

Edgar Filing: MAYS J W INC - Form 10-Q

MAYS J W INC
Form 10-Q
June 12, 2008

FORM 10-Q

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

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

For the quarterly period ended April 30, 2008

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

For the transition period from _____ to _____

Commission file number 1-3647

J.W. Mays, Inc.
(Exact name of registrant as specified in its charter)

New York 11-1059070
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

9 Bond Street, Brooklyn, New York 11201-5805
(Address of principal executive offices) (Zip Code)

(Registrant's telephone number, including area code) 718-624-7400

Not Applicable
(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 . No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer . Accelerated filer . Non-accelerated filer .

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

Indicate the number of shares outstanding of the issuer's common stock, as of the latest practicable date.

Class Outstanding at June 11, 2008
Common Stock, \$1 par value 2,015,780 shares

This report contains 20 pages.

Edgar Filing: MAYS J W INC - Form 10-Q

J. W. MAYS, INC.

INDEX

	Page No.
Part I - Financial Information:	
Consolidated Balance Sheet	3
Consolidated Statement of Income and Retained Earnings	4
Consolidated Statement of Comprehensive Income	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6 - 11
Management's Discussion and Analysis of Results of Operations and Financial Condition	12 - 15
Controls and Procedures	15
Part II - Other Information	16
Signatures	17
(31) Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
(31.1) - Chief Executive Officer	18
(31.2) - Chief Financial Officer	19
(32) Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002;	
18 U.S.C. Section 1350	20

-2-

J. W. MAYS, INC.
CONSOLIDATED BALANCE SHEET

ASSETS	April 30 2008	July 31 2007
	(Unaudited)	(Audited)

Property and Equipment - Net (Notes 6 and 7)	\$45,367,793	\$44,970,367
	-----	-----
Current Assets:		
Cash and cash equivalents	2,376,235	5,965,350
Marketable securities (Note 4)	48,818	47,418

Edgar Filing: MAYS J W INC - Form 10-Q

Receivables	98,449	126,253
Deferred income taxes	327,000	129,000
Income taxes refundable	243,058	-
Prepaid expenses	791,002	1,703,539
Security deposits	20,163	16,903
	-----	-----
Total current assets	3,904,725	7,988,463
	-----	-----
Other Assets:		
Deferred charges	3,526,345	3,410,592
Less accumulated amortization	1,530,384	1,219,123
	-----	-----
Net	1,995,961	2,191,469
Receivables	3,067	4,667
Security deposits	1,432,932	1,385,606
Unbilled receivables (Note 9)	2,925,806	3,461,147
Marketable securities (Note 4)	1,831,420	160,500
	-----	-----
Total other assets	8,189,186	7,203,389
	-----	-----
TOTAL ASSETS	\$57,461,704	\$60,162,219
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		

Long-Term Debt:		
Mortgages and term loan payable (Note 6)	\$10,808,782	\$11,553,510
Note payable - related party (Note 8)	1,000,000	1,000,000
Security deposits payable	1,085,528	1,078,006
Payroll and other accrued liabilities	357,696	-
	-----	-----
Total long-term debt	13,252,006	13,631,516
	-----	-----
Deferred Income Taxes	2,075,000	2,250,000
	-----	-----
Current Liabilities:		
Accounts payable	169,898	89,621
Payroll and other accrued liabilities	1,455,574	2,147,708
Income taxes payable (Note 11)	-	1,456,558
Other taxes payable	4,826	7,909
Current portion of mortgages payable (Note 6)	1,020,491	865,158
Current portion of security deposits payable	20,163	16,903
	-----	-----
Total current liabilities	2,670,952	4,583,857
	-----	-----
Total liabilities	17,997,958	20,465,373
	-----	-----
Shareholders' Equity:		
Common stock, par value \$1 each share (shares - 5,000,000 authorized; 2,178,297 issued)	2,178,297	2,178,297
Additional paid in capital	3,346,245	3,346,245
Unrealized gain on available for sale securities - net of deferred taxes of \$7,000 at April 30, 2008 and \$17,000 at July 31, 2007	14,169	33,248
Retained earnings	35,212,887	35,426,908
	-----	-----

Edgar Filing: MAYS J W INC - Form 10-Q

	40,751,598	40,984,698
Less common stock held in treasury, at cost - 162,517 shares at April 30, 2008 and at July 31, 2007 (Note 12)	1,287,852	1,287,852
Total shareholders' equity	39,463,746	39,696,846
Contingencies (Note 13)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$57,461,704	\$60,162,219

See Notes to Consolidated Financial Statements.

-3-

J. W. MAYS, INC.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

	Three Months Ended April 30		N
	2008	2007	
	(Unaudited)	(Unaudited)	(Unau
Revenues			
Rental income (Notes 5 and 9)	\$3,505,773	\$3,450,801	\$10,
Recovery of real estate taxes	-	25,487	
Loss on disposition of fixed assets	(16,999)	-	
Total revenues	3,488,774	3,476,288	10,
Expenses			
Real estate operating expenses	2,259,838	2,191,194	6,
Administrative and general expenses	822,555	760,432	2,
Depreciation and amortization	394,924	395,382	1,
Total expenses	3,477,317	3,347,008	10,
Income from operations before investment income, interest expense and income taxes	11,457	129,280	
Investment income and interest expense			
Investment income (Note 4)	47,132	18,422	
Interest expense (Notes 6, 8, and 11)	(187,792)	(251,272)	
	(140,660)	(232,850)	
(Loss) before income taxes	(129,203)	(103,570)	
Income taxes (benefit)	(196,000)	(122,000)	

Edgar Filing: MAYS J W INC - Form 10-Q

Net income (loss)	66,797	18,430	(
Retained earnings, beginning of period	35,146,090	33,184,309	35,
Retained earnings, end of period	<u>\$35,212,887</u>	<u>\$33,202,739</u>	<u>\$35,</u>
Income (loss) per common share (Note 2)	<u>\$.03</u>	<u>\$.01</u>	<u></u>
Dividends per share	<u>\$-</u>	<u>\$-</u>	<u></u>
Average common shares outstanding	<u>2,015,780</u>	<u>2,015,780</u>	<u>2,</u>

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended April 30		
	2008	2007	
	(Unaudited)	(Unaudited)	(Unau
Net Income (loss)	<u>\$66,797</u>	<u>\$18,430</u>	<u>\$ (2</u>
Other comprehensive income, net of taxes (Note 3)			
Unrealized gain (loss) on available-for-sale securities: Net of taxes (benefit) of (\$26,000) and \$0 for the three months ended April 30, 2008 and 2007, respectively, and (\$10,000) and \$4,000 for the nine months ended April 30, 2008 and 2007, respectively.	<u>(49,120)</u>	<u>(1,000)</u>	
Net change in comprehensive income	<u>(49,120)</u>	<u>(1,000)</u>	
Comprehensive income (loss)	<u>\$17,677</u>	<u>\$17,430</u>	<u>\$ (</u>

See Notes to Consolidated Financial Statements.

-4-

J. W. MAYS, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

Nine Months Ended

Edgar Filing: MAYS J W INC - Form 10-Q

	April 30	
	2008	2007
	(Unaudited)	(Unaudited)
Cash Flows From Operating Activities:		
Net (loss)	\$ (214,021)	\$ (168,230)
Adjustments to reconcile income to net cash provided by operating activities:		
Loss on disposition of fixed assets	16,999	-
Depreciation and amortization	1,188,573	1,184,185
Amortization of deferred expenses	311,261	218,537
Other assets - deferred expenses	(115,753)	(730,786)
- unbilled receivables	535,341	414,000
Deferred income taxes	(363,000)	(77,000)
Changes in:		
Receivables	29,404	(107,169)
Prepaid expenses	912,537	899,782
Income taxes refundable	(243,058)	(434,615)
Accounts payable	80,277	189,269
Payroll and other accrued liabilities	(334,438)	200,730
Income taxes payable	(1,456,558)	(794,314)
Other taxes payable	(3,083)	(2,030)
Cash provided by operating activities	344,481	792,359
Cash Flows From Investing Activities:		
Capital expenditures	(1,602,998)	(369,513)
Security deposits	(50,586)	(102,497)
Marketable Securities		
Payments for purchases	(1,701,399)	(949)
Cash (used) by investing activities	(3,354,983)	(472,959)
Cash Flows From Financing Activities:		
Increase - security deposits	10,782	102,497
Borrowings - mortgage and other debt	41,955	315,706
Decrease - mortgage and other debt payments	(631,350)	(735,277)
Cash (used) by financing activities	(578,613)	(317,074)
Increase (decrease) in cash	(3,589,115)	2,326
Cash and cash equivalents at beginning of period	5,965,350	2,335,328
Cash and cash equivalents at end of period	\$2,376,235	\$2,337,654

See Notes to Consolidated Financial Statements.

Edgar Filing: MAYS J W INC - Form 10-Q

J. W. MAYS, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Records and Use of Estimates:

The accounting records are maintained in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of the Company's financial statements in accordance with GAAP requires management to make estimates that affect the reported consolidated statements of income and retained earnings, comprehensive income, and the consolidated balance sheets and related disclosures. Actual results could differ from those estimates. The rent expense paid to a related party is considered a significant estimate and may vary materially from the amount recorded in the financial statements.

The interim financial statements are prepared pursuant to the requirements for reporting on Form 10-Q. The July 31, 2007 balance sheet was derived from audited financial statements but does not include all disclosures required by GAAP. The interim financial statements and notes thereto should be read in conjunction with the financial statements and notes included in the Company's latest Form 10-K Annual Report for the fiscal year ended July 31, 2007. In the opinion of management, the interim financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of the results for interim periods. The results of operations for the current period are not necessarily indicative of the results for the entire fiscal year ending July 31, 2008.

2. Income Per Share of Common Stock:

Income per share has been computed by dividing the net income for the periods by the weighted average number of shares of common stock outstanding during the periods, adjusted for the purchase of treasury stock. Shares used in computing income per share were 2,015,780 for the nine months ended April 30, 2008 and April 30, 2007.

3. Comprehensive Income:

Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income", establishes standards for the reporting of comprehensive income and its components. It requires all items that are required to be recognized as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other income statement information. Comprehensive income is defined to include all changes in equity except those resulting from investments by and distributions to shareholders.

4. Marketable Securities:

The Company categorizes marketable securities as either trading, available-for-sale or held-to-maturity. Trading securities are carried at fair value with unrealized gains and losses included in income. Available-for-sale securities are carried at fair value with unrealized gains and losses recorded as a separate component of shareholders' equity. Held-to-maturity securities are carried at amortized cost. Dividends and interest income are accrued as earned.

-6-

As of April 30, 2008, the Company's marketable securities were classified as follows:

Edgar Filing: MAYS J W INC - Form 10-Q

	Cost	Gross Unrealized Gains	Gross Unrealized Losses
	-----	-----	-----
Current:			
Held-to-maturity:			
Certificate of deposit	\$48,818	\$-	\$-
	=====	=====	=====
Noncurrent:			
Available-for-sale:			
Equity securities	\$1,810,252	\$21,168	\$-
	=====	=====	=====

Investment income consists of the following:

	Three Months Ended April 30		Nine Mon Apr
	-----	-----	-----
	2008	2007	2008
Interest income	\$2,485	\$6,490	\$87,602
Dividend income	44,647	11,932	72,047
	-----	-----	-----
Total	\$47,132	\$18,422	\$159,649
	=====	=====	=====

5. Financial Instruments and Credit Risk Concentrations:

Financial instruments that are potentially subject to concentrations of credit risk consist principally of marketable securities, cash and cash equivalents and receivables. Marketable securities, cash and cash equivalents are placed with high credit quality financial institutions and instruments to minimize risk.

The Company derives rental income from fifty tenants, of which one tenant accounted for 12.08% and another tenant accounted for 13.58% of rental income during the nine months ended April 30, 2008. No other tenant accounted for more than 10% of rental income during the same period.

The Company has three irrevocable Letters of Credit totaling \$367,500 at April 30, 2008, provided by three tenants and two irrevocable Letters of Credit totaling \$137,500 at July 31, 2007, provided by two tenants. These Letters of Credit from the tenants are in lieu of security deposits.

-7-

6. Long-Term Debt - Mortgages and Term Loan:

	April 30, 2008			
	-----	-----	-----	-----
Current Annual Interest	Final Payment	Due Within	Due After	

Edgar Filing: MAYS J W INC - Form 10-Q

		Rate	Date	One Year	One Year
		-----	-----	-----	-----
Mortgages:					
Jamaica, New York property	(a)	6%	4/01/12	\$61,045	\$1,237,013
Jamaica, New York property	(b)	6.81%	10/01/11	118,375	2,411,705
Jowein building, Brooklyn, NY	(c)	9 %	4/01/09	62,658	1,056,007
Fishkill, New York property	(d,e)	6.98%	2/18/15	59,028	1,766,782
Bond St. building, Brooklyn, NY	(e)	6.98%	2/18/15	120,227	3,598,483
Term-loan payable to bank	(f)	6.50%	5/01/10	359,158	418,792
Jowein building, Brooklyn, NY	(g)	Variable	8/01/10	240,000	320,000
				-----	-----
Total				\$1,020,491	\$10,808,782
				=====	=====

(a) The Company, on September 11, 1996, closed a loan with a bank in the amount of \$4,000,000. The loan is secured by a first mortgage lien covering the entire leasehold interest of the Company, as tenant, in a certain ground lease and building in the Jamaica, New York property. In March 2007, the Company extended the loan for five years with an option for an additional five year period. The interest rate for the initial five years is 6.00% per annum. Interest and amortization of principal will be made in constant monthly amounts based on a fifteen year (15) payout period. The outstanding balance of the loan totaling \$1,036,602 will become due and payable on April 1, 2012.

(b) The Company, on December 13, 2000, closed a loan with a bank in the amount of \$3,500,000. The loan is secured by a second position leasehold mortgage covering the entire leasehold interest of the Company, as tenant, in a certain ground lease and building in the Jamaica, New York property. The outstanding balance of the loan, totaling \$2,739,452, became due and payable on October 1, 2006. The Company exercised its option to extend the loan for a additional five (5) years to October 1, 2011. The interest rate for the extended period is 6.81% per annum. At the end of the five year period there will be a balance due on the loan of \$2,077,680.

As additional collateral security, the Company conditionally assigned to the bank all leases and rents on the premises, or portions thereof, whether now existing or hereafter consummated. The Company has an option to prepay principal, in whole or in part, plus interest accrued thereon, at any time during the term, without premium or penalty. Other provisions of the loan agreement provide certain restrictions on the incurrence of indebtedness on the Jamaica property and the sale or transfer of the Company's ground lease interest in the premises.

(c) The Company, on May 7, 2004, closed a loan with an affiliated corporation owned by members, including certain directors of the Company, of the family of the late Joe Weinstein, former Chairman of the Board of Directors, in the amount of \$1,350,000. The term of the loan is for a period of five (5) years at an interest rate of 9.00% per annum. Interest and amortization of principal are paid quarterly based on a fifteen (15) year level amortization period. The constant quarterly payments of interest and principal are \$40,316. The outstanding balance of the loan, totaling \$1,056,007, will become due and payable on April 1, 2009. Interest paid for the nine months ended April 30, 2008 and April 30, 2007 was \$77,154 and \$80,884, respectively.

(d) On June 2, 1999, the existing first mortgage loan balance on the Fishkill, New York property was extended for a period of five years. Under the terms of the extension agreement, the annual interest rate was reduced from 9% to 8.25% and the interest and principal payments were made

Edgar Filing: MAYS J W INC - Form 10-Q

in constant monthly amounts based upon a fifteen (15) year payout period. On August 19, 2004 the Company extended the loan for an additional forty-two (42) months, with an option to convert the loan to a seven (7) year permanent mortgage loan. (See Note 6(e) below). The Company in February 2008 converted the loan to a seven (7) year permanent mortgage loan. The interest rate on conversion was 6.98%.

-8-

- (e) The Company, on August 19, 2004, closed a loan with a bank for a \$12,000,000 multiple draw term loan. This loan finances seventy-five (75%) percent of the cost of capital improvements for an existing lease to a tenant and capital improvements for future tenant leases at the Company's Brooklyn, New York (Bond Street building) and Fishkill, New York properties. The loan will also finance \$850,000 towards the construction of two new elevators at the Company's Brooklyn, New York property (Bond Street building). The loan also refinanced the existing mortgage on the Company's Fishkill, New York property which matured on July 1, 2004 (see Note 6(d)). The Company had three and one-half years to draw down amounts under this loan. The loan consists of: a) a permanent, first mortgage loan to refinance an existing first mortgage loan affecting the Fishkill Property (the "First Permanent Loan") (see Note 6(d)), b) a permanent subordinate mortgage loan in the amount \$1,870,000 (the "Second Permanent Loan"), and c) multiple, successively subordinate loans in the amount \$8,295,274 ("Subordinate Building Loans"). The loan is structured in two phases: 1) a forty-two (42) month loan with payments of interest only at the floating one-month LIBOR rate plus 2.25% per annum, but not less than 3.40%; and 2) after the forty-two month period, the loan would convert to a seven-year (7) permanent mortgage loan on a seventeen (17) year level amortization, plus interest, at the option of the Company. The interest rate on the permanent loan would be at a fixed rate equal to the Federal Home Loan Bank of New York's seven-year (7) fixed interest rate plus 2.25% per annum at the time of conversion. As of August 19, 2004, the Company refinanced the existing mortgage on the Company's Fishkill, New York property, which balance was \$1,834,726 and took down an additional \$2,820,000 for capital improvements for two tenants at the Company's Bond Street building in Brooklyn, New York. In fiscal 2006, 2007 and 2008, the Company drew down additional amounts totaling \$916,670, on its multiple draw term loan to finance tenant improvements and brokerage commissions for the leasing of 13,026 square feet for office use at the Company's Bond Street building in Brooklyn, New York. The total amount financed was \$916,670. The outstanding balance of the multiple draw term loan as of April 30, 2008 was \$5,544,520 which were for both the Bond Street and Fishkill properties. The Company in February 2008 converted the loan to a seven (7) year permanent mortgage loan. The interest rate on conversion was 6.98%. Since the loan has been converted to a permanent mortgage loan, the balance of the financing on this loan is for the new elevators at the Company's Bond Street building in Brooklyn, New York in the amount of \$850,000 referred to above. As of April 30, 2008, the Company has not drawn down any of the \$850,000.
- (f) On February 18, 2005, the Company secured financing in the amount of \$1,700,000, from a bank whose president is a director of the Company. The loan is a multiple draw loan, for a period of five (5) years, and is self-amortizing, at an interest rate of 6.50% per annum.
- (g) The Company, on July 22, 2005, closed a loan with a bank for \$1,200,000. The loan will be used to finance the construction costs and brokerage commissions associated with the leasing of 15,000 square feet for office use to a tenant at the Company's Jowein building in Brooklyn, New York. The loan will be secured by the assignment of lease of 15,000 square feet. The loan is for a period of five (5) years and is

Edgar Filing: MAYS J W INC - Form 10-Q

self-amortizing, at a floating interest rate of prime plus 1.00% per annum. The interest rate at April 30, 2008 was 6.00% per annum.

-9-

7. Property and Equipment - at cost:

	April 30 2008	July 31 2007
	-----	-----
Property:		
Buildings and improvements	\$61,438,745	\$60,896,956
Improvements to leased property	9,154,777	9,089,969
Land	6,067,805	6,037,134
Construction in progress	1,212,883	544,636
	-----	-----
	77,874,210	76,568,695
Less accumulated depreciation	32,668,860	31,790,146
	-----	-----
Property - net	45,205,350	44,778,549
	-----	-----
Fixtures and equipment and other:		
Fixtures and equipment	543,769	726,966
Other fixed assets	227,582	227,747
	-----	-----
	771,351	954,713
Less accumulated depreciation	608,908	762,895
	-----	-----
Fixtures and equipment and other - net	162,443	191,818
	-----	-----
Property and equipment - net	\$45,367,793	\$44,970,367
	=====	=====

8. Note Payable:

On December 15, 2004, the Company borrowed \$1,000,000 from a director of the Company, who is also a greater than 10% beneficial owner of the outstanding common stock of the Company. The term of the loan was for a period of three (3) years maturing on December 15, 2007, at an interest rate of 7.50% per annum. The loan is unsecured. The note is prepayable in whole or in part at any time without penalty. The constant quarterly payments of interest are \$18,750. The Company extended the note for an additional three (3) years maturing on December 15, 2010, at an interest rate of 7.50% per annum.

9. Unbilled Receivables and Rental Income:

Unbilled receivables represent the excess of scheduled rental income recognized on a straight-line basis over rental income as it becomes receivable according to the provisions of each lease.

10. Employees' Retirement Plan:

The Company sponsors a noncontributory Money Purchase Plan covering substantially all of its employees. Operations were charged \$73,337 and \$234,211 as contributions to the Plan for the three and nine months ended April 30, 2008, respectively, and \$69,448 and \$207,343 as contributions to

Edgar Filing: MAYS J W INC - Form 10-Q

the Plan for the three and nine months ended April 30, 2007, respectively.

-10-

11. Cash Flow Information:

For purposes of reporting cash flows, the Company considers cash equivalents to consist of short-term highly liquid investments with maturities of nine months or less, which are readily convertible into cash.

Supplemental disclosure:

	Nine Months Ended April 30	
	2008	2007
Interest paid, net of capitalized interest of \$56,469 (2008), there was no capitalized interest for 2007.	\$667,095	\$768,464
Income taxes paid	\$1,779,616	\$1,169,928

12. Capitalization:

The Company is capitalized entirely through common stock with identical voting rights and rights to liquidation. Treasury stock is recorded at cost and consists of 162,517 shares at April 30, 2008 and at July 31, 2007.

13. Contingencies:

There are various lawsuits and claims pending against the Company. It is the opinion of management that the resolution of these matters will not have a material adverse effect on the Company's Consolidated Financial Statements.

In response to a termination notice that the Company received concerning its tenancy in a portion of the Jowein building, Brooklyn, New York, on April 25, 2007, the Company filed a lawsuit against its landlords in New York State Supreme Court, Kings County. In the lawsuit, the Company seeks a judgment declaring that the landlords' termination notice was improperly issued and that the Company is not required to correct or cure the purported defaults cited in the termination notice. In addition, the Company seeks an order temporarily, preliminarily and permanently enjoining the landlords from taking any action to terminate the lease or otherwise interfere with the Company's possession of the premises.

On May 16, 2007, the New York State Supreme Court granted the Company's motion for preliminary injunctive relief and enjoined the landlords, during the pendency of this action, from taking any action to evict the Company, terminate the Company's lease which is scheduled to expire on April 30, 2010, and/or commencing summary action adverse to the Company's rights or otherwise disturb the Company's possession of the premises. The landlords have answered the complaint denying the allegations and asserting counterclaims against the Company relating to the premises. Discovery is ongoing. Management of the Company is unable to predict the

Edgar Filing: MAYS J W INC - Form 10-Q

outcome of this matter or whether the Company will be required to expend significant amounts of money in order to correct any of the purported defaults.

-11

J. W. MAYS, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations:

Three Months Ended April 30, 2008 Compared to the Three Months Ended April 30, 2007:

In the three months ended April 30, 2008, the Company reported net income of \$66,797, or \$.03 per share. In the comparable three months ended April 30, 2007, the Company reported net income of \$18,430, or \$.01 per share.

Revenues in the current three months increased to \$3,488,774 from \$3,476,288 in the comparable 2007 three months. The increase in revenues was due to the Company's leasing to five additional tenants at the Company's Brooklyn, Jamaica and Levittown, New York properties, offset by the vacating of a tenant at the Company's Brooklyn, New York property in July 2007 and the reduced rent received by the tenant that replaced Levitz Home Furnishings, Inc., at the Company's Jowein building in Brooklyn, New York.

The recovery of real estate taxes in the 2007 three months in the amount of \$25,487, net of legal expenses, represents prior years' real estate taxes from one of the Company's properties. The comparable 2008 three months did not have a recovery of real estate taxes.

Real estate operating expenses in the current three months increased to \$2,259,838 from \$2,191,194 in the comparable 2007 three months primarily due to increases in real estate taxes, utility costs, payroll costs and lease commission expense, partially offset by decreases in maintenance costs.

Administrative and general expenses in the current three months increased to \$822,555 from \$760,432 in the comparable 2007 three months primarily due to increases in payroll costs, insurance costs, medical costs, and legal and professional costs.

Depreciation and amortization expense in the current three months decreased to \$394,924 from \$395,382 in the comparable 2007 three months.

Interest expense and other expenses in the current three months exceeded investment income by \$140,660 and by \$232,850 in the comparable 2007 three months. The decrease in the excess of interest expense over investment income was due primarily to increased investment income and scheduled repayments of debt.

Nine Months Ended April 30, 2008 Compared to the Nine Months Ended April 30, 2007:

In the nine months ended April 30, 2008, the Company reported a net loss of (\$214,021), or (\$.11) per share. In the comparable nine months ended April 30, 2007, the Company reported a net loss of (\$168,230), or (\$.08) per share.

Revenues in the current nine months increased to \$10,701,425 from \$10,183,549 in the comparable 2007 nine months. The increase in revenues was due to the Company's leasing to five additional tenants at the Company's Brooklyn,

Edgar Filing: MAYS J W INC - Form 10-Q

Jamaica and Levittown, New York properties, offset by the vacating of a tenant at the Company's Brooklyn, New York property in July 2007, and the reduced rent received by the tenant that replaced Levitz Home Furnishings, Inc., at the Company's Jowein building in Brooklyn, New York.

The recovery of real estate taxes in the current nine months in the amount of \$91,043, net of legal expenses, represents prior years' real estate taxes from one of the Company's properties. The comparable 2007 nine months had a recovery of real estate taxes in the amount of \$39,483.

Real estate operating expenses in the current nine months increased to \$6,798,639 from \$6,411,896 in the comparable 2007 nine months primarily due to increases in rental expense, utility costs, payroll costs and lease commission expense, partially offset by decreases in real estate taxes and insurance costs.

-12-

Administrative and general expenses in the current nine months increased to \$2,673,445 from \$2,187,700 in the comparable 2007 nine months primarily due to increases in payroll costs, insurance costs, legal and professional costs, pension costs, and a bad debt expense due to a tenant vacating the premises at the Company's Jowein building in Brooklyn, New York.

Depreciation and amortization expense in the current nine months increased to \$1,188,573 from \$1,184,185 in the comparable 2007 nine months.

Interest expense and other expenses in the current nine months exceeded investment income by \$497,789 and by \$703,998 in the comparable 2007 nine months. The decrease in the excess of interest expense over investment income was due primarily to increased investment income and scheduled repayments of debt.

Liquidity and Capital Resources:

The Company has been operating as a real estate enterprise since the discontinuance of the retail department store segment of its operations on January 3, 1989.

Management considers current working capital and borrowing capabilities adequate to cover the Company's planned operating and capital requirements. The Company's cash and cash equivalents amounted to \$2,376,235 at April 30, 2008.

In October 2006, the Company entered into a lease agreement with a restaurant at the Company's Levittown premises. The restaurant intends to construct a new building. The tenant opened the restaurant in May 2008. The tenant began paying partial rent in September 2007 and full rent in May 2008. This will replace the tenant that vacated the premises in September 2004. The annual rental income from this lease agreement will more than offset the annual rental income lost from the previous tenant.

In July 2007, a tenant who occupied 22,192 square feet of office space at the Company's Brooklyn, New York property, vacated the premises. The annual loss in rental income to the Company will be approximately \$470,000. In March 2008, the Company entered into a lease agreement with a tenant for 11,128 square feet of the vacated space. Rent will commence in July 2008. The Company is actively seeking, through brokers, tenants to occupy the balance of 11,064 square feet of the vacated space.

In May 2007, the Company entered into a lease agreement with a tenant for 15,900 square feet of office space at its Jowein building in Brooklyn, New

Edgar Filing: MAYS J W INC - Form 10-Q

York. Rent commenced in March 2008.

In March 2008, the Company entered into a lease agreement with a tenant for 60,000 square feet for warehouse space at its Circleville, Ohio property. Rent commenced in March 2008.

Levitz Home Furnishings, Inc. whose lease was assigned to PLVTZ, LLC, d/b/a Levitz Home Furnishings ("Levitz") which occupies retail space at the Company's Jowein building in Brooklyn, New York and which accounted for 5.60% of the annual rental income of the Company for the fiscal year ended July 31, 2007, filed for Chapter 11 bankruptcy protection from creditors on November 8, 2007. Levitz vacated the premises on January 31, 2008 and informed the Company in February 2008, of its intentions to reject the lease. The annual rental income from Levitz was approximately \$800,000. The Company, in March 2008, rented the premises to a tenant for the remaining term of the Levitz lease (through April 2010) at slightly less than half the Levitz rental.

As part of the \$12,000,000 multiple draw term loan, the bank agreed to finance the cost of two new elevators at the Company's Bond Street building in Brooklyn, New York. The amount to be financed will be \$850,000. (See Note 6(e) to the Consolidated Financial Statements). The total cost of the elevator project is estimated to be \$1,100,000 and is anticipated to be completed in 2008. In February 2008, the Company converted the multiple draw term loan to a permanent mortgage loan. The \$850,000 for elevators is the remaining amount of financing due under this loan.

-13-

Cash Flows From Operating Activities:

Deferred Expenses: The Company had expenditures for a brokerage commission in the nine months ended April 30, 2008, in the amount of \$28,080, relating to a tenant of the Company's Circleville, Ohio Property.

Payroll and Other Accrued Liabilities: The Company paid \$282,628 for commissions incurred in order to lease space at the Company's properties in the nine months ended April 30, 2008. The original amount of the brokerage commissions was \$2,394,823. As of April 30, 2008, \$1,944,005 had been paid. The Company also incurred additional brokerage commissions in the amount of \$28,080 related to a new tenant and referred to above.

A tenant at the Company's Jowein building in Brooklyn, New York paid the rent in advance to the end of the lease term which is April 2010. The amount paid in advance as of April 30, 2008 is \$715,384.

The Company has paid an additional \$784,350 in rent expense to its landlord for the period of August 1, 2006 through April 30, 2008, which is an affiliated Company, on its Jamaica, New York property. The rent expense is based upon a estimate. The final amount of rent expense has not yet been determined and may be submitted to an independent arbitrator for resolution.

Cash Flows From Investing Activities:

The Company had expenditures of \$285,242 in the nine months ended April 30, 2008 for the renovation of 32,890 square feet for office space for a tenant at its Jamaica, New York building. The cost of the project was \$564,937 and was completed in December 2007.

The Company had expenditures of \$91,972 in the nine months ended April 30, 2008 for the construction of two new elevators. The total cost of the project is approximately \$1,100,000, of which \$850,000 will be financed by a bank. As of April 30, 2008, \$322,590 has been paid. The project is anticipated to be

Edgar Filing: MAYS J W INC - Form 10-Q

completed in 2008.

The Company had expenditures of \$702,212 in the nine months ended April 30, 2008 for the installation of new heat, ventilation and air conditioning equipment along with the corresponding electrical service required at the Company's Jamaica, New York building. The cost of the project was \$910,212 and was completed in May 2008.

Cash Flows From Financing Activities:

Borrowing: The Company drew down an additional \$41,955 on its multiple draw term loan, to finance tenant improvements and brokerage commissions for the leasing of 13,026 square feet for office use at the Company's Bond Street building in Brooklyn, New York. The total amount financed was \$916,670. (See Note 6(e) to the Consolidated Financial Statements).

Quantitative and Qualitative Disclosures About Market Risks:

The Company uses both fixed-rate and variable-rate debt to finance its capital requirements. These transactions expose the Company to market risk related to changes in interest rates. The Company does not use derivative financial instruments. At April 30, 2008, the Company had fixed-rate debt of \$12,269,273 and variable-rate debt of \$560,000. With regards to the Jowein building, Brooklyn, New York loan (presently with a balance of \$560,000), if interest rates were to change 100 basis points, the effect on net income from operations and future cash flows would be a decrease, should the rates increase, or an increase, should the rates decline, of \$5,600 for this loan.

-14-

Cautionary Statement Regarding Forward-Looking Statements:

This Quarterly Report on Form 10-Q may contain forward-looking statements which include assumptions about future market conditions, operations and financial results. These statements are based on current expectations and are subject to risks and uncertainties. They are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company's actual results, performance or achievements in the future could differ significantly from the results, performance or achievements discussed or implied in such forward-looking statements herein and in prior Securities and Exchange Commission filings by the Company. The Company assumes no obligation to update these forward-looking statements or to advise of changes in the assumptions on which they were based.

Factors that could cause or contribute to such differences include, but are not limited to, changes in the competitive environment of the Company, general economic and business conditions, industry trends, changes in government rules and regulations and environmental rules and regulations. Statements concerning interest rates and other financial instrument fair values and their estimated contribution to the Company's future results of operations are based upon market information as of a specific date. This market information is often a function of significant judgment and estimation. Further, market interest rates are subject to significant volatility.

Controls and Procedures:

The Company's management reviewed the Company's internal controls and procedures and the effectiveness of these controls. As of April 30, 2008, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and

Edgar Filing: MAYS J W INC - Form 10-Q

operation of the Company's disclosure controls and procedures pursuant to Rules 13a-14(c) and 15d-14(c) of the Securities Exchange Act of 1934. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in its periodic SEC filings.

There was no change in the Company's internal controls over financial reporting or in other factors during the Company's last fiscal quarter that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. There were no significant deficiencies or material weaknesses, and therefore there were no corrective actions taken.

Our Accounting Department is comprised of four persons. Due to such a limited number of persons, a complete segregation of all of the duties as to which the department is responsible is not possible. In order to make sure that the inability to segregate all duties does not affect our timely and accurate financial reporting, we need to remain vigilant in maintaining compensating controls. These compensating controls will continue to be monitored in order to assure us that our internal controls over financial reporting remain at a high level despite the limited number of Accounting Department personnel.

-15-

Part II - Other Information

Item 6 - Exhibits and Reports on Form 8-K

(a) List of Exhibits:

Exhibit Number	Exhibit	Sequentially Numbered Page
(2)	Plan of acquisition, reorganization, arrangement, liquidation or succession.	N/A
(4)	Instruments defining the rights of security holders, including indentures.	N/A
(10)	Material contracts.	N/A
(11)	Statement re computation of per share earnings	N/A
(15)	Letter re unaudited interim financial information.	N/A
(18)	Letter re change in accounting principles.	N/A
(19)	Report furnished to security holders.	N/A
(22)	Published report regarding matters submitted to vote of security holders.	N/A
(24)	Power of attorney.	N/A
(27)	Financial data schedule.	N/A
(31)	Additional exhibits--Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	
	(31.1) Chief Executive Officer	18
	(31.2) Chief Financial Officer	19
(32)	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section. 1350.	20

(b) Reports on Form 8-K - One report on Form 8-K was filed by the registrant during the three months ended April 30, 2008.

Item reported:

The Company reported its financial results for the three months ended January 31, 2008.

Edgar Filing: MAYS J W INC - Form 10-Q

Date of report filed - March 12, 2008.

-16-

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.

J.W. MAYS, Inc.

(Registrant)

Date June 11, 2008

Lloyd J. Shulman

Lloyd J. Shulman
President
Chief Executive Officer

Date June 11, 2008

Mark S. Greenblatt

Mark S. Greenblatt
Vice President
Chief Financial Officer

-17-

EXHIBIT 31.1

CERTIFICATION

I, Lloyd J. Shulman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of J.W. Mays, 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(s) 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)) 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

Edgar Filing: MAYS J W INC - Form 10-Q

consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) 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
- (c) 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(s) 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 the 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 control 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 control over financial reporting.

Date: June 11, 2008

/s/ Lloyd J. Shulman

Lloyd J. Shulman
President
Chief Executive Officer

-18-

EXHIBIT 31.2

CERTIFICATION

I, Mark S. Greenblatt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of J.W. Mays, 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(s) 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)) 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

Edgar Filing: MAYS J W INC - Form 10-Q

consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) 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
- (c) 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(s) 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 the 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 control 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 control over financial reporting.

Date: June 11, 2008

/s/ Mark S. Greenblatt

Mark S. Greenblatt
Vice President
Chief Financial Officer

-19-

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The following certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350 and in accordance with SEC Release No. 33-8238. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

In connection with the Quarterly Report of J. W. Mays, Inc. (the "Company") on Form 10-Q for the period ending April 30, 2008 as filed with the Securities and Exchange Commission (the "Report"), we, Lloyd J. Shulman and Mark S. Greenblatt, Chief Executive Officer and Chief Financial Officer, respectively, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

Edgar Filing: MAYS J W INC - Form 10-Q

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

June 11, 2008

/s/ Lloyd J. Shulman

Lloyd J. Shulman
Chief Executive Officer

/s/ Mark S. Greenblatt

Mark S. Greenblatt
Chief Financial Officer

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

-20-