanying consolidated financial statements.

(In Thousands)
Three Months Ended
September 30, 1998

Revenues:	
JHA	\$ 40,728
Peerless	8,921

Combined	\$ 49,649
=====	
Net Income	
JHA	\$ 8,296
Peerless	497

Combined	\$ 8,793
=====	

On June 1, 2000, the Company acquired all the outstanding shares of Sys-Tech for approximately \$16,000,000 (834,000 shares split adjusted) in Company stock.

The 2000 and 1999 consolidated financial statements were restated for the effect of this pooling transaction. The following table presents a reconciliation of revenue and net income previously reported by the Company, and Sys-Tech to those presented in the accompanying consolidated financial statements.

(In Thousands)
Nine Months Ended
March 31, 2000 Fiscal 1999

Revenues:		-----	-----
JHA	\$150,239		\$184,504
Sys-Tech	5,692		9,023
-----			-----
Combined	\$155,931		\$193,527
=====			=====
Net Income			
JHA	\$ 22,588		\$ 31,768
Sys-Tech	(4)		200
-----			-----
Combined	\$ 22,584		\$ 31,968
=====			=====

PURCHASE TRANSACTIONS:

On September 8, 1999, the Company's wholly-owned subsidiary Open System Group, Inc. ("OSG"), completed the acquisition of BancTec, Inc.'s community banking business, providing software, account processing capabilities and data center operations to over 700 community banks throughout the United States and the Caribbean. Revenues from these acquired community banking operations totaled approximately \$17,000,000 for the six months ended June 30, 1999. The total value of the transaction was approximately \$56,136,000, made up of \$50,000,000 paid in cash, the assumption of approximately \$5,475,000 liabilities and \$661,000 in transaction costs. The Company allocated the purchase price to the assets and liabilities acquired based on their estimated fair value at the acquisition date, resulting in allocations of \$39,000,000, \$5,315,000 and \$1,000,000 to acquired customer relationships, goodwill and software, respectively. The customer relationships, goodwill and software are being amortized on a straight-line basis over 20, 20 and 10 years, respectively. The purchase price was paid with approximately \$25,000,000 in cash from operations and \$25,000,000 in proceeds from a line of credit with a commercial lender (see Note 5).

On April 1, 2000, the Company acquired all the outstanding shares of BancData Solutions, Inc. ("BDS"), for \$5,000,000 in cash. BDS is a provider of a variety of service bureau options to community banks, primarily in southern California. Their systems are AS/400 based and are already using a JHA core application system. The excess purchase price over the fair value of net assets acquired of \$3,963,000 was allocated to customer relationships and is being amortized on a straight-line basis over 20 years.

On June 7, 2000, the Company completed the acquisition of Symitar Systems, Inc. ("Symitar"), a provider of in-house data processing solutions for credit unions. Symitar provides 237 credit unions throughout the United States with its comprehensive line of software and services that run on the

IBM RS/6000. Revenues from these operations totaled approximately \$33,000,000 and \$36,000,000 for Symitar's fiscal years ended December 31, 1999 and 1998, respectively. The purchase price of \$44,000,000 in cash was paid with proceeds from a line of credit with a commercial lender (see Note 5). The purchase price for Symitar was allocated to the assets and liabilities acquired based on their estimated fair values at the acquisition date, resulting in allocation to acquired customer relationships of \$21,800,000, tradename of \$3,900,000, goodwill of \$15,689,000 and software of \$2,000,000 which are being amortized on a straight-line basis over 20, 20, 20 and 10 years, respectively.

The three acquisitions discussed above were accounted for using the purchase method. Accordingly, the accompanying consolidated financial statements do not include any revenues and expenses related to these acquisitions prior to their respective closing dates.

The following unaudited proforma condensed information is presented as if the OSG and Symitar acquisitions had occurred at the beginning of the earliest period presented. The pro forma results for BDS were not included as amounts are not material.

	(In Thousands, Except Per Share Data) Year Ended June 30,	
	----- 2000 -----	1999 -----
Revenues	\$253,106	\$274,682
Income from continuing operations	30,478	33,205
Net income	30,146	32,447
Diluted Income Per Share:		
Income from continuing operations	\$.36	\$.39
Net income	\$.36	\$.38

NOTE 14: BUSINESS SEGMENT INFORMATION

The Company is a leading provider of integrated computer systems that perform data processing (available for in-house or service bureau installations) for banks and credit unions. The Company's operations were classified as one business segment in the prior year. The acquisition of Symitar Systems, Inc. enhanced the Company's position in the credit union marketplace. The Company's operations have now been classified into two business segments: bank systems and services and credit union systems and services, with information for 2000 and 1999 reclassified to conform to the current business segment presentation. The Company evaluates the performance of its segments and allocates resources to them based on various factors, including prospects for growth, return on investment and return on revenue.

	(In Thousands) For the Year Ended June 30,		
	----- 2001 -----	2000 -----	1999 -----
Revenues:			
Bank systems and services	\$298,266	\$220,655	\$191,329
Credit Union systems and services	47,202	4,645	2,198
Total	\$345,468 =====	\$225,300 =====	\$193,527 =====
Gross Profit:			
Bank systems and services	\$138,143	\$ 96,062	\$ 84,668
Credit Union systems and services	13,454	2,054	1,616
Total	\$151,597 =====	\$ 98,116 =====	\$ 86,284 =====

The Company has not disclosed asset information by segment, as the information is not produced internally and its preparation is impracticable.

NOTE 15: SECONDARY OFFERING

On August 16, 2000, the Company completed a secondary offering of 3.0

million shares of its common stock at \$21.50 per share less a 5% underwriters discount and offering expenses paid by the Company. The net proceeds of approximately \$60.5 million was used to retire all outstanding debt under lines of credit as of that date (see Note 5), with the remaining balance available for working capital, capital expenditures and other general corporate purposes.

Item 9. Changes in and Disagreements on Accounting and Financial Disclosures

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

See the information under the captions "Election of Directors" and "Executive Officer and Significant Employees" in the Company's definitive Proxy Statement which is incorporated herein by reference.*

Item 11. Executive Compensation

See the information under captions "Executive Compensation", "Compensation Committee Report" and "Company Performance" in the Company's definitive Proxy Statement which is incorporated herein by reference.*

Item 12. Security Ownership of Certain Beneficial Owners and Management

See the information under the captions "Stock Ownership of Certain Stockholders" and "Election of Directors" in the Company's definitive Proxy Statement which is incorporated herein by reference.*

Item 13. Certain Relationships and Related Transactions

See the information under the caption "Certain Relationships and Related Transactions" in the Company's definitive Proxy Statement which is incorporated herein by reference.*

*Incorporated by reference pursuant to Rule 12b-23 and General Instruction G(3) to Form 10-K.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) The following documents are filed as part of this Report:

The following Consolidated Financial Statements of the Company and its subsidiaries and the Report of Independent Auditors' thereon appear under Item 8 of this Report:

- Independent Auditors' Report.
- Consolidated Statements of Income for the Years Ended June 30, 2001, 2000 and 1999.
- Consolidated Balance Sheets as of June 30, 2001 and 2000.
- Consolidated Statements of Changes in Stockholders' Equity for the Years Ended June 30, 2001, 2000 and 1999.
- Consolidated Statements of Cash Flows for the Years Ended June 30, 2001, 2000 and 1999.
- Notes to Consolidated Financial Statements.

The following Financial Statement Schedules filed as part of this Report appear under Item 8 of this Report:

There are no schedules included because they are not applicable or the required information is shown in the Consolidated Financial Statements or Notes thereto.

Except as otherwise specifically noted, the following documents are incorporated by reference as exhibits hereto pursuant to Rule 12b-32:

Exhibit No.	Description
-----	-----
3.1.1	Certificate of Incorporation, attached as Exhibit 3.1 to the Company's Registration Statement on Form S-1, filed November 17, 1985.
3.1.2	Certificate of Amendment of Certificate of Incorporation attached as Exhibit 4 to the Company's Quarterly Report on Form 10-Q for the Quarter ended December 31, 1987.
3.1.3	Certificate of Amendment of Certificate of Incorporation, attached as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the Year Ended June 30, 1993.
3.1.4	Certificate of Amendment of Certificate of Incorporation, attached as Exhibit 3.5 to the Company's Annual Report on Form 10-K for the year ended June 30, 1997.
3.1.5	Certificate of Amendment of Certificate of Incorporation, attached as Exhibit 3.6 to the Registrant's Annual Report on Form 10-K for the year ended June 30, 1998.
3.2.1	Amended and Restated Bylaws, attached as Exhibit A to the Company's Quarterly Report on Form 10-Q for the Quarter ended March 31, 1996.
10.1	The Company's 1987 Stock Option Plan, as amended as of October 27, 1992, attached as Exhibit 19.1 to the Company's Quarterly Report on Form 10-Q for the Quarter ended September 30, 1992.
10.2	The Company's Non-Qualified Stock Option Plan, as amended as of October 26, 1993, attached as Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the Quarter ended September 30, 1993.
10.3	The Company's 1995 Non-Qualified Stock Option Plan, attached as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the Year Ended June 30, 1996.
10.4	IBM Remarketer Agreement dated May 21, 1992, attached as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the Year Ended June 30, 1992; renewed for a two year term on January 1, 1997.
10.5	Form of Indemnity Agreement which has been entered into as of August 27, 1996, between the Company and each of its Directors, attached as Exhibit 10.8 to the Company's Annual Report on Form 10-K for the Year Ended June 30, 1996.
10.6	The Company's 1996 Stock Option Plan, attached as Exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the Year Ended June 30, 1997.
10.7	Agreement and Plan of Merger regarding acquisition of Peerless Group, Inc. dated August 18, 1998, attached as Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended June 30, 1998.
10.11	Line of Credit Agreement dated September 7, 1999, between the Company and Commerce Bank, N.A., attached as Exhibit 10.11 to the Company's current report on Form 8-K filed September 20, 1999.
10.12	Agreement for Sale and Purchase of Assets dated September 1, 1999, by and among the Company, Open Systems Group, Inc. and BancTec, Inc. attached as Exhibit 2.1 to the Company's current report on Form 8-K filed September 20, 1999.
10.13	Agreement and Plan of Merger regarding acquisition of Sys-Tech, Inc. of Kansas and Big Sky Marketing, Inc. dated June 1, 2000, attached as Exhibit 2.1 to the Company's current report on Form 8-K filed June 14, 2000.
10.14	Stock Purchase Agreement dated May 14, 2000, between the Company and the Stockholders of Symitar Systems, Inc., attached as Exhibit 2.1 to the Company's current report on Form 8-K filed June 19, 2000.
10.15	Line of Credit Loan Modification Agreement dated June 6,

2000, between the Company and Commerce Bank, N.A. attached as Exhibit 10.11 to the Company's current report on Form 8-K filed June 19, 2000.

21.2 A list of the Company's subsidiaries , attached as Exhibit 21 to Amendment No. 1 to the Company's Registration Statement on Form S-1, filed August 4, 2000.

23.1 Consent of Independent Auditors' is attached as Exhibit 23.

(b) Reports on Form 8-K

The following reports on Form 8-K were filed during the last quarter of the period covered by this report:

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized this 25th day of September, 2001.

JACK HENRY & ASSOCIATES, INC., Registrant

By /s/ Michael E. Henry

Michael E. Henry
Chairman of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Capacity	Date
/s/ Michael E. Henry Michael E. Henry	Chairman of the Board and Chief Executive Officer and Director	September 25, 2001
/s/ Terry W. Thompson Terry W. Thompson	President and Chief Operating Officer	September 25, 2001
/s/ John W. Henry John W. Henry	Vice Chairman, Senior Vice President and Director	September 25, 2001
/s/ Jerry D. Hall Jerry D. Hall	Executive Vice President and Director	September 25, 2001
/s/ Kevin D. Williams Kevin D. Williams	Treasurer and Chief Financial Officer (Principal Accounting Officer)	September 25, 2001
/s/ James J. Ellis James J. Ellis	Director	September 25, 2001
/s/ Burton O. George Burton O. George	Director	September 25, 2001
/s/ George R. Curry George R. Curry	Director	September 25, 2001

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements Numbers 33-16989, 33-65231, 33-65251, and 33-63912 all on Form S-8 pertaining to the Jack Henry & Associates, Inc. 1996 Stock Option Plan, Employee Stock Purchase Plan, Non-Qualified Stock Option Plan and 401(k) Employee Stock Ownership Plan, respectively, of our report dated August 21, 2001, appearing in the Annual Report on Form 10-K of Jack Henry & Associates, Inc. for the year ended June 30, 2001.

/s/ Deloitte & Touche LLP

St Louis, Missouri
September 25, 2001