UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

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

For the quarterly period ended September 30, 2005

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 Principle 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 [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
Yes [X] No [ ]

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

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.

As of October 26, 2005, Registrant has 91,251,713 shares of common stock outstanding ($0.01 par value)

JACK HENRY & ASSOCIATES, INC.
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ITEM 1. FINANCIAL STATEMENTS

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

	September 30, 2005	June 30, 2005
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 55,558	$ 11,608
Investments, at amortized cost	992	993
Receivables	88,908	209,922
Prepaid expenses and other	14,619	14,986
Prepaid cost of product	21,297	20,439
Deferred income taxes	2,365	2,345
Total current assets	183,739	260,293
PROPERTY AND EQUIPMENT, net	243,167	243,191
OTHER ASSETS:		
Prepaid cost of product	9,215	10,413
Computer software, net of amortization	32,537	29,488
Other non-current assets	7,418	6,868
Customer relationships, net of amortization	66,806	68,475
Trade names	4,009	4,010
Goodwill	191,415	191,415
Total other assets	311,400	310,669
Total assets	$ 738,306	$ 814,153
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 5,731	$ 15,895
Accrued expenses	20,422	24,844
Accrued income taxes	5,265	3,239
Note payable	-	45,000
Deferred revenues	125,485	157,605
Total current liabilities	156,903	246,583
LONG TERM LIABILITIES:		
Deferred revenues	11,825	13,331
Deferred income taxes	38,665	37,085
Total long term liabilities	50,490	50,416
Total liabilities	207,393	296,999
STOCKHOLDERS' EQUITY		
Preferred stock - $1 par value; 500,000 shares authorized, none issued	-	-
Common stock - $0.01 par value: 250,000,000 shares authorized; Shares issued at 09/30/05 were 92,390,988 Shares issued at 06/30/05 were 92,050,778	924	920
Additional paid-in capital	200,667	195,878
Retained earnings	345,608	330,308
Less treasury stock at cost 890,500 shares at 09/30/05, 553,300 shares at 06/30/05	(16,286)	(9,952)
Total stockholders' equity	530,913	517,154
Total liabilities and stockholders' equity	$ 738,306	$ 814,153

See notes to 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 September 30, 2005	Three Months Ended September 30, 2004
REVENUE		
License	$ 16,908	$ 19,551
Support and service	99,401	83,648
Hardware	20,674	20,897
Total	136,983	124,096
COST OF SALES		
Cost of license	851	1,609
Cost of support and service	64,237	56,030
Cost of hardware	15,340	15,895
Total	80,428	73,534
GROSS PROFIT	56,555	50,562
OPERATING EXPENSES		
Selling and marketing	11,440	10,732
Research and development	6,749	6,142
General and administrative	7,805	7,465
Total	25,994	24,339
OPERATING INCOME	30,561	26,223
INTEREST INCOME (EXPENSE)		
Interest income	443	459
Interest expense	(175)	(3)
Total	268	456
INCOME BEFORE INCOME TAXES	30,829	26,679
PROVISION FOR INCOME TAXES	11,407	10,005
NET INCOME	$ 19,422	$ 16,674
Diluted net income per share	$ 0.21	$ 0.18
Diluted weighted average shares outstanding	93,998	92,485
Basic net income per share	$ 0.21	$ 0.18
Basic weighted average shares outstanding	91,562	90,286

See notes to condensed consolidated financial statements

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

	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 19,422	$ 16,674
Adjustments to reconcile net income from operations to cash from operating activities:		
Depreciation	8,064	6,905
Amortization	2,589	2,052
Deferred income taxes	1,560	1,043
(Gain) loss on disposal of property and equipment	-	285
Stock - based compensation	149	-
Other, net	(7)	(3)
Changes in operating assets and liabilities, net of acquisitions:		
Receivables	121,014	94,617
Prepaid expenses, prepaid cost of product, and other	130	3,458
Accounts payable	(10,164)	(4,036)
Accrued expenses	(4,422)	(6,785)
Income taxes (including tax benefit of $1,172 and $592 from exercise of stock options)	3,198	3,231
Deferred revenues	(33,626)	(29,766)
Net cash from operating activities	107,907	87,675
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(8,047)	(12,487)
Computer software developed	(3,969)	(1,541)
Proceeds from investments	1,000	1,000
Purchase of investments	(992)	(997)
Payment for acquisitions, net	-	(6,665)
Proceeds from sale of property and equipment	-	3
Other, net	34	50
Net cash from investing activities	(11,974)	(20,637)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Note payable	(45,000)	-
Purchase of treasury stock	(6,334)	-
Dividends paid	(4,121)	(3,612)
Proceeds from sale of common stock, net	185	180
Proceeds from issuance of common stock upon exercise of stock options	3,287	2,481
Net cash from financing activities	(51,983)	(951)
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 43,950	$ 66,087
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	$ 11,608	$ 53,758
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 55,558	$ 119,845

Net cash paid for income taxes was $6,649 and $5,743 for the three months ended September 30, 2005 and 2004, respectively. The Company paid interest of $175 and $2 for the three months ended September 30, 2005 and 2004, respectively.

See notes to condensed consolidated financial statements

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

DESCRIPTION OF THE COMPANY

Jack Henry & Associates, Inc. and Subsidiaries ("JHA" or the "Company") is a leading provider of integrated computer systems that has developed and acquired a number of 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 implementation services for financial institutions to utilize a JHA software system. JHA also provides continuing support and services to customers using in-house or outsourced systems.

CONSOLIDATION

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

STOCK-BASED COMPENSATION

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (R), "Share-Based Payment" ("SFAS 123(R)"), a revision of SFAS 123. SFAS 123 (R) supersedes Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and amends Statement of Financial Accounting Standards No. 95 "Statement of Cash Flows" ("SFAS 95"). SFAS 123(R) is similar to the approach described in SFAS 123 except that SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the consolidated statements of income, in lieu of pro forma disclosure. SFAS 123 (R) is effective for fiscal periods beginning after June 15, 2005. The Company adopted the provisions of SFAS 123 (R) as of July 1, 2005, the first day of fiscal 2006 and is using the modified-prospective transition method with the Black-Scholes model for estimating the fair value of equity compensation.

In March 2005, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") No. 107, "Share - Based Payment" that provided additional guidance to public companies relating to share-based payment transactions and the implementation of SFAS 123(R), including guidance regarding valuation methods and related assumptions, classification of compensation expense and income tax effects of share-based compensation.

On June 29, 2005, the Board of Directors approved the immediate vesting of all stock options previously granted under the 1996 Stock Option Plan ("1996 SOP") that had exercised prices higher than the market price on such date. As a result of this action, the vesting of 201,925 options was accelerated by an average of 15 months. No other changes to these options were made. The weighted average exercise price of these accelerated options was $21.15, and exercise prices of the affected options ranged from $18.64 to $25.00. The accelerated options constitute only 2.1% of the company's outstanding options. No options held by any directors or executive officers of the Company were accelerated or affected in any manner by this action.

The purpose of accelerating vesting of the options was to enable the Company to reduce the impact of recognizing future compensation expense associated with these options upon adoption of SFAS 123(R). Commencing with the Company's fiscal year that began July 1, 2005, SFAS 123(R) requires that the Company recognize compensation expense equal to the fair value of equity-based compensation awards over the vesting period of each such award. The aggregate pre-tax expense for the shares subject to acceleration that, absent the acceleration of vesting, would have been reflected in the Company's consolidated financial statements beginning in fiscal 2006 is estimated to be a total of approximately $802 (approximately $510 in fiscal 2006, approximately $185 in fiscal 2007, approximately $89 in fiscal 2008 and approximately $18 in fiscal 2009).

For the first quarter of fiscal 2006, there was $149 in compensation expense from equity-based awards. The adoption of SFAS 123 (R) did not materially impact the Company's consolidated financial statements. The following table illustrates the effect on net income and net income per share for the first quarter of fiscal 2005 had the Company accounted for its stock-based awards under the fair value method of SFAS 123.

		Three Months Ended September 30, 2004
Net income, as reported		$ 16,674
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects		268
Pro forma net income		$ 16,406
Diluted net income per share	As reported	$ 0.18
	Pro forma	$ 0.18
Basic net income per share	As reported	$ 0.18
	Pro forma	$ 0.18

COMPREHENSIVE INCOME

Comprehensive income for the three-month periods ended September 30, 2005 and 2004 equals the Company's net income.

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 condensed 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 Annual Report on Form 10-K ("Form 10-K") for the year ended June 30, 2005. The accounting policies followed by the Company are set forth in Note 1 to the Company's consolidated financial statements included in its Form 10-K for the fiscal year ended June 30, 2005.

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 September 30, 2005, and the results of its operations and its cash flows for the three month period ended September 30, 2005 and 2004.

The results of operations for the period ended September 30, 2005 are not necessarily indicative of the results to be expected for the entire year.

ADDITIONAL INTERIM FOOTNOTE INFORMATION

The following additional information is provided to update the notes to the Company's annual consolidated financial statements for the developments during the three months ended September 30, 2005.

The following unaudited pro forma consolidated financial information is presented as if the acquisitions completed in the prior fiscal year had occurred at the beginning of the periods presented. In addition, this unaudited pro forma financial information is provided for illustrative purposes only and should not be relied upon as necessarily being indicative of the historical results that would have been obtained if these acquisitions had actually occurred during those periods, or the results that may be obtained in the future as a result of these acquisitions.

Pro Forma (unaudited)	Three Months Ended September 30,	
	2005	2004

Revenue	$ 136,983	$ 134,612
Gross profit	56,555	55,264
Net Income	$ 19,422	$ 18,564
Earnings per share - diluted	$ 0.21	$ 0.20
Diluted Shares	93,998	93,998
Earnings per share - basic	$ 0.21	$ 0.20
Basic Shares	91,562	91,562

NOTE 2. RECENT ACCOUNTING PRONOUNCEMENTS

In December 2004, the FASB issued Staff Position 109-1, "Application on FASB Statement No. 109, Accounting for Income Taxes, for the Tax Deduction Provided to U.S. Based Manufacturers by the American Jobs Creation Act of 2004" ("FSP 109-1"). FSP 109-1 clarifies how to apply Statement No. 109 to the new law's tax deduction for income attributable to "Domestic production activities." The Company is currently evaluating the impact of the new law on the Company's consolidated financial statements.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections - a replacement of APB Opinion No. 20 and FASB Statement No.3" ("SFAS 154"). SFAS 154 changes the requirements for the accounting for, and reporting of, a change in accounting principle. SFAS 154 requires that a voluntary change in accounting principle be applied retrospectively with all prior period financial statements presented using the accounting principle. SFAS 154 is effective for accounting changes and corrections of errors in fiscal years beginning after December 15, 2005. The implementation of SFAS 154 is not expected to have a material impact on the Company's consolidated financial statements.

NOTE 3. SHARES USED IN COMPUTING NET INCOME PER SHARE

	Three Months Ended September 30,	
	2005	2004
Weighted average number of common shares outstanding - basic	91,562	90,286
Common stock equivalents	2,436	2,199
Weighted average number of common and common equivalent shares outstanding - diluted	93,998	92,485

Per share information is based on the weighted average number of common shares outstanding for the three month periods ended September 30, 2005 and 2004. Stock options have been included in the calculation of income per share to the extent they are dilutive. Non-dilutive stock options to purchase approximately 1,716 and 1,790 shares for the three-month periods ended September 30, 2005 and 2004, respectively, were not included in the computation of diluted income per common share.

NOTE 4. BUSINESS SEGMENT INFORMATION

The Company is a leading provider of integrated computer systems that perform data processing (both in-house and outsourced) for banks and credit unions. The Company's operations are classified into two business segments: bank systems and services and credit union systems and services. The Company evaluates the performance of its segments and allocates resources to them based on various factors, including prospects for growth, return on investment, and return on revenue.

	Three Months Ended September 30, 2005			Three Months Ended September 30, 2004		
	Bank	Credit Union	Total	Bank	Credit Union	Total

REVENUE						
License	$ 12,317	$ 4,591	$ 16,908	$ 12,518	$ 7,033	$ 19,551
Support and service	82,726	16,675	99,401	71,240	12,408	83,648
Hardware	16,377	4,297	20,674	16,058	4,839	20,897
Total	111,420	25,563	136,983	99,816	24,280	124,096
COST OF SALES						
Cost of license	313	538	851	418	1,191	1,609
Cost of support and service	51,933	12,304	64,237	45,701	10,329	56,030
Cost of hardware	12,117	3,223	15,340	12,116	3,779	15,895
Total	64,363	16,065	80,428	58,235	15,299	73,534
GROSS PROFIT	$ 47,057	$ 9,498	$ 56,555	$ 41,581	$ 8,981	$ 50,562

	September 30, 2005	June 30, 2005
Property and equipment, net		
Bank systems and services	$ 208,956	$ 208,541
Credit Union systems and services	34,211	34,650
Total	$ 243,167	$ 243,191
Identified intangible assets, net		
Bank systems and services	$ 242,525	$ 241,054
Credit Union systems and services	52,242	52,334
Total	$ 294,767	$ 289,078

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Background and Overview

We provide integrated computer systems for in-house and outsourced data processing to commercial banks, credit unions and other financial institutions. We have developed and acquired banking and credit union application software systems that we market, together with compatible computer hardware, to these financial institutions. We also perform data conversion and software implementation services of our systems and provide continuing customer support services after the systems are implemented. For our customers who prefer not to make an up-front capital investment in software and hardware, we provide our full range of products and services on an outsourced basis through our six data centers and 22 item-processing centers located throughout the United States.

The first quarter of fiscal year 2006 resulted in consistent and solid revenue increases in services with stable gross and operating margins, resulting in a net income increase of 16% compared to the prior year's quarter.

A detailed discussion of the major components of the results of operations for the three months ended September 30, 2005 follows. All amounts are in thousands and discussions compare the current three-month period ended, September 30, 2005, to the prior year three-month period ended September 30, 2004.

REVENUE

License Revenue	Three Months Ended September 30, 2005	2004	% Change
License	$ 16,908	$ 19,551	-14%
Percentage of total revenue	12%	16%	

License revenue represents the delivery of application software systems contracted with us by the customer. We license our proprietary software products under standard license agreements that typically provide the customer with a non-exclusive, non-transferable right to use the software on a single computer and for a single financial institution location.

The license revenue decrease in the quarter can be partially attributed to the continued increasing demand, especially by banks, for item and data processing delivered through our outsourcing offering instead of in-house. Outsourcing does not require software license agreements and therefore the financial institution's initial capital outlay is dramatically reduced by the choice of this delivery alternative.

Support and Service Revenue	Three Months Ended September 30, 2005	2004	% Change
Support and service	$ 99,401	$ 83,648	+19%
Percentage of total revenue	73%	67%	

Quarter Over Quarter Change	$ Change	% Change
In-House Support & Other Services	$ 6,892	+17%
EFT Support	3,249	+28%
Outsourcing Services	3,183	+15%
Implementation Services	2,429	+24%
Total Increase	$ 15,753	

Support and services fees are generated from implementation services (including conversion, installation, implementation, configuration and training), annual support to assist the customer in operating their systems and to enhance and update the software, outsourced data processing services and ATM and debit card processing (EFT Support) services.

There was strong growth in all support and service revenue components for the first quarter of fiscal 2006 due to increased software implementations performed during the previous twelve months. ATM and debit card transaction processing services together with outsourcing services for banks and credit unions continue to drive revenue growth at a strong pace as we leverage our resources effectively and expand our customer base. EFT support activity volume increased significantly within our current customer base due to industry and customer demand. Our credit union customer base and activity has shown continued growth with this relatively new offering to credit unions. Implementation services revenue increased due to solid growth in contracting activity for new license implementations in prior quarters, as well as merger conversions for our existing customers.

Hardware Revenue	Three Months Ended September 30, 2005	2004	% Change
Hardware	$ 20,674	$ 20,897	-1%
Percentage of total revenue	15%	17%	

The Company has entered into remarketing agreements with several hardware manufacturers under which we sell computer hardware, hardware maintenance and related services to our customers. Revenue related to hardware sales is recognized when the hardware is shipped to our customers.

Hardware revenue decreased minimally primarily due to sales mix of hardware delivered during the quarter. There was an increase in the delivery of IBM iSeries systems for the current quarter as compared to the same quarter last year. Hardware revenue in the prior year's quarter was 17% of the total revenue, while in the current quarter it is 15% of the total revenue. We expect this decrease as a percentage of total revenue to continue as the entire industry is experiencing the impact of rising equipment processing power and decreasing equipment prices.

BACKLOG

Our backlog increased 11% at September 30, 2005 to $205,800 ($63,400 in-house and $142,400 outsourcing) from $185,100 ($63,000 in-house and $122,100 outsourcing) at September 30, 2004. There was also a 3% increase from June 30, 2005, in which the backlog was $199,100 ($64,000 in-house and $135,100 outsourcing).

COST OF SALES AND GROSS PROFIT

Cost of license represents the cost of software from third party vendors through remarketing agreements. These costs are recognized when license revenue is recognized. Cost of support and service represents costs associated with conversion and implementation efforts, ongoing support for our in-house customers, operation of our data and item processing centers providing services for our outsourced customers, ATM and debit card processing services and direct operating costs. These costs are recognized as they are incurred. Cost of hardware consists of the direct and related costs of purchasing the equipment from the manufacturers and delivery to our customers. These costs are recognized at the same time as the related hardware revenue is recognized. Ongoing operating costs to provide support to our customers are recognized as they are incurred.

Cost of Sales and Gross Profit	Three Months Ended September 30, 2005	2004	% Change
Cost of License	$ 851	$ 1,609	-47%
Percentage of total revenue	1%	1%	
License Gross Profit	$ 16,057	$ 17,942	-11%
Gross Profit Margin	95%	92%	
Cost of support and service	$ 64,237	$ 56,030	+15%
Percentage of total revenue	47%	45%	
Support and Service Gross Profit	$ 35,164	$ 27,618	+27%
Gross Profit Margin	35%	33%	
Cost of hardware	$ 15,340	$ 15,895	-3%
Percentage of total revenue	11%	13%	
Hardware Gross Profit	$ 5,334	$ 5,002	+7%
Gross Profit Margin	26%	24%	
TOTAL COST OF SALES	$ 80,428	$ 73,534	9%
Percentage of total revenue	59%	59%	
TOTAL GROSS PROFIT	$ 56,555	$ 50,562	12%
Gross Profit Margin	41%	41%	

Cost of license decreased for the current quarter due to a decrease in the sales and delivery of third party software, compared to last year, which resulted in an increase in the license gross profit margin. Cost of support and service increased due to additional headcount and depreciation expense for new facilities and equipment as compared to last year. Cost of hardware decreased due to a decrease in hardware sales and a change in product sales mix during the current period. Hardware incentives and rebates received from vendors fluctuate quarterly and annually due to changing thresholds established by the vendors.

Gross margin on license revenue increased to 95% for the current quarter compared to 92% in the same quarter last year due to a decrease in third party software sales and the related costs, which the gross margins on third party software, is significantly lower than our owned products. The gross profit increase in support and service is due to continued strong revenue growth, with approximately 63% of the support and service revenue for the current quarter being recurring. In the first quarter of last fiscal year, approximately 59% of support and service revenue was recurring. Gross margin for support and service grew to 35% for the current quarter due to the continuation of company-wide cost control measures and improved processes. Hardware gross margin in the first quarter of fiscal 2006 also increased from 24% to 26% in the first quarter of fiscal 2005, primarily due to sales mix.

OPERATING EXPENSES

Selling and Marketing	Three Months Ended September 30, 2005	2004	% Change
Selling and marketing	$ 11,440	$ 10,732	+7%

Percentage of total revenue	8%	9%	

Dedicated sales forces, inside sales teams, technical sales support teams and channel partners conduct our sales efforts for our two market segments, and are overseen by regional sales managers. Our sales executives are responsible for pursuing lead generation activities for new core customers. Our account executives nurture long-term relationships with our client base and cross sell our many complementary products and services. Our inside sales team is responsible for marketing and sales of specific complementary products and services to our existing core customers.

For the three months ended September 30, 2005, selling and marketing expenses increased due to additional headcount, mostly from acquisition sales teams, plus the related employee costs. Selling and marketing expense decreased slightly as a percentage of sales to only 8% as compared to 9% in the first quarter of last fiscal year.

Research and Development	Three Months Ended September 30, 2005	2004	% Change
Research and development	$ 6,749	$ 6,142	+10%
Percentage of total revenue	5%	5%	

We devote significant effort and expense to develop new software, service products and continually upgrade and enhance our existing offerings. Typically, we upgrade all of our core and complementary software applications once per year. We believe our research and development efforts are highly efficient because of the extensive experience of our research and development staff and because our product development is highly customer-driven.

Research and development expenses increased primarily due to employee related costs from increased headcount for ongoing development of new products and enhancements to existing products, depreciation and equipment maintenance expense for upgrading technology equipment. Research and development expenses increased in the initial quarter of 2006 by 10%; however they remained at 5% of total revenue for both years.

General and Administrative	Three Months Ended September 30, 2005	2004	% Change
General and administrative	$ 7,805	$ 7,465	+5%
Percentage of total revenue	6%	6%	

General and administrative expense increased for the quarter primarily due to increased employee costs and additional accounting and professional fees compared to the same period last year. Although general and administrative expenses increased in the initial quarter of 2006 by 5%, they remained at 6% of total revenue for both years.

INTEREST INCOME (EXPENSE) - Net interest income for the three months ended September 30, 2005 reflects a decrease of $188 when compared to the same period last year. Interest income decreased 3% due to lower cash and cash equivalent balances. Interest expense increased $172, due to borrowings on the revolving bank credit facility, which as of September 30, 2005 were paid in full.

PROVISION FOR INCOME TAXES - The provision for income taxes was $11,407 for the three months ended September 30, 2005 compared with $10,005 for the same period last year. For the current fiscal year, the rate of income taxes is currently estimated at 37.0% of income before income taxes compared to 37.5% as reported for the same quarter in fiscal 2005, prior to adjustment. The decrease reflects changes in estimated state tax rates and from our reevaluation of changes in state tax laws in relation to our tax structure during fiscal 2005. In the fourth quarter of fiscal 2005, an adjustment was made to the provision for income taxes to adjust the effective tax rate to 37.0% for the entire year.

NET INCOME - Net income increased 16% for the three months ended September 30, 2005. Net income for the first quarter of fiscal 2006 was $19,422 or $0.21 per diluted share compared to $16,674 or $0.18 per diluted share in the same period last year.

BUSINESS SEGMENT DISCUSSION

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's operations are classified into two business segments: bank systems and services ("Bank") and credit union systems and services ("Credit Union"). The Company evaluates the performance of its segments and allocates resources to them based on various factors, including prospects for growth, return on investment, and return on revenue.

Bank Systems and Services

	Three Months Ended September 30, 2005	2004	Percent Increase
Revenue	$ 111,420	$ 99,816	12%
Gross Profit	$ 47,057	$ 41,581	13%
Gross Profit Margin	42%	42%	

Revenue growth in bank systems and services is attributable to the significant increase in support and service revenue related to maintenance for in-house and outsourced customers, implementation services, and ongoing steady increase in ATM and debit card processing activity. License revenue decreased slightly and hardware increased slightly primarily due to sales mix and products delivered during the quarter compared to the prior year. Bank segment gross profit increased from the prior year and the gross profit margin remained the same at 42%.

Credit Union Systems and Services

	Three Months Ended September 30, 2005	2004	Percent Increase
Revenue	$ 25,563	$ 24,280	5%
Gross Profit	$ 9,498	$ 8,981	6%
Gross Profit Margin	37%	37%	

Revenue in the credit union system and services segment grew substantially in the support and service component directly relating to maintenance for in-house and outsourced customers, and ATM and debit card processing activity, which continues to expand in our credit union segment. This increase in support and services more than offset the decrease in license and hardware revenue, which license revenue was impacted by the average value of software systems and a decrease in the number of complementary products delivered during the quarter. The decrease in hardware revenue is due to sales mix and reduction in the amount of hardware shipped during the quarter. Credit union gross profit increased from the prior year and the gross profit margin remained the same at 37%.

FINANCIAL CONDITION

Liquidity

The Company's cash and cash equivalents increased to $55,558 at September 30, 2005, from $11,608 million at June 30, 2005 and decreased from $119,845 at September 30, 2004. The increase in the cash balance from June 30, 2005 is primarily due to collection of our June 2005 annual maintenance billings, offset by the use of cash as outlined below in investing and financing activities.

Cash provided by operations increased to $107,907 for the three months ended September 30, 2005 as compared to $87,675 for the same period last year. The $20,232 increase in cash generated from operations was impacted by a $2,748 increase in net income, an increase in depreciation and amortization of $1,696, while the net combined increase of deferred income taxes, gain on disposal of property and equipment, stock-based compensation, and other expenses totaled an additional $377. Primarily contributing to the increase in operating cash flows is the change in operating assets and liabilities which includes a $26,397 change in receivables, less changes to prepaid expenses, accounts payable and accrued expenses amounting to ($7,093), changes in accrued income taxes equaled ($33) and the change in deferred revenues ($3,860).

Cash used in investing activities for the current quarter totaled $11,974. The largest use of cash was for capital expenditures in the amount of $8,047 for equipment and purchases of internal software, while cash used for software development used $3,969.

Financing activities used cash of $51,983 during the current quarter. Cash was used to repay a revolving bank credit facility of $45,000; $6,334 was used to purchase treasury stock, while $4,121 was used to fund dividends paid to stockholders. Cash used was offset by $3,472 from the proceeds for the issuance of stock for stock options exercised and the sale of common stock to the employee stock purchase plan.

Capital Requirements and Resources

The Company generally uses existing resources and funds generated from operations to meet its capital requirements. Capital expenditures totaling $8,047 and $12,487 for the three-month periods ended September 30, 2005 and 2004, respectively, were made for additional equipment. These additions were funded from cash generated by operations. Total consolidated capital expenditures for the Company are not expected to exceed $50,000 for fiscal year 2006.

The Company renewed a bank credit line on March 22, 2005 which provides for funding of up to $8,000 and bears interest at the prime rate (6.00% at September 30, 2005). The credit line expires March 22, 2006 and is secured by $1,000 of investments. At September 30, 2005, no amount was outstanding.

An unsecured revolving bank credit facility allows borrowing of up to $150,000, which may be increased by the Company at any time prior to April 20, 2008 to $225,000. The unsecured revolving bank credit facility bears interest at a rate equal to (a) LIBOR or (b) an alternate base rate (the greater of (a) the Federal Funds Rate plus 1/2% or (b) the Prime Rate), plus an applicable percentage in each case determined by the Company's leverage ratio. The new unsecured revolving credit line terminates April 19, 2010. At June 30, 2005, the revolving bank credit facility balance was $45,000. On August 8, 2005, the balance of $45,000 was paid in full. At September 30, 2005, no amount was outstanding on the revolving bank credit facility.

The Board of Directors has authorized the Company to repurchase shares of its common stock. Under this authorization, the Company may finance its share repurchases with available cash reserves or short-term borrowings on its existing credit facility. The share repurchase program does not include specific price targets or timetables and may be suspended at any time. At June 30, 2005, there were 553,300 shares remaining in treasury stock and the Company had the remaining authority to repurchase up to 4,437,316 shares. During the first quarter of fiscal 2006, the Company repurchased 337,200 treasury shares for $6,334. The total cost of treasury shares at September 30, 2005 is $16,286. At September 30, 2005, there were 890,500 shares remaining in treasury stock and the Company had the authority to repurchase up to 4,100,116 shares.

Subsequent to September 30, 2005, the Company's Board of Directors declared a cash dividend of $.045 per share on its common stock payable on December 2, 2005, to stockholders of record on November 16, 2005. Current funds from operations are adequate for this purpose. The Board has indicated that it plans to continue paying dividends as long as the Company's financial condition continues to be favorable.

Critical Accounting Policies

The Company regularly reviews its selection and application of significant accounting policies and related financial disclosures. The application of these accounting policies requires that management make estimates and judgments. The estimates that affect the application of our most critical accounting policies and require our most significant judgments are outlined in Management's Discussion and Analysis of Financial Condition and Results of Operations - "Critical Accounting Policies" - contained in our annual report on Form 10-K for the year ended June 30, 2005.

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, 2005. Undue reliance should not be placed on the forward-looking statements. The Company does not undertake any obligation to publicly update any forward-looking statements.

CONCLUSION

The Company's results of operations and its financial position continue to be strong with increased earnings, increased gross margin growth, strong cash flow and no debt as of and for the three months ended September 30, 2005. This reflects the continuing attitude of cooperation and commitment by each employee, management's ongoing cost control efforts and our commitment to deliver top quality products and services to the markets we serve.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES 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.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was carried out under the supervision and with the participation of our management, including our Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operations of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. Based upon that evaluation as of the end of the period covered by this report, the CEO and CFO concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to us (including our consolidated subsidiaries) required to be included in our periodic SEC filings. There was no change in the Company's internal control over financial reporting that occurred during the quarter ended September 30, 2005 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. There have not been any significant changes in our internal control over financial reporting or in other factors that could significantly affect these controls subsequent to the date of evaluation.

PART II. OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) Issuer Purchases of Equity Securities

The following shares of the Company were repurchased during the quarter ended September, 30, 2005:

Period	Total Number of Shares Purchased	Average Price of Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under the Plans (1)
July 1-July 31, 2005	-	-	-	4,437,316
August 1-31, 2005	196,700	$ 18.80	196,700	4,240,616
September 1-30,2005	140,500	$ 18.76	140,500	4,100,116
Total	337,200	$ 18.78	337,200	4,100,116

(1) Purchases made under the stock repurchase authorization approved by the Company's Board of Directors on October 4, 2002 with respect to 3.0 million shares, which was increased by 2.0 million shares on April 29, 2005. These authorizations have no specific dollar or share price targets and no expiration dates.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Annual Meeting of the Stockholders of Jack Henry & Associates, Inc. was held on November 1, 2005 for the purpose of electing a board of directors, to approve the Company's Restricted Stock Plan, and to approve the Company's

2005 Non-Qualified Stock Option Plan. Proxies for the meeting were solicited pursuant to Section 14 (a) of the Securities and Exchange Act of 1934 and there was no solicitation in opposition to management's recommendations. Management's nominees for director, all incumbents, were elected with the number of votes for and withheld as indicated below:

	For	Withheld
John W. Henry	78,733,732	6,294,874
Jerry D. Hall	81,462,114	3,566,492
Michael E. Henry	81,267,322	3,761,284
James J. Ellis	78,083,536	6,945,070
Joseph J. Maliekel	80,034,149	4,994,457
Craig R. Curry	78,686,132	6,342,474
Wesley A. Brown	82,894,414	2,134,192

Two management proposals were also submitted to the stockholders for approval at the Annual Meeting. The Jack Henry & Associates, Inc. Restricted Stock Plan will allow the Company to issue up to 3 million shares of the Common Stock of the Company to employees and directors over the next 10 years. The Jack Henry & Associates, Inc. 2005 Non-Qualified Stock Option Plan is essentially a reauthorization of the Company's 1995 Non-Qualified Stock Option Plan and will allow the Company to issue up to 700,000 compensatory non-qualified stock options to non-employee directors. Both plans were approved by the following votes:

	For	Against	Withheld
Approve the Restricted Stock Plan	63,191,217	6,284,847	167,582
Approve the 2005 Non-Qualified Stock Option Plan	63,433,025	6,051,177	159,443

ITEM 6. EXHIBITS

31.1 Certification of the Chief Executive Officer dated November 9, 2005.

31.2 Certification of the Chief Financial Officer dated November 9, 2005.

32.1 Written Statement of the Chief Executive Officer dated November 9, 2005.

32.2 Written Statement of the Chief Financial Officer dated November 9, 2005.

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 its behalf by the undersigned thereunto duly authorized.

JACK HENRY & ASSOCIATES, INC.

Date: November 9, 2005

/s/ John F. Prim

John F. Prim
Chief Executive Officer

Date: November 9, 2005

/s/ Kevin D. Williams

Kevin D. Williams
Chief Financial Officer and Treasurer

EXHIBIT 31.1

CERTIFICATION

I, John F.Prim, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jack Henry & Associates, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter, (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information ; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 9, 2005

/s/ John F. Prim

John F. Prim
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Kevin D. Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jack Henry & Associates, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter, (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information ; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 9, 2005

/s/ Kevin D. Williams

Kevin D. Williams
Chief Financial Officer

EXHIBIT 32.1

Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Executive Officer of Jack Henry & Associates, Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the three months ended September 30, 2005 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 9, 2005

*/s/ John F. Prim

John F. Prim
Chief Executive Officer

* A signed original of this written statement required by Section 906 has been provided to Jack Henry & Associates, Inc. and will be retained by Jack Henry & Associates, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Written Statement of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Financial Officer of Jack Henry & Associates, Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the three months ended September 30, 2005 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 9, 2005

*/s/ Kevin D. Williams

Kevin D. Williams
Chief Financial Officer

* A signed original of this written statement required by Section 906 has been provided to Jack Henry & Associates, Inc. and will be retained by Jack Henry & Associates, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.