UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 27, 2000

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

Delaware	0-14112	43-1128385
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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

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

This Current Report on Form 8-K is being filed for the purpose of updating certain "Selected Financial Data", " Management's Discussion and Analysis of Financial Condition and Results of Operations" and consolidated financial statements as of and for the years ended June 30, 1997, 1998 and 1999 to reflect the recent restatement of the Registrant's consolidated financial statements to include Sys-Tech, Inc. ("Sys-Tech"). Sys-Tech was acquired on June 1, 2000 in a transaction accounted for as a pooling-of-interests and therefore all periods have been restated to reflect the acquisition as if it had occurred at the beginning of the earliest period reported. The acquisition of Sys-Tech was previously reported on the Registrant's Form 8-K filed June 14, 2000, as amended by Form 8-K/A filed July 12, 2000.

Item 7. Financial Statements and Exhibits

(c) Exhibits

23.1 Consent of Deloitte & Touche LLP
99.1 Selected Financial Data
99.2 Management's Discussion and Analysis
99.3 Consolidated Financial Statements

SIGNATURES

Pursuant to the requirements 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.

JACK HENRY & ASSOCIATES, INC.

Date: July 27, 2000

/s/ Terry W. Thompson

Terry W. Thompson
Vice President and
Chief Financial Officer

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the inclusion in the Current Report on Form 8-K under the Securities Exchange Act of 1934 of Jack Henry & Associates, Inc., dated July 27, 2000, and to the incorporation by reference in Registration Statements No. 33-65231, 33-65251, 33-69299, and 33-16989 of Jack Henry & Associates, Inc., on Form S-8, of our report dated August 23, 1999 (September 8, 1999 as to Note 13 and July 6, 2000 as to Note 14 and the effects of the stock split described in Note 1) insofar as such report relates to the consolidated financial statements of Jack Henry & Associates, Inc. for the year ended June 30, 1999.

/S/Deloitte & Touche LLP
St. Louis, Missouri

July 27, 2000

EXHIBIT 99.1

SELECTED FINANCIAL DATA

The following tables set forth selected consolidated financial information of Jack Henry & Associates. The balance sheet data as of June 30, 1998 and 1999 and the income statement data for the three years ended June 30, 1997, 1998 and 1999 are derived from the audited consolidated financial statements of Jack Henry & Associates. The acquisitions of Peerless Group, Inc., closed December 16, 1998, and Sys-Tech, Inc., closed June 1, 2000, were accounted for as poolings of interests. Therefore, the selected consolidated financial data for all periods have been adjusted to reflect the acquisitions as if they had occurred at the beginning of the earliest period reported. The following information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and accompanying notes included in this filing. The amounts in the tables below, other than per share data, are in thousands.

	YEAR ENDED JUNE 30,				
	1995	1996	1997	1998	1999
INCOME STATEMENT DATA:					
Revenues					
Software licensing and installation	$21,489	$25,885	$ 31,930	$ 39,484	$ 47,181
Maintenance/support and service	16,924	29,618	37,510	46,835	71,278
Hardware sales	28,738	37,821	56,816	61,916	75,068
Total revenues	67,151	93,324	126,256	148,235	193,527
Cost of Sales					
Cost of hardware	22,002	26,307	41,016	43,335	54,661
Cost of services	14,706	24,238	32,001	37,674	52,582
Total cost of sales	36,708	50,545	73,017	81,009	107,243
Gross profit	30,443	42,779	53,239	67,226	86,284
Operating Expenses					
Selling and marketing expense	7,250	9,229	12,750	15,124	14,030
Research and development expense	3,259	4,559	3,012	4,163	5,183
General and administrative expense	6,344	7,157	9,607	11,675	17,347
Total operating expenses	16,853	20,945	25,369	30,962	36,560
Operating income from continuing operations	13,590	21,834	27,870	36,264	49,724
Other Income (Expense)					
Interest income	746	541	738	1,319	1,619
Interest expense	(624)	(699)	(40)	(34)	(93)
Other, net	92	217	109	348	363
Total other income (expense)	214	59	807	1,633	1,889
Income from continuing operations before taxes	13,804	21,893	28,677	37,897	51,613
Provision for income taxes	4,705	7,750	10,185	13,692	18,887
Income from continuing operations	9,099	14,143	18,492	24,205	32,726
Loss from discontinued operations (1)	--	(2,620)	(450)	(668)	(758)
Net income	$ 9,099	$11,523	$ 18,042	$ 23,537	$ 31,968

	YEAR ENDED JUNE 30,				
	1995	1996	1997	1998	1999
Diluted Earnings Per Share (2):					
Income from continuing operations	$ 0.24	$ 0.36	$ 0.46	$ 0.58	$ 0.77
Loss from discontinued operations	--	(0.07)	(0.01)	(0.02)	(0.02)
Net income	$ 0.24	$ 0.29	$ 0.45	$ 0.57	$ 0.75
Diluted weighted average shares outstanding (2)	37,766	39,080	40,214	41,593	42,641
Basic Earnings Per Share (2)					
Income from continuing operations	$ 0.25	$ 0.39	$ 0.49	$ 0.61	$ 0.81
Loss from discontinued operations	--	(0.07)	(0.01)	(0.02)	(0.02)
Net income	$ 0.25	$ 0.32	$ 0.47	$ 0.59	$ 0.79
Basic weighted average shares outstanding (2)	36,254	36,390	38,025	39,770	40,337

	AS OF JUNE 30,				
	1995	1996	1997	1998	1999
BALANCE SHEET DATA:					
Cash and cash equivalents	$ 3,785	$ 6,413	$ 11,260	$ 24,733	$ 3,376
Working capital	(5,912)	2,876	16,727	35,758	23,111
Total assets	63,002	67,488	100,484	133,830	177,260
Total debt	2,927	3,504	525	654	626
Stockholders' equity	22,515	32,230	60,549	83,591	115,798

Notes:

(1) Losses from discontinued operations in connection with our former BankVision subsidiary.

(2) Share and per share data have been adjusted to reflect the stock splits paid in prior years and the March 2, 2000 2 for 1 stock split, each effected as a stock dividend.

EXHIBIT 99.2

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 filing.

OVERVIEW

We provide integrated computer systems for in-house and outsourced data processing to community banks, 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 nine data centers and 14 item processing centers located across the United States.

We derive revenues from three primary sources:

- sales of software licenses and installation services;

- maintenance, support and outsourcing service fees; and

- hardware sales.

Over the last five fiscal years, our revenues have grown from $67.2 million in fiscal 1995 to $193.5 million in fiscal 1999. Income from continuing operations has grown from $9.1 million in fiscal 1995 to $32.7 million in fiscal 1999. 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 2,400 as of June 30, 2000.

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 1997, 1998 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 required for the customer's installation of the systems. 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 for a term of up to 25 years on a single computer and for a single financial institution location upon payment of the license fee. Generally, 25% of license fees are payable upon execution of the license agreement, 65% upon delivery of the software and the balance at 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.

Maintenance and support 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 maintenance 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 maintenance and support for our in-house customers and operation of our 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 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.

Selling and marketing expenses are all the expenses required to market and sell our products and services. The most significant costs are compensation and benefits and travel costs for our sales force.

Research and development expenses consist of the costs incurred to develop computer software. These costs generally are expensed as incurred with a major portion of same being compensation and benefits for our development staff. Certain of these new product development costs are capitalized from the point at which technological feasibility has been established through the point at which customer installation begins.

General and administrative costs are comprised of all operating costs not included above. Some of the more significant items are costs of our internal administration costs of being a public company and depreciation and maintenance of our corporate headquarters.

RESULTS OF OPERATIONS

FISCAL 1999 COMPARED TO FISCAL 1998

REVENUES. Revenues increased by 30.6% from $148.2 million in fiscal 1998 to $193.5 million in fiscal 1999. Above average demand for our core software products and related hardware resulting from the preparation for Y2K was a major factor driving revenue growth in fiscal 1999. Each line item of revenues grew in fiscal 1999 compared with the previous fiscal year, with the largest increase in maintenance/support and service. Sales of complementary products and services, which are primarily provided to customers utilizing our core software products, provided a significant amount of revenue during 1999. Acquisitions, electronic transaction fees, outsourcing fees, Internet banking, form sales and customer support fees also contributed to the significant growth in total revenues during that year.

COST OF SALES. Cost of sales increased by 32.4% from $81.0 million in fiscal 1998 to $107.2 million in fiscal 1999, compared to a 30.6% increase in revenues in fiscal 1999 compared to the previous year. Cost of hardware increased 26.1% compared to the 21.2% increase in hardware revenue due to product mix of hardware sold. Cost of services increased 39.6% compared to a 37.2% increase its related components of revenue in fiscal 1999.

GROSS PROFIT. Gross profit increased 28.3% from $67.2 million in fiscal 1998 to $86.3 million in fiscal 1999. The gross margin percentage for fiscal 1999 was 44.6%, a small decrease from the gross margin in fiscal 1998.

OPERATING EXPENSES. Operating expenses increased 18.1% from $31.0 million in fiscal 1998 to $36.6 million in fiscal 1999, compared to a 28.3% increase in gross profit in fiscal 1999 compared with fiscal 1998. The increase in operating expenses reflects efficiencies realized as part of our overall growth. Selling and marketing expense decreased 7.2% from $15.1 million in fiscal 1998 to $14.0 million in fiscal 1999. This decrease reflects the change in product mix, with a higher percentage of revenues being generated by non-commission sources, such as customer support fees. Research and development expense increased 24.5% from $4.2 million in fiscal 1998 to $5.2 million in fiscal 1999, directly related to continued development and refinement of new and existing products, particularly Internet products. General and administrative expense increased 48.6% from $11.7 million in fiscal 1998 to $17.3 million in fiscal 1999, principally due to increased requirements caused by our overall growth. Excluding the one-time acquisition costs for the Peerless transaction of $2.2 million, general and administrative expense increased 29.7% in fiscal 1999 compared with fiscal 1998, while gross profits increased 28.3%.

OTHER INCOME (EXPENSE). Other income increased 15.7% from $1.6 million in fiscal 1998 to $1.9 million in fiscal 1999, primarily due to the increased amount of cash and interest-bearing investments in fiscal 1999 compared to fiscal 1998.

PROVISION FOR INCOME TAXES. The provision for income taxes increased 37.9% from $13.7 million in fiscal 1998 to $18.9 million in fiscal 1999. The overall tax rate of 36.6% in fiscal 1999 was relatively unchanged from that in 1998.

INCOME FROM CONTINUING OPERATIONS. Income from continuing operations increased 35.2% from $24.2 million, or $.58 per diluted share, in fiscal 1998 to $32.7 million, or $.77 per diluted share, in fiscal 1999.

DISCONTINUED OPERATIONS. We incurred a $758,000 loss from discontinued operations in fiscal 1999, compared to a $668,000 loss from discontinued operations in fiscal 1998. We continued to honor prior commitments to existing customers while anticipating final resolution regarding our discontinued operation which was realized in the first quarter of fiscal 2000.

FISCAL 1998 COMPARED TO FISCAL 1997

REVENUES. Revenues increased 17.4% from $126.3 million in fiscal 1997 to $148.2 million in fiscal 1998, particularly due to increased demand for our core software products. Acquisitions, electronic transaction fees, outsourcing fees, forms sales and customer support fees also contributed to our growth in revenues.

COST OF SALES. Cost of sales increased 10.9% from $73.0 million in fiscal 1997 to $81.0 million in fiscal 1998, compared to an increase of 17.4% in revenues. Cost of hardware increased 5.7% and cost of services increased 17.7% in fiscal 1998 compared to fiscal 1997, as a result of the increased demand for our products and services.

GROSS PROFIT. Gross profit increased 26.3% from $53.2 million in fiscal 1997 to $67.2 million in fiscal 1998. The gross margin percentage increased from 42.2% in fiscal 1997 to 45.4% in fiscal 1998, primarily due to shifts in the product mix to our more profitable software products and related services from hardware sales, which are lower margin products.

OPERATING EXPENSES. Total operating expenses increased 22.0% from $25.4 million in fiscal 1997 to $31.0 million in fiscal 1998, compared to an increase of 26.3% in gross profit in the same period. Selling and marketing expense increased 18.6%, research and development expense increased 38.2%, and general and administrative expenses increased 21.5% during the same period. These increases resulted from the continued growth in our business.

OTHER INCOME (EXPENSE). Other income doubled from $807,000 in fiscal 1997 to approximately $1.6 million in fiscal 1998, primarily due to the increased amount of cash and interest-bearing investments in fiscal 1998 compared with the prior year.

PROVISION FOR INCOME TAXES. The provision for income taxes increased 34.4% from $10.2 million in fiscal 1997 to $13.7 million in fiscal 1998. The overall tax rate remained relatively unchanged from fiscal 1997 to fiscal 1998.

INCOME FROM CONTINUING OPERATIONS. Income from continuing operations increased 30.9% from $18.5 million, or $.46 per diluted share, in fiscal 1997, to $24.2 million, or $.58 per diluted share, in fiscal 1998.

DISCONTINUED OPERATIONS. We incurred a $668,000 loss from discontinued operations in fiscal 1998, compared to a $450,000 loss from discontinued operations in fiscal 1997. Although a planned sale did not close within the expected time frame, we continued to honor commitments to customers by providing support and maintenance.

SUPPLEMENTAL QUARTERLY INFORMATION

The following table sets forth quarterly unaudited financial data for the quarters of fiscal 1998 and 1999. In our opinion, such unaudited financial information includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the periods. The operating results for any quarter are not necessarily indicative of results for any future periods. The amounts in the tables below, except per share data, are in thousands. Per share data have been adjusted to reflect the March 2, 2000 two for one stock split effected as a stock dividend.

QUARTERLY FINANCIAL INFORMATION

	FISCAL 1999 QUARTERS			
	FIRST	SECOND	THIRD	FOURTH
Total revenues	$52,094	$49,948	$46,513	$44,972
Cost of sales	29,297	27,918	25,927	24,101
Income from continuing operations before income taxes	14,599	11,707	12,940	12,367
Income from continuing operations	9,025	7,197	8,402	8,102
Income (loss) from discontinued operations	24	(251)	(531)	--
Net income	$ 9,049	$ 6,946	$ 7,871	$ 8,102
Diluted earnings per share:				
Income from continuing operations	$ .21	$ .17	$ .20	$ .19
Net income	$ .21	$ .16	$ .18	$ .19

	FISCAL 1998 QUARTERS			
	FIRST	SECOND	THIRD	FOURTH
Total revenues	$27,120	$36,691	$36,738	$47,686
Cost of sales	13,972	20,829	19,555	26,653
Income from continuing operations before income taxes	7,211	8,690	9,467	12,529
Income from continuing operations	4,870	5,511	5,929	7,895
Income (loss) from discontinued operations	(261)	54	(191)	(270)
Net income	$ 4,609	$ 5,565	$ 5,738	$ 7,625
Diluted earnings per share:				
Income from continuing operations	$ .12	$ .13	$ .14	$ .19
Net income	$ .11	$ .13	$ .14	$ .18

Forward Looking Statements

The Mangagement's Discussion and Analysis of Financial Condition and Results of Operations 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, third-party or Company failures to achieve timely, effective remediation of the Year 2000 issues, general economic conditions, actions of competitors, regulatory actions, changes in legislation and technology changes. 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.

EXHIBIT 99.3

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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, 1999 and 1998, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended June 30, 1999. 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, 1999 and 1998, and the results of their operations and their cash flows for the three years in the period ended June 30, 1999 in conformity with accounting principles generally accepted in the United States of America.

/S/ DELOITTE & TOUCHE LLP
St. Louis, Missouri
August 23, 1999
(September 8, 1999 as to Note 13 and July 6, 2000 as to Note 14
and the effects of the stock split described in Note 1)

JACK HENRY & ASSOCIATES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	YEARS ENDED JUNE 30, 1997	1998	1999
Revenues			
Software licensing and installation	$ 31,930	$ 39,484	$ 47,181
Maintenance/support and service	37,510	46,835	71,278
Hardware sales	56,816	61,916	75,068
Total revenues	126,256	148,235	193,527
Cost of Sales			
Cost of hardware	41,016	43,335	54,661
Cost of services	32,001	37,674	52,582
Total cost of sales	73,017	81,009	107,243
Gross profit	53,239	67,226	86,284
Operating Expenses			
Selling and marketing expense	12,750	15,124	14,030
Research and development expense	3,012	4,163	5,183
General and administrative expense	9,607	11,675	17,347
Total operating expense	25,369	30,962	36,560
Operating income from continuing operations	27,870	36,264	49,724
Other Income (Expense)			
Interest income	738	1,319	1,619
Interest expense	(40)	(34)	(93)
Other, net	109	348	363
Total other income	807	1,633	1,889
Income from continuing operations before taxes	28,677	37,897	51,613
Provision for income taxes	10,185	13,692	18,887
Income from continuing operations	18,492	24,205	32,726
Loss from discontinued operations	(450)	(668)	(758)
Net income	$ 18,042	$ 23,537	$ 31,968
Diluted Earnings Per Share:			
Income from continuing operations	$ 0.46	$ 0.58	$ 0.77
Loss from discontinued operations	(0.01)	(0.02)	(0.02)
Net income	$ 0.45	$ 0.57	$ 0.75
Diluted weighted average shares outstanding	40,214	41,593	42,641
Basic Earnings Per Share:			
Income from continuing operations	$ 0.49	$ 0.61	$ 0.81
Loss from discontinued operations	(0.01)	(0.02)	(0.02)
Net Income	$ 0.47	$ 0.59	$ 0.79
Basic weighted average shares outstanding	38,025	39,770	40,337

See Notes to Consolidated Financial Statements.

JACK HENRY & ASSOCIATES, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	JUNE 30, 1998	JUNE 30, 1999
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 24,733	$ 3,376
Investments, at amortized cost	3,229	6,702
Trade receivables	43,348	52,239
Income taxes receivable	1	1,244
Prepaid cost of product	4,046	9,106
Prepaid expenses and other	8,036	9,109
Total	83,393	81,776
Property and equipment, net	31,492	66,192
Other Assets:		
Intangible assets, net of amortization	15,272	25,181
Computer software, net of amortization	2,838	3,015
Other	835	1,096
Total	18,945	29,292
Total assets	$133,830	$177,260
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 8,130	$ 5,036
Short-term borrowings	400	399
Accrued expenses	5,758	8,484
Accrued income taxes	236	66
Deferred revenues	33,096	44,664
Current portion of long-term debt	15	16
Total	47,635	58,665
Long-term debt	239	211
Deferred income taxes	2,365	2,586
Total liabilities	50,239	61,462
Stockholders' Equity:		
Preferred stock; $1 par value; 500,000 shares authorized; none issued	--	--
Common stock; $.01 par value; 50,000,000 shares authorized; shares issued 1998 -- 20,194,870; 1999 -- 20,517,090	202	205
Additional paid-in capital	26,267	32,210
Retained earnings	57,122	83,383
Total stockholders' equity	83,591	115,798
Total liabilities and stockholders' equity	$133,830	$177,260

See Notes to Consolidated Financial Statements.

JACK HENRY & ASSOCIATES, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	YEARS ENDED JUNE 30,		
	1997	1998	1999
Preferred Shares (500,000 authorized):	--	--	--
Common Shares (50,000,000 authorized):			
Shares, beginning of year	13,358,563	20,023,689	20,194,870
Shares issued upon exercise of stock options	618,750	104,465	314,277
Shares issued for Employee Stock Purchase Plan	1,659	5,926	7,943
Shares issued for acquisitions	56,144	60,790	--
Stock dividend	5,988,573	--	--
	20,023,689	20,194,870	20,517,090
Less: Held in treasury	(15,410)	--	--
Shares, end of year	20,008,279	20,194,870	20,517,090
Common Stock -- Par Value $.01 Per Share:			
Balance, beginning of year	$ 133	$ 200	$ 202
Shares issued upon exercise of stock options	6	2	3
Shares issued for acquisitions	1	--	--
Stock dividend	60	--	--
Stock split	--	--	--
Balance, end of year	200	202	205
Additional Paid-in Capital:			
Balance, beginning of year	18,434	22,467	26,267
Shares issued upon exercise of stock options	2,788	1,620	3,264
Shares issued for Employee Stock Purchase Plan	42	176	312
Shares issued for acquisitions	(306)	1,228	150
Stock dividend	(60)	--	--
Sale of treasury stock	(451)	--	--
Tax benefit on exercise on exercise of options	2,020	776	2,217
Balance, end of year	22,467	26,267	32,210
Treasury Stock:			
Balance, beginning of year	--	(293)	--
Purchases of treasury stock	(7,469)	--	(5)
Sales of treasury stock	6,871	--	5
Shares issued for acquisitions	305	293	--
Balance, end of year	(293)	--	--
Retained Earnings:			
Balance, beginning of year	23,844	38,175	57,122
Retained deficit of acquired businesses	(80)	(62)	(19)
Net income	18,042	23,537	31,968
Dividends (1997 -- $.10 per share; 1998 -- $.12 per share; 1999 -- $.145 per share;	(3,631)	(4,528)	(5,688)
Balance, end of year	38,175	57,122	83,383
Total stockholders' equity	$ 60,549	$ 83,591	$ 115,798

See Notes to Consolidated Financial Statements.

JACK HENRY & ASSOCIATES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEARS ENDED JUNE 30,		
	1997	1998	1999
Cash Flows from Operating Activities:			
Income from continuing operations	$ 18,492	$ 24,205	$ 32,726
Adjustments to Reconcile Income from Continuing Operations to Cash from Operating Activities			
Depreciation and amortization	5,212	6,362	7,901
Provision for deferred income taxes	322	478	221
Gain on sale of investment	--	--	--
Other	87	89	157
Changes In:			
Trade receivables	(8,181)	(12,215)	(8,540)
Prepaid expenses and other	(2,057)	(2,814)	(6,397)
Accounts payable	429	1,532	(3,308)
Accrued expenses	2,499	155	2,716
Income taxes	65	890	805
Deferred revenues	3,088	7,625	11,568
Net cash from continuing operations	19,956	26,307	37,849
Cash flows from discontinued operations	(819)	(1,075)	(608)
Cash Flows from Investing Activities:			
Capital expenditures	(13,714)	(9,949)	(38,884)
Purchases of investments	(5,887)	(3,177)	(6,708)
Proceeds from maturities of investments	3,002	5,800	3,100
Proceeds from sale of investment	--	--	--
Other assets	(2,500)	--	--
Purchases of customer contracts	(33)	--	(7,105)
Computer software developed/purchased	(191)	(281)	(867)
Acquisition costs, net of cash acquired	(282)	(1,046)	(5,905)
Other, net	(12)	(346)	(241)
Net cash from investing activities	(19,617)	(8,999)	(56,610)
Cash Flows from Financing Activities:			
Proceeds from issuance of common stock upon exercise of stock options	1,532	1,463	3,267
Proceeds from sale of common stock	10,655	201	462
Dividends paid	(3,631)	(4,528)	(5,688)
Short-term borrowings, net	--	200	(2)
Principal payments on long-term debt	(3,585)	(71)	(27)
Purchase of treasury stock	(5,444)	--	(5)
Proceeds from sale of treasury stock	5,646	--	5
Net cash from financing activities	5,173	(2,735)	(1,988)
Net (decrease) increase in cash and cash equivalents	4,693	13,498	(21,357)
Cash and cash equivalents, beginning of year	6,542	11,235	24,733
Cash and cash equivalents, end of year	$ 11,235	$ 24,733	$ 3,376
Supplemental Disclosures of Cash Flow Information			
Cash Paid During the Year for:			
Interest	$ 40	$ 34	$ 93
Income taxes	$ 8,443	$ 10,601	$ 13,988

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 several banking 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 necessary for a financial institution to install a JHA software system. JHA also provides continuing support and maintenance services to customers using the systems.

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 have been restated to include Peerless Group, Inc. ("Peerless") which was acquired on December 16, 1998. The acquisition was accounted for as a pooling of interests and therefore all periods have been adjusted to reflect the acquisition as if it had occurred at the beginning of the earliest period reported (see Note 12).

The consolidated financial statements for all periods presented have been restated to include Sys-Tech, Inc. ("Sys-Tech"),which was acquired on June 1, 2000. The acquisition was accounted for as a pooling of interests and therefore all periods have been adjusted to reflect the acquisition as if it had occurred at the beginning of the earliest period reported (see Note 14).

Prior to the consummation of the pooling, Sys-Tech's year end was September 30. Therefore, the consolidated statements of income and cash flows for the years ended June 30, 1997, 1998 and 1999 reflect the results of operations and cash flows for the Company for the years then ended combined with Sys-Tech for the years ended September 30, 1997, 1998 and 1999, respectively. The consolidated balance sheets as of June 30, 1998 and 1999 reflect the financial position of the Company on those dates combined with the financial position of Sys-Tech as of September 30, 1998 and 1999, respectively. 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 have been included in the consolidated statements of income for the year ended June 30, 1999. Revenues, net loss from continuing 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 SPLIT

On January 31, 2000, the Company's Board of Directors declared a 100% stock dividend on its common stock, effectively a 2 for 1 stock split. The stock dividend was paid March 2, 2000 to stockholders of record at the close of business on February 17, 2000. 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 split.

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

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

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. Monthly software usage charges are recognized ratably over the contract period.

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.

MAINTENANCE/SUPPORT FEES

Fees from these contracts are recognized ratably over the life of the 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.

DEFERRED REVENUES

Deferred revenues consist primarily of prepaid annual software and hardware maintenance fees. 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 customer installations begin. The capitalized costs, which include salaries and related expenses, equipment/facility costs and other direct expenses, are amortized to expense based on estimated revenues over the estimated product life (generally five years).

INCOME PER SHARE

Per share information is based on the weighted average number of common shares outstanding during the year. Stock options have been included in the calculation of income per share to the extent they are dilutive. Reconciliation from basic to diluted weighted average shares outstanding is the dilutive effect of outstanding stock options.

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.

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.

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, customers, software maintenance/support contracts and marketing agreements acquired in business acquisitions. The amounts are amortized over an estimated economic benefit period, generally five to fifteen years using the straight-line method.

The Company reviews long-lived assets and certain 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

The Company has adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," which established standards for the reporting and display of comprehensive income and its components. Comprehensive income is defined as net income plus certain items that are recorded directly to shareholder's equity. Comprehensive income for each of the years in the period ended June 30, 1999 equals the Company's net income.

BUSINESS SEGMENT INFORMATION

The Company adopted SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information," which establishes standards for the disclosure required related to segments of an enterprise.

The Company is a leading provider of financial data processing systems for financial institutions. In accordance with SFAS No. 131, the Company's operations are classified as one business segment. The financial performance and productivity of the Company is monitored as a single unit as all products and services relate to one line of business, providing comprehensive services for data processing to the financial institution industry. Revenue by type of product and service is presented on the face of the statements of income.

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

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 is established to reduce deferred tax assets if it is likely that a deferred tax asset will not be realized.

RECENT ACCOUNTING PRONOUNCEMENTS

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 the Company's management anticipates that the adoption of SOP 98-4 in fiscal year 2000 will not have a material impact on the Company's result of operations.

In June 1998, the Financial Accounting Standards Board 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, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. This new standard is not anticipated to have a material impact on the Company's financial position and 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 is effective no later than the fourth fiscal quarter for years beginning after December 15, 1999, which for the Company is the beginning of its fourth quarter of fiscal year 2001. The Company has not completed the process of evaluating the impact that will result from adopting SAB No. 101 and therefore, is unable to determine the impact that the adoption will have on its financial position and results of operations.

RECLASSIFICATION

Where appropriate, prior years' financial information has been reclassified to conform with the current years' presentation. The statements of cash flows are prepared using the indirect method, which represents a reclassification of the prior years' presentation using the direct method.

NOTE 2: INVESTMENTS

The amortized cost and approximate fair values of held-to-maturity securities at June 30, 1998 and 1999 are included in the following table. 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.

	1998	1999
	(IN THOUSANDS)	
U.S. treasury notes	$3,101	$6,583
Accrued interest	128	119
Total	$3,229	$6,702

NOTE 3: FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values for held-to-maturity securities are based on quoted market prices (See Note 2). 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 4: PROPERTY AND EQUIPMENT

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

	JUNE 30,		
	1998	1999	ESTIMATED USEFUL LIFE
	(IN THOUSANDS)		
Land	$ 830	$ 2,830	
Land improvements	708	1,154	5-20 years
Buildings	5,624	16,444	25-30 years
Equipment and furniture	24,334	34,809	5-8 years
Aircraft	10,565	18,957	8-10 years
Construction in process	2,554	11,174	
	44,615	85,368	
Less accumulated depreciation	13,123	19,176	
Property and equipment, net	$31,492	$66,192	

NOTE 5: OTHER ASSETS

Following is an analysis of intangible assets:

	YEAR ENDED JUNE 30,	
	1998	1999
	(IN THOUSANDS)	
Balance, beginning of year	$15,469	$15,272
Intangible assets	1,339	11,999
Amortization	(1,536)	(2,090)
Balance, end of year	$15,272	$25,181

Computer software includes the unamortized cost of software products developed or acquired by the Company which were required to be capitalized by generally accepted accounting principles. The costs are amortized over an estimated economic benefit period, generally five years. Following is an analysis of the computer software costs:

	YEAR ENDED JUNE 30,	
	1998	1999
	(IN THOUSANDS)	
Balance, beginning of year	$3,071	$2,838
Software development costs capitalized	281	515
Software acquired	--	352
Amortization	(514)	(690)
Balance, end of year	$2,838	$3,015

NOTE 6: LINES OF CREDIT AND LONG-TERM DEBT

LINES OF CREDIT

The Company has an $8,000,000 line of credit at June 30, 1999, which is payable upon demand or at March 15, 2000, and is secured by $1,000,000 of investments with the remainder unsecured. Borrowings under the line bear interest at a floating prime rate (7.75% at June 30, 1999). The Company also had a similar line of credit at June 30, 1998. There were no amounts outstanding under the line at June 30, 1999, or 1998. Utilization of the line was minimal during each of the last three fiscal years.

Sys-Tech has 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% at June 30, 1999). Amounts outstanding are $400,000 and $399,000 as of June 30, 1998 and 1999, respectively. The line is payable on demand or at August 20, 2000 and is secured by the accounts receivable and other current assets of Sys-Tech.

LONG-TERM DEBT

Sys-Tech has a note payable with an original loan amount of $400,000, bearing interest at 10%, payable monthly, due August 4, 2001. The note is secured by specific real estate.

	YEAR ENDED JUNE 30,	
	1998	1999
	(IN THOUSANDS)	
Long-Term Debt	$254	$227
Less current maturities	15	16
	$239	$211

Future maturities of long-term debt as of June 30, 1999 is as follows:

2000	$ 16
2001	18
2002	193
	$227

NOTE 7: INCOME TAXES

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

	YEAR ENDED JUNE 30,		
	1997	1998	1999
	(IN THOUSANDS)		
Current:			
Federal	$ 8,954	$12,044	$16,860
State	909	1,170	1,806
Deferred:			
Federal	297	431	204
State	25	47	17
	$10,185	$13,692	$18,887
Effective Rate	36%	36%	37%

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

	YEAR ENDED JUNE 30,	
	1998	1999
	(IN THOUSANDS)	
Deferred Tax Assets:		
Carryforwards (operating losses, capital losses, credits, etc.)	$ 68	$ 347
Expense reserves (bad debts, insurance, franchise tax, vacation, etc.)	588	624
Intangible assets	535	1,236
	1,191	2,207
Deferred Tax Liabilities:		
Excess tax depreciation	(2,998)	(4,104)
Excess tax amortization	(526)	(674)
Other, net	(32)	(15)
	(3,556)	(4,793)
Net deferred tax liability	$(2,365)	$(2,586)

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

	YEAR ENDED JUNE 30,		
	1997	1998	1999
Computed "expected" tax expense (benefit)	35%	35%	35%
Increase (Reduction) in Taxes Resulting From:			
State income taxes, net of federal income tax benefits	3	3	3
Research & Development Credit	(1)	(1)	--
Other	(1)	(1)	(1)
	36%	36%	37%

Net operating less carryforwards of $847,000 (from acquisitions) and capital loss carryforwards of $57,000 expire through the year 2014.

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. Adequate reserves (which are insignificant at June 30, 1999, and 1998) are maintained for potential credit losses.

In addition, the Company purchases most of its computer equipment (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.

NOTE 9: STOCK OPTION PLANS

The Company has 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 October 29, 1996, for its employees. This plan replaced the terminating 1987 SOP. Terms 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 1/2 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 at the grant date. The options terminate upon termination of employment, three months after retirement, one year after death or ten years after grant. As of June 30, 1999, there were 2,264,000 shares available for future grants under the plan from the original 5,500,000 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 600,000 shares of common stock have been reserved for issuance under this plan with a maximum of 150,000 for each director.

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

	YEAR ENDED JUNE 30,		
	1997	1998	1999
Options outstanding, beginning of year:	2,913,602	3,120,260	4,322,184
Options granted	189,500	1,434,854	694,774
Options exercised	(1,320,450)	(208,930)	(645,778)
Options forfeited	(15,000)	(24,000)	(32,800)
Increase in options outstanding due to 50% stock dividend	1,352,608	--	--
Options outstanding, end of year:	3,120,260	4,322,184	4,338,380
Currently exercisable	2,995,262	3,038,268	3,322,406
Weighted-average exercise price for options outstanding	$ 5.494	$ 8.324	$ 10.791
Weighted-average exercise price for options granted	$ 10.928	$ 12.547	$ 21.306
Weighted-average exercise price for options exercised	$ 2.526	$ 6.072	$ .187
Weighted-average fair value of options granted	$ 2.888	$ 4.934	$ 9.608

Following is an analysis of stock options outstanding (O) and exercisable (E) as of June 30, 1999:

	SHARES		WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE IN YEARS	WEIGHTED-AVERAGE EXERCISE PRICE	
RANGE OF EXERCISE PRICES	O	E	O	O	E
$2 to 5	794,598	794,598	4.61	$ 2.90	$ 2.90
6 to 9	1,205,640	1,205,640	6.47	7.56	7.56
10 to 12	1,281,568	763,968	8.28	11.94	11.86
13 to 19	486,840	219,240	8.89	15.43	14.00
19 to 28	569,734	338,960	9.32	22.11	22.14
$2 to 28	4,338,380	3,322,406	7.31	$10.79	$ 9.35

OPTIONS FORFEITED:

FISCAL YEAR	RANGE OF EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE
1997	$ 6 to 9	15,000	$ 8.96
1998	$12 to 13	24,000	$12.07
1999	$12 to 22	32,800	$18.71

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:

		YEAR ENDED JUNE 30,		
		1997	1998	1999
		(In thousands, except per share data)		
Net income	As reported	$18,492	$24,205	$32,726
	Pro forma	$18,261	$22,150	$27,453
Diluted earnings per share	As reported	$ .46	$ .58	$ .77
	Pro forma	$ .45	$ .53	$ .64
Basic earnings per share	As reported	$ .49	$ .61	$ .81
	Pro forma	$ .48	$ .56	$ .68

Assumptions:			
Expected life (years)......................	2.16	2.16	2.97
Volatility................................	40%	40%	56%
Risk free interest rate...................	5.9%	6.1%	5.0%
Dividend yield............................	.35%	.35%	.35%

NOTE 10: 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 each 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 and 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 acquisition date (see Note 12), and will merge it into the Plan as of December 31, 1999. The total expense related to the Plans was $723,000, $952,000, and $1,321,000 for 1997, 1998, and 1999, respectively.

NOTE 11: 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 consisted of the following:

Estimated loss on sale, net of applicable income tax benefit	$2,390,000
Operating losses from April 1, 1996, through June 30, 1996, net of income tax benefit of $78,000	130,000
Estimated operating losses from July 1, 1996, to anticipated disposal date, net of income tax benefit of $38,000	100,000
	$2,620,000

The planned sale of BankVision was not concluded as of June 30, 1999. Thus, additional losses of $450,000, $668,000 and $758,000 were reported for the discontinued BankVision unit for the years ended June 30, 1997, 1998 and 1999, respectively. Several issues which were raised during negotiations for the sale of BankVision caused a delay in the Company's plan for disposing of this subsidiary. These issues have now been addressed. The Company is currently honoring commitments to existing customers and anticipates final resolution regarding its discontinued operations by January 31, 2000. The Company has notified customers that maintenance contracts will not be renewed upon normal expiration. (See Note 13).

NOTE 12: BUSINESS ACQUISITIONS

POOLING OF INTERESTS TRANSACTIONS

The Company acquired all the outstanding shares of Peerless on December 16, 1998, for approximately $36,000,000 (1,654,000 shares) in Company stock.

The Company acquired all the outstanding shares of Financial Software Systems, Inc. on September 2, 1997, for $600,000 in Company stock.

The Company acquired all the outstanding shares of G. G. Pulley & Associates, Inc. on July 1, 1997, for $5,000,000 in Company stock.

The Company acquired all the outstanding shares of Liberty Banking Services, Inc. on September 1, 1996, for $2,000,000 in Company stock.

Prior years' consolidated financial statements have been restated for the effect of the pooling transactions. 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. (See Note 13 for the impact of the Sys-Tech pooling).

	FISCAL 1997	FISCAL 1998	THREE MONTHS ENDED SEPTEMBER 30, 1998
	(In thousands)		(UNAUDITED)
Revenues:			
JHA	$ 82,600	$113,423	$40,728
Peerless	38,151	29,124	8,921
Combined	$120,751	$142,547	$49,649
Net Income JHA	$ 15,305	$ 21,569	$ 8,296
Peerless	2,514	1,713	497
Combined	$ 17,819	$ 23,282	$ 8,793

PURCHASE TRANSACTIONS

On November 25, 1998, the Company acquired all the outstanding shares of Digital Data Services, Inc. common stock for $2,750,000 in cash.

On July 1, 1998, the Company acquired all the outstanding shares of Hewlett Computer Services, Inc. common stock for $2,250,000 in cash.

On December 12, 1997, the Company acquired all the outstanding shares of Vertex, Inc. common stock for $1,905,000 in Company stock and $1,095,000 in cash.

The consolidated operations of the Company include the operations of the acquirees from their acquisition dates for acquisitions accounted for as purchases. Pro Forma information for acquisitions accounted for as purchases is not presented as the impact was not material.

NOTE 13: SUBSEQUENT EVENTS

SALE OF SUBSIDIARY

On September 7, 1999, the Company completed the sale of its BankVision subsidiary (see discontinued operations, Note 11) 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 each of the next two years. The net assets of the subsidiary, as of that date, approximately equal the sales proceeds, and as a result, the Company expects the transaction to have minimal effect on its financial results for fiscal year 2000.

OPEN SYSTEM GROUP ACQUISITION

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 800 community banks throughout the United States and the Caribbean. Revenues from these acquired community banking operations total approximately $17,000,000 and $43,000,000 for the six months ended June 30, 1999 and calendar 1998, respectively. The total value of the transaction was approximately $56,136,000, of which $50,000,000 was in cash, the assumption of approximately $5,475,000 liabilities and $661,000 in transaction costs. The purchase price was paid with approximately $25,000,000 cash from operations and $25,000,000 proceeds from a line of credit with a commercial lender. The line of credit provides for advances of up to $40,000,000, bears interest at variable LIBOR-Based Rates (5.98% as of September 7, 1999) and is due September 7, 2000.

NOTE 14: SYS-TECH, INC. ACQUISITION

On June 1, 2000, the Company acquired all the outstanding shares of Sys-Tech for approximately $16,000,000 (417,000 shares) in Company stock.

Prior years' consolidated financial statements have been restated for the effect of this pooling transaction. The following table presents a reconciliation of revenue and net income previously reported by the Company, as restated for the Peerless transaction, and Sys-Tech to those presented in the accompanying consolidated financial statements.

	FISCAL 1997	FISCAL 1998	FISCAL 1999
		(In Thousands)	
Revenues:			
JHA	$120,751	$142,547	$184,504
Sys-Tech	5,505	5,688	9,023
Combined	$126,256	$148,235	$193,527
Net Income:			
JHA	$ 17,819	$ 23,282	$ 31,768
Sys-Tech	223	255	200
Combined	$ 18,042	$ 23,537	$ 31,968

NOTE 15: ADDITIONAL SUBSEQUENT EVENTS (UNAUDITED)

With respect to the OSG acquisition discussed in Note 13, the Company allocated the purchase price to the assets and liabilities acquired based on their estimated fair values at the acquisition date, resulting in allocations of $39,000,000, $5,315,000 and $1,000,000 to acquired customer relationships, goodwill and acquired software, respectively. The customer contracts, goodwill and software will be amortized on a straight-line basis over 20, 20 and 10 years respectively.

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. Systems are AS/400 based and are already using the JHA core application system. The excess purchase price over the fair value of net assets acquired of $3,963,000 was allocated to customers 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 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. The line of credit which originally provided for advances of up to $40,000,000 and was due September 7, 2000, was renewed and increased to provide for advances of up to $75,000,000, bears interest at variable LIBOR-Based Rates (7.63% as of June 7, 2000) and is due June 15, 2001.

The purchase price for Symitar was preliminarily allocated to the assets and liabilities acquired based on their estimated fair values at the acquisition date, pending final determination of the fair value of certain acquired intangible assets. The preliminary allocation has resulted in acquired customers of approximately $41,300,000 and acquired software of $2,000,000 which will be amortized on a straight-line basis over 20 years and 10 years, respectively.

The three acquisitions discussed above were accounted for using the purchase method. Accordingly, the accompanying consolidated statements of income 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.

	YEAR ENDED JUNE 30,	
	1998	1999
	(IN THOUSANDS, EXCEPT PER SHARE DATA)	
Revenues	$212,200	$274,682
Income from continuing operations	21,524	33,205
Net income	20,856	32,447
Diluted Earnings Per Share:		
Income from continuing operations	.52	.78
Net income	$ .50	$ .76

These unaudited pro forma results have been prepared for comparative purposes only and do not necessarily reflect the results of operations which would have actually resulted had the acquisition occurred as of the beginning of the earliest period presented, or of future results of operations.