FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2002

OR

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

For the transition period from _______________ to _______________

Commission file number 0-14112

JACK HENRY & ASSOCIATES, INC.
(Exact name of registrant as specified in its charter)

Delaware	43-1128385
(State or other jurisdiction of incorporation)	I.R.S. Employer Identification No.)

663 Highway 60, P. O. Box 807, Monett, MO 65708
(Address of principal executive offices)
(Zip Code)

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

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 [x] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS:
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 2002
Common Stock, $.01 par value	90,447,691

JACK HENRY & ASSOCIATES, INC.

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Part I. Financial Information
Item 1. Financial Statements

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

	March 31, 2002 (Unaudited)	June 30, 2001
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 47,808	$ 18,589
Investments, at amortized cost	998	985
Trade receivables	76,947	116,573
Income taxes receivable	934	537
Prepaid cost of product	18,889	17,191
Prepaid expenses and other	10,595	17,425
Deferred income taxes	1,415	750
Total	$ 157,586	$ 172,050
PROPERTY AND EQUIPMENT	$ 220,489	$ 176,193
Accumulated depreciation	52,820	37,754
	$ 167,669	$ 138,439
OTHER ASSETS:		
Goodwill	$ 40,335	$ 29,348
Other intangible assets, net of amortization	68,022	72,041
Computer software, net of amortization	6,972	5,806
Prepaid cost of product	14,086	12,007
Other non-current assets	4,167	3,430
Total	$ 133,582	$ 122,632
Total assets	$ 458,837	$ 433,121

	March 31, 2002 (Unaudited)	June 30, 2001
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 9,886	$ 17,846
Accrued expenses	7,540	9,595
Current portion of long-term debt	-	87
Deferred revenues	60,399	79,490
Total	$ 77,825	$ 107,018
LONG-TERM DEBT	-	228
DEFERRED REVENUES	17,146	15,514
DEFERRED INCOME TAXES	14,706	7,857
Total liabilities	$ 109,677	$ 130,617
STOCKHOLDERS' EQUITY:		
Preferred stock - $1 par value; 500,000 shares authorized; none issued	-	-
Common stock - $0.01 par value; 250,000,000 shares authorized; 90,377,736 issued @ 03/31/02 88,846,710 issued @ 6/30/01	$ 904	$ 888
Less treasury stock at cost; 318,549 shares @ 03/31/02 0 shares @ 6/30/01	(6,708)	-
Additional paid-in capital	165,823	145,211
Retained earnings	189,141	156,405

Total stockholders' equity	$ 349,160	$ 302,504
Total liabilities and stockholders' equity	$ 458,837	$ 433,121

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001	Nine Months Ended March 31, 2002	Nine Months Ended March 31, 2001
REVENUES				
Licensing and installation	$24,751	$26,233	$ 69,895	$ 74,281
Support and services	42,976	34,221	126,470	96,933
Hardware sales	24,825	32,357	73,864	79,337
Customer reimbursements	7,232	5,392	20,349	15,072
Total	$99,784	$98,203	$290,578	$265,623
COST OF SALES				
Cost of hardware	17,243	22,962	50,493	54,566
Cost of services	35,217	30,167	101,584	86,904
Customer reimbursement expenses	7,232	5,392	20,349	15,072
Total	$59,692	$58,521	$172,426	$156,542
GROSS PROFIT	$40,092	$39,682	$118,152	$109,081
	40%	40%	41%	41%
OPERATING EXPENSES				
Selling and marketing	7,766	7,328	21,310	20,726
Research and development	2,952	2,883	9,405	8,095
General and administrative	8,502	6,115	24,664	18,384
Total	$19,220	$16,326	$ 55,379	$ 47,205
OPERATING INCOME	$20,872	$23,356	$ 62,773	$ 61,876
OTHER INCOME (EXPENSE)				
Interest income	365	684	1,755	1,632
Interest expense	(53)	(74)	(141)	(848)
Total	$ 312	$ 610	$ 1,614	$ 784
INCOME BEFORE INCOME TAXES	$21,184	$23,966	$ 64,387	$ 62,660
PROVISIONS FOR INCOME TAXES	7,626	8,628	23,179	22,558
NET INCOME	$13,558	$15,338	$ 41,208	$ 40,102
Diluted net income per share	$ .15	$ .17	$ .45	$ .44
Diluted weighted average shares outstanding	92,483	91,966	92,485	90,908
Basic net income per share	$ .15	$ .17	$ .46	$ .46
Basic weighted average shares outstanding	89,608	87,935	89,181	86,254

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

	Nine Months Ended March 31, 2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 41,208	$ 40,102
Adjustments to reconcile net income to cash from operating activities:		
Depreciation	15,250	8,667
Amortization	5,015	7,001
Deferred income taxes	6,184	2,650
Other	(76)	(13)
Changes in:		
Trade receivables	39,626	11,593
Prepaid expenses and other	(3,571)	(10,291)
Accounts payable	(7,960)	219
Accrued expenses	(2,266)	(2,327)
Accrued income taxes (including tax benefit from exercise of stock options)	6,658	16,184
Deferred revenues	(17,459)	(6,170)
Net cash from operating activities	$ 82,609	$ 67,615
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	$(37,752)	$(42,380)
Computer software developed/purchased	(991)	(960)
Payment for acquisition, net	(11,111)	-
Purchase of investment	(1,992)	-
Proceeds from maturity of investments	2,000	-
Other, net	170	(160)
Net cash from investing activities	$(49,676)	$(43,500)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock upon exercise of stock options	$ 11,181	$ 12,274
Proceeds from sale of common stock, net	600	61,130
Short-term borrowings, net	-	(70,500)
Principal payments on notes payable	(315)	(108)
Purchase of treasury stock	(6,708)	-
Dividends paid	(8,472)	(6,952)
Net cash from financing activities	$ (3,714)	$ (4,156)
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 29,219	$ 19,959
Cash and cash equivalents at beginning of period	18,589	5,186
Cash and cash equivalents at end of period	$ 47,808	$ 25,145

Net cash paid for income taxes was $11,132 and $5,138 for the nine months ended March 31, 2002 and 2001, respectively.

On January 1, 2002, 117,738 restricted shares of the Company's common stock valued at $2,400, was issued as a portion of the total consideration paid for the acquisition of Transcend System Group, Inc.

The Company paid interest of $ 125 and $ 1,081 for the nine months ended March 31, 2002 and 2001, respectively.

The accompanying notes are an integral part of these condensed consolidated financial statements.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. 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 together with 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.

Comprehensive Income - Comprehensive income for each of the nine-month periods ended March 31, 2002 and 2001, equals the Company's net income.

Reclassification - Where appropriate, prior period financial information has been reclassified to conform with the current period's presentation.

Other Significant Accounting Policies - The accounting policies followed by the Company are set forth in Note 1 to the Company's consolidated financial statements included in its Annual Report on Form 10-K ("Form 10-K") for the fiscal year ended June 30, 2001.

2. New Accounting Standard

Effective January 1, 2002, the Company adopted Emerging Issues Task Force Issue No. 01-14, "Income Statement Characterization of Reimbursements Received for 'Out of Pocket' Expenses Incurred", which requires that customer reimbursements received for direct cost paid to third parties and related expenses be characterized as revenue. Comparative financial statements for prior periods have been reclassified to provide consistenet presentation. For the three and nine month periods ended March 31, 2002 and 2001, the Company's has presented customer reimbursement revenue and expenses of $7.2 million and $5.4 million, and $20.3 million and $15.1 million, respectively, in accordance with Issue No. 01-14. Customer reimbursements represent direct costs paid to third parties primarily for data communication, travel and postage costs. The adoption of Issue No. 01-14 did not impact the Company's financial position, operating income or net income.

Statement of Financial Accounting Standards("SFAS")No.144, Accounting for the Impairment or Disposal of Long-Lived Assets, was issued in August 2001. This Statement addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This Statement supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, and the accounting and reporting provisions of APB Opinion No. 30, Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, for the disposal of a segment of a business (as previously defined in that Opinion). The provisions of this Statement are effective for financial statements issued for fiscal years beginning after December 15, 2001 (July 1, 2002 for JHA), and interim periods within those fiscal years, with early application encouraged. Management has not completed the process of evaluating the impact that this statement will have on the Company's consolidated financial position or results of operations.

3. Interim Financial Statements

The accompanying condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission and in accordance with accounting principles generally accepted in the United States of America applicable to interim consolidated financial statements, and do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete consolidated financial statements.

The condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes which are included in its Form 10-K, for the year ended June 30, 2001.

In the opinion of management of the Company, the accompanying condensed consolidated financial statements reflect all adjustments necessary (consisting solely of normal recurring adjustments) to present fairly the financial position of the Company as of March 31, 2002 and the results of its operations for the three and nine month periods then ended and its cash flows for the nine months ended March 31, 2002.

The results of operations for the period ended March 31, 2002 are not necessarily indicative of the results to be expected for the entire year.

4. Additional Interim Footnote Information

The following additional information is provided to update the notes to the Company's annual consolidated financial statements for developments during the nine months ended March 31, 2002:

Stock Repurchase Program

On September 21, 2001, the Board of Directors approved a program to repurchase up to 3.0 million shares of common stock. To date 318,549 shares have been purchased for $6.7 million.

Acquisition of System Legacy Solutions, Inc. (SLS)

On December 1, 2001, the Company acquired all the outstanding shares of SLS for $3.0 million in cash. SLS provides technology to convert data from legacy systems into formats that can be used by newer technologies. The purchase price for SLS was allocated to the assets and liabilities acquired based on the estimated fair values at the acquisition date, resulting in allocation to goodwill of $2.5 million and to software $.45 million, which is being amortized on a straight-line basis over 10 years.

Acquisition of Transcend Systems Group, Inc. (TSG)

On January 1, 2002, the Company acquired all the outstanding shares of TSG for $7.3 million in cash and 117,738 restricted shares of the Company's Common Stock valued at $2.4 million, for a total consideration to the TSG shareholders of $9.7 million. The Company also advanced to TSG $851,000 for the repayment of bank debt and certain TSG obligations to its shareholders. TSG provides customer relationship management software and related services to financial institutions. The purchase price for TSG was allocated to the assets and liabilities acquired based on the estimated fair values at the acquisition date, resulting in allocation to goodwill of $8.5 million, software of $.93 million, and customer contracts of $1.1 million, of which software and customer contracts are being amortized on a straight-line basis over 10 years.

5. Shares used in computing net income per share

(In Thousands)	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001	Nine Months Ended March 31, 2002	Nine Months Ended March 31, 2001
Weighted average number of common shares outstanding - basic	89,608	87,935	89,181	86,254
Common stock equivalents	2,875	4,031	3,304	4,654
Weighted average number of common and common equivalent shares outstanding - diluted	92,483	91,966	92,485	90,908

Per share information is based on the weighted average number of common shares outstanding for the periods ended March 31, 2002 and 2001. Stock options have been included in the calculation of income per share to the extent they are dilutive.

6. Business Segment Information

The Company is a leading provider of integrated computer systems that perform data processing (available for in-house or outsourced installations) for banks and credit unions. The Company evaluates the performance of the banking and credit union segments and allocates resources to them based on various factors, including prospects for growth, return on investment and return on revenues. Revenue amounts in the following table are exclusive of the customer reimbursement amounts on the statement of income.

	(In Thousands)			
	Three Months Ended March 31,		Nine Months Ended March 31,	
	2002	2001	2002	2001
Revenues:				
Bank systems and services	$77,929	$78,662	$228,360	$218,602
Credit union systems and services	14,623	14,149	41,869	31,949
Total	$92,552	$92,811	$270,229	$250,551
Gross Profit:				
Bank systems and services	$35,171	$35,879	$104,001	$101,420
Credit union systems and services	4,921	3,803	14,151	7,661
Total	$40,092	$39,682	$118,152	$109,081

7. Goodwill and Other Intangible Assets

The Company adopted SFAS No. 142, Goodwill and Other Intangible Assets, effective July 1, 2001. Under SFAS No. 142, goodwill and tradenames are no longer amortized but reviewed for impairment annually, or more frequently if certain indicators arise. The Company completed the transitional impairment test for tradenames with indefinite useful lives during the quarter ended September 30, 2001, and for goodwill during the quarter ended December 31, 2001, and has determined that no impairment exists. Had the Company been accounting for its goodwill and tradenames under SFAS No. 142 for all periods presented, the Company's net income and net income per share would have been adjusted as follows:

	(In Thousands, Except Per Share Data)			
	Three Months Ended March 31,		Nine Months Ended March 31,	
	2002	2001	2002	2001
Reported net income	$13,558	$15,338	$41,208	$40,102
Goodwill and tradenames amortization, net of tax	-	277	-	830
Adjusted net income	$13,558	$15,615	$41,208	$40,932
Reported diluted net income per share	$ .15	$ .17	$ .45	$ .44
Goodwill and tradenames amortization, net of tax	-	-	-	.01
Adjusted diluted net income per share	$ .15	$ .17	$ .45	$ .45
Reported basic net income per share	$ .15	$ .17	$ .46	$ .46
Goodwill and tradenames amortization, net of tax	-	-	-	.01

Adjusted basic net income per share	$ .15	$ .18	$ .46	$ .47

Changes in the carrying amount of goodwill for the nine months ended March 31, 2002, by reportable segments, are as follows:

(In Thousands)

	Banking Systems and Services	Credit Union Systems and Services	Total
Balance, July 1, 2001	$14,508	$14,840	$29,348
Goodwill acquired during the year	$10,987	-	$10,987
Balance, March 31, 2002	$25,495	$14,840	$40,335

Information regarding our other intangible assets is as follows:

(In Thousands)

	March 31, 2002			June 30, 2001		
	Carrying Amount	Accumulated Amortization	Net	Carrying Amount	Accumulated Amortization	Net
Customer Relationships	$88,197	($23,874)	$64,323	$90,612	($22,270)	$68,342
Tradenames	3,915	(216)	3,699	3,915	(216)	3,699
Totals	$92,112	($24,090)	$68,022	$94,527	($22,486)	$72,041

Tradenames have been determined to have indefinite lives and therefore as of July 1, 2001 are no longer amortized. Customer relationships have lives ranging from 3 to 20 years.

Amortization expense for other intangible assets was $1,202 and $1,425 for the three month and $3,814 and $4,497 for the nine month periods ended March 31, 2002 and 2001, respectively. The estimated aggregate future amortization expense for intangible assets remaining as of March 31, 2002 is as follows:

Remainder of Fiscal 2002	$1,331
2003	$6,078
2004	$5,723
2005	$5,130
2006	$4,803

Item 2. - Management's Discussion and Analysis of Results of Operations and Financial Condition

RESULTS OF OPERATIONS

Background and Overview

The Company is a leading provider of integrated computer systems to banks with under $10 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.

A detailed discussion of the major components of the results of operations for the three and nine month periods ended March 31, 2002, as compared to the same period in the previous year, which does not include the revenue and expense components related to customer reimbursements, follows (In Millions, Except Per Share Data):

Revenues

Revenues decreased 0.3% to $92.6 for the three months ended March 31, 2002 from $92.8 for the same period last year. Non-hardware revenues increased 12% to $67.7, accounting for 73% of third quarter 2002 revenues, compared to $60.5 in the third quarter a year ago, representing 65% of revenue. The Support and services revenues increased 26% to $43.0 for the three months ended March 31, 2002 compared to $34.2 in the same period in the previous year. Licensing and installation revenues decreased 6% from $26.2 for the three months ended March 31, 2001 to $24.7 for the three months ended March 31, 2002. Hardware revenues totaled $24.8 or 27% of total revenues for the third quarter compared to $32.4 or 35% of total revenues in the same period in the previous year.

For the nine months ended March 31, 2002, total revenues grew 8% to $270.3 compared to $250.6 for the nine months ended March 31, 2001. Non-hardware revenues increased 15% to $196.4 compared to $171.2. Support and services revenues rose 30% to $126.5 with licensing and installation revenues decreasing 6% at $69.9. For the nine months ended March 31, 2002, hardware sales declined 7% to $73.9 compared to $79.3 a year ago.

Support and services revenues growth for the three and nine months ended March 31, 2002 is attributable to continuing growth in both in-house and outsourcing services, much of which is recurring revenue. We believe that the decline in licensing, installation and hardware revenue is due to the industry-wide softness in the capital goods marketplace and the reduction in capital spending for technology services.

Our backlog increased at March 31, 2002 to $136.5 ($54.0 in-house and $82.5 outsourcing) from $132.1 ($52.3 in-house and $79.8 outsourcing) at December 31, 2001 and $124.0 ($50.9 in-house and $73.1 outsourcing) at March 31, 2001. Backlog at April 30, 2002 was $136.8 ($53.8 in-house and $83.0 outsourcing).

Cost of Sales

Cost of sales decreased 1.3% for the three months ended March 31, 2002. Cost of services increased 17%, while the cost of hardware decreased 25% over the same three month period last year.

Cost of sales increased 8% for the first nine months of fiscal 2002. Cost of services increased 17%, while the cost of hardware decreased 7.5% over the same nine months last year.

For the three and nine month period ended March 31, 2002, cost of services have increased consistently with non-hardware revenues plus additional depreciation due to capital expenditures. Cost of hardware have decreased consistently with the hardware revenue.

Gross Profit

Gross profit increased slightly, up 1% for the three months ended March 31, 2002 to $40.1 or 43% of total revenues, compared to $39.7, also 43% of total revenues. Non-hardware margin was 48% for this quarter compared to 50% in the same quarter last year. Hardware margin increased to 31% compared to 29% in the third quarter a year ago.

For the nine months ended March 31, 2002, gross profit was up 8% to $118.2 or 44% of revenues compared to $109.1, also 44% of the revenues for the same period last year. Non-hardware margin was 48% or $94.8 in the nine months of fiscal 2002, compared to 49% or $84.3 for the same period last year. Hardware margin was 32% or $23.3 for the first nine months this fiscal year compared to 31% or $24.7 for the same nine months last year.

Gross margin can fluctuate from quarter to quarter due to the mix of products and services sold, incentives from hardware suppliers, and other factors. Over the course of the nine months ended March 31, 2002, however, these influences tend to balance out.

Operating Expenses

Total operating expenses increased 17.7% in the three months ended March

31, 2002 compared to the same period in the prior year. Selling and marketing expenses increased 6%, research and development expenses increased 2.4% and general and administrative expenses increased 39% in the same three month period.

Total operating expenses increased 17% in the nine months ended March 31, 2002 compared to the same period in the prior year. Selling and marketing increased 3%, research and development increased 16% and general and administrative increased 34% compared to the same nine month period last year.

Selling and marketing expense increased for the third quarter, but remained fairly flat for the nine months of the fiscal year 2002. The fluctuation is attributable to the sales of different product mix and incentives. Research and development increased due to the development costs associated with continued growth and refinement of new and existing products. General and administrative expenses increased primarily due to employee benefits and depreciation expense. Depreciation and amortization expenses were higher due to capital investments made in fiscal 2001 for infrastructure expansion.

Other Income (Expense)

Other income for the three months ended March 31, 2002 reflects a decrease of $298,000 when compared to the same period last year. Interest income decreased $319,000, due to lower interest rates on our investments.

The net increase in other income of $830,000 for the nine months of fiscal 2002 is due to net interest expense last year from short-term borrowing compared to this year. Short term debt was paid off in January 2002, therefore interest expense for this fiscal year is much lower than the same period last year.

Net Income

Net income for the third quarter was $13.5, or $.15 per diluted share compared to $15.3, or $.17 per diluted share in the same period last year.

Net income for the nine months of fiscal 2002 was $41.2, or $.45 per diluted share compared to $40.1, or $.44 per diluted share in the same period last year.

Business Segment Discussion

Revenues in the bank systems and services business segment decreased 0.9% from $78.6 to $77.9 for the three months ended March 31, 2001 and 2002, respectively. Gross profit decreased 2% from $35.8 in the third quarter of the previous year to $35.2 in the current third quarter, while gross margins stayed the same at 45% for the current third quarter compared to the same quarter in the previous year. Gross margins remained unchanged primarily due to sales mix.

Revenues in the credit union systems and services business segment increased 3.3% from $14.1 to $14.6 for the three months ended March 31, 2001 and 2002, respectively. Gross profit increased 29% from $3.8 in the third quarter of the previous year to $4.9 in the current third quarter, while gross margins increased in the current third quarter compared to the same quarter in the previous year to 34% from 27%. Increase in gross margin is primarily due to increased utilization of resources and the mix of products and services sold.

Revenues in the bank systems and services business segment increased 4.5% from $218.6 to $228.4 for the nine months ended March 31, 2001 and 2002, respectively. Gross profit increased 2.5% from $101.4 for the nine months ended March 31, 2001 to $104.0 for the nine months ending March 31, 2002. Gross margins decreased slightly from 46% last year to date, to 45% in the nine months of fiscal year 2002.

Revenues in the credit union systems and services business segment increased 31% from $31.9 to $41.9 for the nine months ended March 31, 2001 and 2002, respectively. Gross profit increased 85% from $7.6 in the nine month period of the previous year to $14.1 in the current nine month period, while gross margins increased from 24% to 34% for the nine months ended March 31, 2001 and 2002, respectively. Increase in gross margin is primarily due to significant increase in revenue which allows better utilization of resources and the mix of products and services sold.

FINANCIAL CONDITION

Liquidity

The Company's cash and cash equivalents and investments increased to $48.8 at March 31, 2002, from $19.6 at June 30, 2001.

JHA has available credit lines totaling $58.0, although the Company expects additional borrowings to be minimal during fiscal year 2002.

Capital Requirements and Resources

JHA generally uses existing resources and funds generated from operations to meet its capital requirements. Capital expenditures totaling $37.8 and $42.4 for the nine month periods ended March 31, 2002 and 2001, respectively, were made for expansion of facilities and additional equipment. These were funded from cash generated by operations. The consolidated capital expenditures of JHA, excluding acquisition costs, could exceed $53.0 for fiscal year 2002.

The Company has acquired all the outstanding shares of two different companies during the nine month period ended March 31, 2002, for total net cash portion of the purchase price of $11.1. These were funded from cash generated by operations.

The Company paid a $.035 per share cash dividend on February 28, 2002 to stockholders of record on February 13, 2002 which was funded from operations. In addition, the Company's Board of Directors, subsequent to March 31, 2002, declared a quarterly cash dividend of $.035 per share on its common stock payable May 17, 2002 to stockholders of record on May 2, 2002. This dividend will be funded by cash generated from operations.

Forward Looking Statements

The Management's Discussion and Analysis of Results of Operations and Financial Condition 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 at Risk Factors in its Annual Report on Form 10-K for the fiscal year ended June 30, 2001. Undue reliance should not be placed on the forward-looking statements. The Company does not undertake any obligation to publicly update any forward-look statements.

CONCLUSION

JHA's results of operations and its financial position continued to be favorable during the nine months ended March 31, 2002. This reflects the continuing attitude of cooperation and commitment by each employee, management's ongoing cost control efforts and commitment to deliver top quality products and services to the markets it serves.

Item 3. Quantitative 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 and interest risk on investments in U.S. government securities. 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 exposures will not have a material adverse effect on our consolidated financial position or results of operations.

PART II. OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds

c. On January 1, 2002, the Company issued 117,738 shares of fully paid non-assessable common stock to certain shareholders of Transcend Systems

Group, Inc. as a portion of the consideration for a transaction whereby all of the outstanding capital stock of Transcend Systems Group, Inc. was acquired by the Company. These shares were issued under the exemption provided by Section 4(2) of the Securities Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on behalf of the undersigned thereunto duly authorized.

JACK HENRY & ASSOCIATES, INC.

Date: May 14, 2002	/s/ Michael E. Henry Michael E. Henry Chairman of the Board Chief Executive Officer
Date: May 14, 2002	/s/ Kevin D. Williams Kevin D. Williams Treasurer and Chief Financial Officer