

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

MAYS J W INC  
Form 10-Q  
March 08, 2007

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 January 31, 2007

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-accelarated 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 March 7, 2007  
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 - 14
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

-----

January 31  
2007

July 31  
2006

-----  
(Unaudited)

-----  
(Audited)

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

Property and Equipment - Net (Notes 6 and 7)	\$45,185,486	\$45,794,108
<hr/>		
Current Assets:		
Cash and cash equivalents	1,791,419	2,335,328
Marketable securities (Note 4)	46,390	45,942
Receivables	48,141	86,199
Deferred income taxes	110,000	131,000
Income taxes refundable	209,442	-
Prepaid expenses	1,453,715	1,722,222
Security deposits	8,297	8,297
	<hr/>	
Total current assets	3,667,404	4,328,988
<hr/>		
Other Assets:		
Deferred charges	3,470,681	2,761,585
Less accumulated amortization	1,446,920	1,301,110
	<hr/>	
Net	2,023,761	1,460,475
Receivables	5,467	6,267
Security deposits	1,439,766	1,337,900
Unbilled receivables (Note 9)	3,928,567	4,204,567
Marketable securities (Note 4)	171,000	158,000
	<hr/>	
Total other assets	7,568,561	7,167,209
<hr/>		
TOTAL ASSETS	\$56,421,451	\$57,290,305
<hr/>		
LIABILITIES AND SHAREHOLDERS' EQUITY		
<hr/>		
Long-Term Debt:		
Mortgages and term loan payable (Note 6)	\$12,047,583	\$10,696,864
Note payable - related party (Note 8)	1,000,000	1,000,000
Security deposits payable	1,132,666	1,030,800
	<hr/>	
Total long-term debt	14,180,249	12,727,664
<hr/>		
Deferred Income Taxes	2,375,000	2,445,000
<hr/>		
Current Liabilities:		
Accounts payable	78,622	61,908
Payroll and other accrued liabilities	1,513,809	1,269,578
Income taxes payable	-	794,314
Other taxes payable	9,608	5,645
Current portion of mortgages payable (Note 6)	794,119	2,338,492
Current portion of security deposits payable	8,297	8,297
	<hr/>	
Total current liabilities	2,404,455	4,478,234
<hr/>		
Total liabilities	18,959,704	19,650,898
<hr/>		
Shareholders' Equity:		
Common stock, par value \$1 each share (shares - 5,000,000 authorized; 2,178,297 issued)	2,178,297	2,178,297

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

Additional paid in capital	3,346,245	3,346,245
Unrealized gain on available for sale securities - net of deferred taxes of \$20,000 at January 31, 2007 and \$16,000 at July 31, 2006	40,748	31,748
Retained earnings	33,184,309	33,370,969
	-----	-----
	38,749,599	38,927,259
Less common stock held in treasury, at cost - 162,517 shares at January 31, 2007 and at July 31, 2006 (Note 12)	1,287,852	1,287,852
	-----	-----
Total shareholders' equity	37,461,747	37,639,407
	-----	-----
Contingencies (Note 13)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$56,421,451	\$57,290,305
	=====	=====

See Notes to Consolidated Financial Statements.

-3-

J. W. MAYS, INC.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

	Three Months Ended January 31	
	2007	2006
	-----	-----
	(Unaudited)	(Unaudited)
Revenues		
Rental income (Notes 5 and 9)	\$3,390,563	\$3,355,014
Recovery of real estate taxes	-	31,770
	-----	-----
Total revenues	3,390,563	3,386,784
	-----	-----
Expenses		
Real estate operating expenses	2,094,811	2,027,850
Administrative and general expenses	696,128	788,914
Depreciation and amortization	393,871	382,553
	-----	-----
Total expenses	3,184,810	3,199,317
	-----	-----
Income from operations before investment income, interest expense and income taxes	205,753	187,467
	-----	-----
Investment income and interest expense		
Investment income (Note 4)	18,820	20,671
Interest expense (Notes 6, 8, and 11)	(256,337)	(249,335)
	-----	-----
	(237,517)	(228,664)

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

Income (loss) before income taxes	(31,764)	(41,197)
Income taxes provided (benefit)	(23,000)	17,000
Net income (loss)	(8,764)	(58,197)
Retained earnings, beginning of period	33,193,073	32,064,896
Retained earnings, end of period	\$33,184,309	\$32,006,699
Income (loss) per common share (Note 2)	\$(.00)	\$(.03)
Dividends per share	\$-	\$-
Average common shares outstanding	2,015,780	2,015,780

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended January 31	
	2007 (Unaudited)	2006 (Unaudited)
Net income (loss)	\$(8,764)	\$(58,197)
Other comprehensive income, net of taxes (Note 3)		
Unrealized gain on available-for-sale securities: Net of taxes of \$1,000 and \$11,000 for the three months ended January 31, 2007 and 2006, respectively, and \$4,000 and \$58,000 for the six months ended January 31, 2007 and 2006, respectively.	2,000	6,497
Net change in comprehensive income	2,000	6,497
Comprehensive income (loss)	\$(6,764)	\$(51,700)

See Notes to Consolidated Financial Statements.

-4-

J. W. MAYS, INC.

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Six Months Ended January 31	
	2007	2006
	(Unaudited)	(Unaudited)
<b>Cash Flows From Operating Activities:</b>		
Net income (loss)	\$(186,660)	\$69,112
Adjustments to reconcile income to net cash provided by operating activities:		
Depreciation and amortization	788,803	761,753
Amortization of deferred expenses	145,810	182,546
Other assets - deferred expenses	(709,096)	(233,664)
- unbilled receivables	276,000	102,464
Deferred income taxes	(53,000)	(65,000)
Changes in:		
Receivables	38,858	28,853
Prepaid expenses	268,507	183,792
Income taxes refundable	(209,442)	204,970
Accounts payable	16,714	(10,714)
Payroll and other accrued liabilities	244,231	(5,977)
Income taxes payable	(794,314)	-
Other taxes payable	3,963	(824)
Cash provided (used) by operating activities	(169,626)	1,217,311
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(180,181)	(1,194,115)
Security deposits	(101,866)	(96,631)
Marketable securities:		
Payments for purchases	(448)	(137)
Cash (used) by investing activities	(282,495)	(1,290,883)
<b>Cash Flows From Financing Activities:</b>		
Borrowings - securities broker	-	553,166
Payments - securities broker	-	(2,250)
Increase - security deposits	101,866	96,500
Borrowings - mortgage and other debt	315,706	
Decrease - mortgage and other debt payments	(509,360)	(492,229)
Cash provided (used) by financing activities	(91,788)	155,187
Increase (decrease) in cash	(543,909)	81,615
Cash and cash equivalents at beginning of period	2,335,328	522,897
Cash and cash equivalents at end of period	\$1,791,419	\$604,512

See Notes to Consolidated Financial Statements.

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

-5-

## 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 interim financial statements are prepared pursuant to the requirements for reporting on Form 10-Q. The July 31, 2006 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, 2006. 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, 2007.

### 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 six months ended January 31, 2007 and January 31, 2006.

### 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-

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

As of January 31, 2007, the Company's marketable securities were classified as follows:

	Cost	Gross Unrealized Gains
	-----	-----
Current:		
Held-to-maturity:		
Certificate of deposit	\$46,390	\$-
	=====	=====
Noncurrent:		
Available-for-sale:		
Equity securities	\$110,252	\$60,748
	=====	=====

Investment income consists of the following:

	Three Months Ended January 31	
	2007	2006
	-----	-----
Interest income	\$3,378	\$996
Dividend income	15,442	19,675
	-----	-----
Total	\$18,820	\$20,671
	=====	=====

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-two tenants, of which one tenant accounted for 17.38% and another tenant accounted for 13.64% of rental income during the six months ended January 31, 2007. No other tenant accounted for more than 10% of rental income during the same period.

The Company has two irrevocable Letters of Credit totaling \$137,500 at January 31, 2007 and July 31, 2006, provided by two tenants.

-7-

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



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

January 31, 2007

		Current		Due	Due
		Annual	Final	Within	After
		Interest	Payment	One Year	One Year
		Rate	Date		
		-----	-----	-----	-----
Mortgages:					
Jamaica, New York property	(a)	5.00%	4/01/07	\$58,058	\$1,341,942
Jamaica, New York property	(b)	6.81%	10/01/11	108,798	2,558,562
Jowein building, Brooklyn, NY	(c)	9.00%	4/01/09	56,061	1,133,478
Fishkill, New York property	(d,e)	Variable	2/18/08	-	1,834,726
Bond St. building, Brooklyn, NY	(e)	Variable	2/18/08	-	3,694,715
Term-loan payable to bank	(f)	6.50%	5/01/10	331,202	864,160
Jowein building, Brooklyn, NY	(g)	Variable	8/01/10	240,000	620,000
Total				\$794,119	\$12,047,583
				=====	=====

(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 February 2007, the Company entered into a commitment agreement with a bank to extend the loan for five years with an option for an additional five year period. The interest rate for the initial five years will be 6.00% per annum. Interest and amortization of principal will be made in constant monthly amounts based on a thirty year (30) payout period. The outstanding balance of the loan totaling \$1,254,098 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 will be 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.

Payments are made, in arrears, on the first day of each and every month calculated during the ten (10) year period of the term loan, at the sum of the interest rate plus amortization sufficient to fully liquidate the loan over a fifteen (15) year period. As additional collateral security, the Company will conditionally assign 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)

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

year level amortization period. The constant quarterly payments of interest and principal are \$40,316. The funds were used to purchase a one-half interest in a property that is part of the Company's Brooklyn, New York building (Bond Street building). The outstanding balance of the loan, totaling \$1,056,007, will become due and payable on April 1, 2009.

- (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 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. The

-8-

payments for the extended period of forty-two (42) months will be interest only on the amount owing at a floating rate per annum equal to the one-month LIBOR rate plus 2.25%, but not less than 3.40%. The payments for the seven- year permanent mortgage loan would be on a seventeen (17) year level amortization, plus interest. The interest rate on the permanent loan would be 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. (See Note 6(e)).

- (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 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 will have 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. On May 9, 2006 and November 16, 2006, the Company drew down additional amounts of \$559,009 and \$315,706, respectively, 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 to be financed for tenant improvements and brokerage commissions will be \$916,661. The outstanding balance as of January 31, 2007 was \$5,529,441.
- (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 was used to finance the construction costs and brokerage commissions

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

associated with the leasing of 28,801 square feet for office use to a tenant at the Company's Jowein building, in Brooklyn, New York. 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 self-amortizing, at a floating interest rate of prime plus 1.00% per annum.

-9-

### 7. Property and Equipment - at cost:

	January 31 2007	July 31 2006
	-----	-----
<b>Property:</b>		
Buildings and improvements	\$60,767,277	\$60,601,064
Improvements to leased property	9,158,009	9,158,009
Land	6,146,554	6,146,554
Construction in progress	64,105	59,846
	-----	-----
	76,135,945	75,965,473
Less accumulated depreciation	31,141,630	30,379,314
	-----	-----
Property - net	44,994,315	45,586,159
	-----	-----
<b>Fixtures and equipment and other:</b>		
Fixtures and equipment	721,099	721,099
Other fixed assets	233,068	257,472
	-----	-----
	954,167	978,571
Less accumulated depreciation	762,996	770,622
	-----	-----
Fixtures and equipment and other - net	191,171	207,949
	-----	-----
Property and equipment - net	\$45,185,486	\$45,794,108
	=====	=====

### 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 is 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 funds were used towards the purchase of a one-half interest in a parcel which is part of the Company's Brooklyn, New York properties. The total purchase price was \$1,500,000. The constant quarterly payments of interest are \$18,750. The Company intends to negotiate with the director to extend this loan.

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

### 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 \$69,111 and \$137,895 as contributions to the Plan for the three and six months ended January 31, 2007, respectively, and \$75,378 and \$148,242 as contributions to the Plan for the three and six months ended January 31, 2006, 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 three months or less, which are readily convertible into cash.

Supplemental disclosure:

	Six Months Ended January 31	
	2007	2006
Interest paid, net of capitalized interest of \$10,421 (2006)	\$514,858	\$475,921
Income taxes paid (refunded)	\$1,042,755	\$(42,970)

### 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 January 31, 2007 and at July 31, 2006.

### 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.

-11-

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

### Results of Operations:

Three Months Ended January 31, 2007 Compared to the Three Months Ended January 31, 2006:

In the three months ended January 31, 2007, the Company reported a net loss of

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

(\$8,764), or (\$.00) per share. In the comparable three months ended January 31, 2006, the Company reported a net loss of (\$58,197), or (\$.03) per share.

Revenues in the current three months increased to \$3,390,563 from \$3,386,784 in the comparable 2006 three months.

Real estate operating expenses in the current three months increased to \$2,094,811 from \$2,027,850 in the comparable 2006 three months primarily due to increases in rental expense, partially offset by decreases in maintenance costs, payroll costs and utility costs.

Administrative and general expenses in the current three months decreased to \$696,128 from \$788,914 in the comparable 2006 three months primarily due to decreases in payroll costs, legal and professional costs, and insurance costs.

Depreciation and amortization expense in the current three months increased to \$393,871 from \$382,553 in the comparable 2006 three months primarily due to depreciation on the additional improvements to the Brooklyn, New York properties.

Interest expense in the current three months exceeded investment income by \$237,517 and by \$228,664 in the comparable 2006 three months. The increase was due primarily to increased interest expense on the additional loans with banks, partially offset by scheduled repayments of debt.

Six Months Ended January 31, 2007 Compared to the Six Months Ended January 31, 2006:

In the six months ended January 31, 2007, the Company reported a net loss of (\$186,660), or (\$.09) per share. In the comparable six months ended January 31, 2006, the Company reported net income of \$69,112, or \$.03 per share.

Revenues in the current six months decreased to \$6,707,261 from \$6,727,703 in the comparable 2006 six months.

The recovery of real estate taxes in the current six months in the amount of \$13,996, net of legal expenses, represents prior years' real estate taxes from one of the Company's properties. The comparable 2006 six months had a recovery of real estate taxes in the amount of \$31,770, net of legal expenses.

Real estate operating expenses in the current six months increased to \$4,220,702 from \$3,869,941 in the comparable 2006 six months primarily due to increases in rental expense, maintenance costs, licenses and permits, and lease commission expense, partially offset by decreases in payroll costs and utility costs.

Administrative and general expenses in the current six months decreased to \$1,427,268 from \$1,488,926 in the comparable 2006 six months primarily due to decreases in payroll costs, and insurance costs.

Depreciation and amortization expense in the current six months increased to \$788,803 from \$761,753 in the comparable 2006 six months primarily due to depreciation on the additional improvements to the Brooklyn, New York properties.

Interest expense in the current six months exceeded investment income by \$471,148 and by \$440,971 in the comparable 2006 six months. The increase was due primarily to increased interest expense on the additional loans with banks, partially offset by scheduled repayments of debt.

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

### 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 \$1,791,419 at January 31, 2007.

The Company is also considering selling its Circleville, Ohio property and a small property in Brooklyn, New York in order to produce additional working capital in case additional capital requirements become necessary.

On October 11, 2005, a tenant in our Jowein building filed for Chapter 11 protection. This tenant accounts for approximately 5% of our annual rental income. Pursuant to an amendment to the lease and the assumption and assignment of the lease to PLVTZ, LLC and the Pride Capital Group (d/b/a Great American Group) ("PLVTZ"), the Company has assigned the lease to PLVTZ and reduced the rent payable under the lease by 12% for the first year (\$84,905) commencing April 1, 2006 ("Commencement Date"), and 10% during the second year (\$70,754) after the Commencement Date. In addition, the Company has agreed to waive certain pre-petition arrears owed by the tenant (\$49,427).

In March 2006, the Company leased an additional 7,411 square feet for office use to an existing tenant at the Company's Bond Street building, in Brooklyn, New York. Rent commenced in October 2006.

In August and September 2006, the Company entered into three additional lease agreements. Two of the lease agreements were for retail use at the Company's Jamaica, New York building. One tenant leased 47,100 square feet and the other tenant leased 28,335 square feet. These tenants replaced the tenants who vacated the premises in February 2006 and June 2006, respectively. Rent commenced in November 2006 for the tenant that leased 28,335 square feet and is anticipated to commence in June 2007 for the tenant that leased 47,100 square feet. The rental income from these lease agreements will more than offset the rental income lost from the previous tenants. The third lease agreement is for 10,000 square feet and will be used for office space at the Company's Jowein building in Brooklyn, New York. Rent commenced in December 2006. The cost of construction to the Company for these tenants will be insignificant.

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's occupancy is subject to it receiving the necessary building permits and licenses to construct the building and open for business within a reasonable time period. Rent is anticipated to commence in August 2007. This will replace the tenant that vacated the premises in September 2004. The rental income from this lease agreement will more than offset the rental income lost from the previous tenant.

The following table represents the increase in square foot occupancy at the Company's properties, due to the aforementioned lease agreements.

Bond Street building, Brooklyn, New York	7,411
Jowein building, Brooklyn, New York	10,000
Jamaica building, Jamaica, New York	75,435
Levittown, New York building	15,243
Total	108,089

The Company was informed by a tenant who occupies 32,890 square feet of office

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

space at its Jamaica, New York property, that the tenant would not be exercising its option to extend its lease agreement. The tenant will vacate the premises on April 30, 2007. The annual loss in rental income to the Company will be approximately \$700,000. The Company is actively seeking through brokers, tenants to occupy the vacated space.

On November 16, 2006, the Company drew down an additional \$315,706 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 to be financed for tenant improvements and brokerage commissions is \$916,661. The balance left to be financed is \$41,946. (See Note 6(e) to the Consolidated Financial Statements).

-13-

On November 16, 2006, the Company closed a loan with a bank 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 and is part of the \$12,000,000 multiple draw term loan. (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 the latter half of 2007.

### Cash Flows From Operating Activities:

Prepaid Expenses: Expenditures for the six months ended January 31, 2007 decreased by \$75,513 compared to the period ended January 31, 2006, due to decreases in insurance premiums paid.

Deferred Expenses: The Company had expenditures for brokerage commissions in the six months ended January 31, 2007, in the amount of \$600,969 relating to tenants at its Brooklyn, New York and Jamaica, New York properties.

Payroll and Other Accrued Liabilities: The Company paid \$293,116 for commissions incurred in order to lease space at the Company's properties in the six months ended January 31, 2007. The original amount of the brokerage commissions was \$1,910,791. As of January 31, 2007, \$1,342,192 had been paid. The Company also incurred additional brokerage commissions in the amount of \$608,548 relating to four new tenants.

### Cash Flows From Financing Activities:

Borrowing: The Company drew down an additional \$315,706 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 to be financed for tenant improvements and brokerage commissions will be \$916,661. (See Note 6(e) to the Consolidated Financial Statements).

Lease security: The Company increased tenant security deposits by \$99,167 due to the leasing of space to two tenants at the Company's Brooklyn, New York and Jamaica, New York properties.

### 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 January 31, 2007, the Company had fixed-rate debt of \$7,452,261 and variable-rate debt of \$6,389,441. Because of the variable rates on the extension of the Fishkill, New York property loan, the Bond Street building, Brooklyn, New York and the Jowein building, Brooklyn, New

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

York loans (presently with balances of \$1,834,726, \$3,694,715, and \$860,000, respectively), 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 \$63,894 for these loans.

### 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.

-14-

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 January 31, 2007, 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 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



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

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 - A report on Form 8-K was filed by the registrant during the three months ended January 31, 2007.  
Item reported - The Company reported its financial results for the three months ended October 31, 2006.  
Date of report filed - December 7, 2006.

-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)

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

Date March 7, 2007  
-----

Lloyd J. Shulman  
-----  
Lloyd J. Shulman  
President  
Chief Executive Officer

Date March 7, 2007  
-----

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 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):

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

- (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: March 7, 2007

/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 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

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

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: March 7, 2007

/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 January 31, 2007 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:

- (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.

March 7, 2007

/s/ Lloyd J. Shulman

-----  
Lloyd J. Shulman  
Chief Executive Officer

/s/ Mark S. Greenblatt

-----  
Mark S. Greenblatt

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

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-