

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

MAYS J W INC
Form 10-Q
December 09, 2010

FORM 10-Q

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

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

For the quarterly period ended October 31, 2010

[] 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 incorporation or organization)

(I.R.S. Employer 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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

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

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

Class -----	Outstanding at December 8, 2010 -----
Common Stock, \$1 par value	2,015,780 shares

This report contains 23 pages.

-1-

J. W. MAYS, INC.

INDEX

Page No.

Part I - Financial Information:

Item 1. Financial Statements

Condensed Consolidated Balance Sheets - October 31, 2010 (unaudited) and July 31, 2010	3
Condensed Consolidated Statements of Income and Retained Earnings - three months ended October 31, 2010 and 2009 (unaudited)	4
Condensed Consolidated Statements of Comprehensive Income - three months ended October 31, 2010 and 2009 (unaudited)	5
Condensed Consolidated Statements of Cash Flows - three months ended October 31, 2010 and 2009 (unaudited)	6
Notes to Condensed Consolidated Financial Statements	7 - 15

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition	15 - 17
--	---------

Item 3. Quantitative and Qualitative Disclosures About Market Risks	18
--	----

Item 4. Controls and Procedures	18
---------------------------------	----

Part II - Other Information

Item 1A. Risk Factors	19
-----------------------	----

Item 6. Exhibits	19
------------------	----

Signatures	20
------------	----

Exhibit 31 Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
(31.1) - Chief Executive Officer	21
(31.2) - Chief Financial Officer	22

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

Exhibit 32 Certification Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350 23

-2-

Part 1 - Financial Information
Item 1 - Financial Statements

J. W. MAYS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	October 31 2010	July 31 2010
	(Unaudited)	(Audited)
Property and Equipment - Net (Notes 4, 7 and 8)	\$44,339,512	\$44,540,571
Current Assets:		
Cash and cash equivalents (Note 6)	2,767,160	1,551,630
Marketable securities (Notes 5 and 6)	597,858	351,267
Receivables (Note 6)	289,538	249,968
Income taxes refundable	81,250	256,198
Deferred income taxes	279,000	285,000
Prepaid expenses	744,105	1,236,551
Security deposits	318,605	333,590
Total current assets	5,077,516	4,264,204
Other Assets:		
Deferred charges	3,918,915	3,433,658
Less accumulated amortization	1,926,587	1,842,480
Net	1,992,328	1,591,178
Receivables (Note 6)	120,000	150,000
Security deposits	875,030	862,911
Unbilled receivables (Note 10)	1,822,508	1,925,781
Marketable securities (Notes 5 and 6)	1,701,406	1,910,407
Total other assets	6,511,272	6,440,277
TOTAL ASSETS	\$55,928,300	\$55,245,052
LIABILITIES AND SHAREHOLDERS' EQUITY		
Long-Term Debt:		
Mortgages and term loan payable (Note 7)	\$6,929,295	\$9,096,527
Note payable - related party (Note 9)	1,000,000	-
Security deposits payable	568,855	556,736
Payroll and other accrued liabilities	185,093	-
Total long-term debt	8,683,243	9,653,263
Deferred Income Taxes	1,794,000	1,804,000

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

Current Liabilities:		
Accounts payable	163,038	95,049
Payroll and other accrued liabilities	1,484,535	1,159,881
Other taxes payable	5,616	2,695
Current portion of long-term debt (Notes 7 and 9)	2,429,787	1,365,606
Current portion of security deposits payable	331,605	346,590
	-----	-----
Total current liabilities	4,414,581	2,969,821
	-----	-----
TOTAL LIABILITIES	14,891,824	14,427,084
	-----	-----
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 \$43,000 at October 31, 2010 and \$21,000 at July 31, 2010	85,270	41,717
Retained earnings	36,714,516	36,539,561
	-----	-----
	42,324,328	42,105,820
Less common stock held in treasury, at cost - 162,517 shares at October 31, 2010 and at July 31, 2010 (Note 13)	1,287,852	1,287,852
	-----	-----
Total shareholders' equity	41,036,476	40,817,968
	-----	-----
Contingencies (Note 14)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$55,928,300	\$55,245,052
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

-3-

J. W. MAYS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

	Three Months Ended	
	October 31	
	2010	2009
	-----	-----
	(Unaudited)	(Unaudited)
Revenues		
Rental income (Notes 4, 6 and 10)	\$3,608,290	3,639,001
Recovery of real estate taxes	-	114,251
	-----	-----
Total revenues	3,608,290	3,753,252
	-----	-----
Expenses		

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

Real estate operating expenses (Note 4)	1,863,977	1,860,937
Administrative and general expenses	874,173	872,018
Depreciation and amortization (Note 4)	391,195	374,929
	-----	-----
Total expenses	3,129,345	3,107,884
	-----	-----
Income from continuing operations before investment income, interest expense and income taxes	478,945	645,368
	-----	-----
Investment income and interest expense:		
Investment income (Note 5)	22,866	25,120
Interest expense (Notes 7, 9, and 12)	(177,856)	(165,654)
	-----	-----
	(154,990)	(140,534)
	-----	-----
Income from continuing operations before income taxes	323,955	504,834
Income taxes provided	149,000	176,000
	-----	-----
Net income from continuing operations	174,955	328,834
Discontinued operations (Note 4)		
(Loss) from discontinued operations - net of taxes	-	(30,380)
	-----	-----
Net income	174,955	298,454
	-----	-----
Retained earnings, beginning of period	36,539,561	36,107,353
	-----	-----
Retained earnings, end of period	\$36,714,516	36,405,807
	=====	=====
Income per common share (Note 2):		
Income from continuing operations	\$.09	\$.16
(Loss) from discontinued operations	-	(.01)
	-----	-----
Net income	\$.09	\$.15
	=====	=====
Dividends per share	\$-	\$-
	=====	=====
Average common shares outstanding	2,015,780	2,015,780
	-----	-----

See Notes to Condensed Consolidated Financial Statements.

-4-

J. W. MAYS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended October 31	
	2010	2009
	(Unaudited)	(Unaudited)
Net Income	\$174,955	\$298,454
	-----	-----

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

Other comprehensive income, net of taxes (Note 3)

Unrealized gain on available-for-sale securities, net of taxes of \$22,000 and \$25,000 for the three months ended October 31, 2010 and 2009, respect	43,553	49,439
	-----	-----
Net change in comprehensive income	43,553	49,439
	-----	-----
Comprehensive income	\$218,508	\$347,893
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

-5-

J. W. MAYS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended October 31	
	2010	2009
	-----	-----
	(Unaudited)	(Unaudited)
Cash Flows From Operating Activities:		
Net income from continuing operations	\$174,955	\$328,834
(Loss) from discontinued operations - net of taxes	-	(30,380)
	-----	-----
Net income	174,955	298,454
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization from continuing operations	391,195	374,929
Depreciation and amortization from discontinued operations	-	39,600
Amortization of deferred charges	84,107	93,526
Other assets - deferred charges	(485,257)	(50,198)
- unbilled receivables	103,273	144,286
Deferred income taxes	(26,000)	1,000
Changes in:		
Receivables	(9,570)	46,035
Real estate taxes refundable	-	(173,904)
Income taxes refundable	174,948	-
Prepaid expenses	492,446	1,047,376
Accounts payable	67,989	4,078
Payroll and other accrued liabilities	509,747	(257,247)
Income taxes payable	-	(154,621)
Other taxes payable	2,921	2,762
	-----	-----
Cash provided by operating activities	1,480,754	1,416,076
	-----	-----
Cash Flows From Investing Activities:		
Capital expenditures	(190,136)	(228,257)

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

Security deposits	2,866	80,757
Marketable Securities:		
Receipts from sales or maturities	28,542	-
Payments for purchases	(579)	(225,582)
	-----	-----
Cash (used) by investing activities	(159,307)	(373,082)
	-----	-----
Cash Flows From Financing Activities:		
(Decrease) - security deposits	(2,866)	(71,757)
Borrowings - mortgage and other debt	-	850,000
Mortgage and other debt payments	(103,051)	(245,170)
	-----	-----
Cash provided (used) by financing activities	(105,917)	533,073
	-----	-----
Increase in cash and cash equivalents	1,215,530	1,576,067
Cash and cash equivalents at beginning of period	1,551,630	653,719
	-----	-----
Cash and cash equivalents at end of period	\$2,767,160	\$2,229,786
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

-6-

J. W. MAYS, INC.
NOTES TO CONDENSED 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 and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. The estimates that we make include allowance for doubtful accounts, depreciation and amortization, income tax assets and liabilities, fair value of marketable securities and revenue recognition. Estimates are based on historical experience where applicable or other assumptions that management believes are reasonable under the circumstances. Due to the inherent uncertainty involved in making estimates, actual results may differ from those estimates under different assumptions or conditions.

The interim financial statements are prepared pursuant to the requirements for reporting on Form 10-Q. The July 31, 2010 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, 2010. 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, 2011.

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

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 three months ended October 31, 2010 and October 31, 2009.

3. Comprehensive Income:

FASB ASC 220-10 (formerly known as 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.

-7-

4. Discontinued Operations:

The Company's lease with its landlords at the Jowein building in Brooklyn, New York expired on April 30, 2010. The Company returned the premises in "as is" condition and the Company will have no obligation to correct, cure or take any action relating to repairing such premises other than the cure of certain existing violations.

As part of the settlement the Company paid to the landlords' successor ("490 Owner") \$1,000,000. The Company also transferred to 490 Owner title to 484 Fulton Street, Brooklyn, New York (with an appraised value of \$4,490,000) subject to the existing tenancy and 490 Owner has caused title to 14 Hanover Place, Brooklyn, New York (with an appraised value of \$900,000) to be transferred to the Company. The appraised values of the two buildings were based upon a review of "comparables" (other properties which are believed by the appraisers to be similar to the properties subject to the appraisals). The appraised values of the two properties were not derived from a negotiation between the parties as to the actual purchase and sale prices for such properties since no such negotiation took place. Nor were such appraised values derived using other valuation methods, such as the net present value from cash flows. Accordingly, these appraised values are merely estimated values of the properties. The exchange was accounted for under ASC Topic 805 "Exchanges of Nonmonetary Assets."

The Condensed Consolidated Statements of Income and Retained Earnings have been reclassified to show discontinued operations as a line item. The Components are as follows:

	Three Months Ended October 31	
	2010	2009
	(Unaudited)	(Unaudited)
Revenues		
Rental income	\$-	\$472,382

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

Expenses		
Real estate operating expenses	-	479,162
Depreciation and amortization	-	39,600
	-----	-----
Total	-	518,762
	-----	-----
(Loss) from operations	-	(46,380)
Income tax (benefit)	-	(16,000)
	-----	-----
Net (loss) from discontinued operations - net of taxes	\$-	\$(30,380)
	-----	-----

-8-

5. 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 measurements using quoted prices in active markets for identical assets or liabilities (which is considered a Level 1 valuation) 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. Realized gains and losses are determined on a specific identification basis. The Company reviews marketable securities for impairment whenever circumstances and situations change such that there is an indication that the carrying amounts may not be recovered. The Company did not classify any securities as trading during the three months ended October 31, 2010 and October 31, 2009. The implementation of ASC 810-10 (formerly FASB 157), Fair Value Measurements, had no impact on the presentation of marketable securities in the Company's financial statements. The Company does not have any assets valued using Level 2 or 3 valuation methods. During 2009, the Company adopted ASC 320-10-65, Transition Related to FSB FAS 115-2 and FAS 124-2, Recognition and Presentation of Other-Than-Temporary Impairment ("ASC 320-10-65"). The implementation of ASC 320-10-65 did not have an impact on the Company's financial statements.

In accordance with the provisions of Fair Value Measurements, the following are the entity's financial assets presented at fair value at October 31, 2010.

Fair value measurements at reporting date using

Description	October 31 2010	Quoted prices in active markets for identical assets/ liabilities	Significant other observable inputs	Significant unobservable inputs	July 31 2010	Quoted in ac market ident asse liabil
		(Level 1)	(Level 2)	(Level 3)		(Lev
		-----	-----	-----	-----	-----

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

Assets:

Marketable securities -						
available for sale	\$1,314,808	\$1,314,808	\$-	\$-	\$1,248,707	\$1,248,707
held-to-maturity	951,973	951,973	-	-	979,218	979,218
	-----	-----	-----	-----	-----	-----
	\$2,266,781	\$2,266,781	\$-	\$-	\$2,227,925	\$2,227,925
	=====	=====	=====	=====	=====	=====

-9-

As of October 31, 2010, the Company's marketable securities were classified as follows:

	October 31, 2010				
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost
Current:					
Held-to-maturity:					
Certificate of deposit	\$50,064	\$-	\$-	\$50,064	\$50,032
Corporate debt securities	547,794	4,381	-	552,175	301,235
	-----	-----	-----	-----	-----
	\$597,858	\$4,381	\$-	\$602,239	\$351,267
	=====	=====	=====	=====	=====
Noncurrent:					
Available-for-sale:					
Mutual funds	\$676,286	\$46,162	\$-	\$722,448	\$675,739
Equity securities	510,252	85,708	3,600	592,360	510,252
	-----	-----	-----	-----	-----
	\$1,186,538	\$131,870	\$3,600	\$1,314,808	\$1,185,991
	=====	=====	=====	=====	=====
Held-to-maturity:					
Corporate debt securities	\$386,598	\$13,200	\$-	\$399,798	\$661,700
	=====	=====	=====	=====	=====

The Company's debt and equity securities, gross unrealized losses and fair value, aggregated by length of time that the investment securities have been in a continuous unrealized loss position, are as follows. All of our investments in corporate debt securities mature in the 1-5 year time

	Fair Value	More Than 12 Months
Equity securities	\$96,400	\$3,600
	=====	=====

Investment income consists of the following:

Three Months Ended

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

	October 31	
	2010	2009
Interest income	\$13,364	\$4,189
Dividend income	9,502	20,931
Total	\$22,866	\$25,120

-10-

6. 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 and cash and cash equivalents are placed with multiple financial institutions and instruments to minimize risk. No assurance can be made that such financial institutions and instruments will minimize all such risk.

The Company derives rental income from fifty-five tenants, of which one tenant accounted for 18.46% and another tenant accounted for 16.76% of rental income during the three months ended October 31, 2010. No other tenant accounted for more than 10% of rental income during the same period.

The Company has two irrevocable Letters of Credit totaling \$297,500 at October 31, 2010 and July 31, 2010, provided by two tenants.

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

			October 31, 2010		
	Current Annual Interest Rate	Final Payment Date	Due Within One Year	Due After One Year	
Mortgages:					
Jamaica, New York property	(a)	6%	4/01/12	\$70,897	\$1,067,418
Jamaica, New York property	(b)	6.81%	10/01/11	2,218,564	-
Fishkill, New York property	(c,d)	6.98%	2/18/15	39,824	1,663,601
Bond St. building, Brooklyn, NY	(d)	6.98%	2/18/15	100,502	4,198,276
Jowein building, Brooklyn, NY	(e)	Variable	8/01/10	-	-
Total				\$2,429,787	\$6,929,295

(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

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

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. The interest rate for the extended period is 6.81% per annum. The outstanding balance of the loan totaling \$2,077,680 will become due and payable October, 2011.

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.

-11-

- (c) On August 19, 2004, the Company extended the then existing 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 9(d) 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%.
- (d) 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 potential future tenant leases at the Company's Brooklyn, New York (Bond Street building) and Fishkill, New York properties through February 2008. The loan also financed \$850,000 towards the construction of two new elevators at the Company's Brooklyn, New York property (Bond Street building). The loan consists of: a) a permanent, first mortgage loan to refinance an existing first mortgage loan affecting the Fishkill Property, which matured on July 1, 2004 (the "First Permanent Loan") (see Note 9(c)), b) a permanent subordinate mortgage loan in the amount of \$1,870,000 (the "Second Permanent Loan"), and c) multiple, successively subordinate loans in the amount \$8,295,274 ("Subordinate Building Loans"). 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 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 was for the new elevators at the Company's Bond Street building in Brooklyn, New York in the amount of \$850,000 referred to above. The \$850,000 was drawn down in fiscal 2010.
- (e) The Company, on July 22, 2005, closed a loan with a bank for \$1,200,000. The loan was 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 Jowain building in Brooklyn, New York.

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

The loan was secured by the assignment of lease of 15,000 square feet. The loan was for a period of five (5) years and was self-amortizing, at a floating interest rate of prime plus 1.00% per annum. The loan was paid in full as of August 1, 2010.

-12-

8. Property and Equipment - at cost:

	October 31 2010	July 31 2010
	-----	-----
Property:		
Buildings and improvements	\$65,490,480	\$65,404,942
Improvements to leased property	3,445,698	3,445,698
Land	6,067,805	6,067,805
Construction in progress	104,598	-
	-----	-----
	75,108,581	74,918,445
Less accumulated depreciation	30,922,639	30,544,645
	-----	-----
Property - net	44,185,942	44,373,800
	-----	-----
Fixtures and equipment and other:		
Fixtures and equipment	533,341	533,341
Other fixed assets	245,387	245,387
	-----	-----
	778,728	778,728
Less accumulated depreciation	625,158	611,957
	-----	-----
Fixtures and equipment and other - net	153,570	166,771
	-----	-----
Property and equipment - net	\$44,339,512	\$44,540,571
	=====	=====

9. Note Payable:

On December 15, 2004, the Company borrowed \$1,000,000 from a former 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 and was extended for an additional three (3) years maturing on December 15, 2010, 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 through December 15, 2010. The Company, on November 11, 2010, further extended the note for an additional three (3) years maturing on December 15, 2013, at an interest rate of 5.00% per annum. The constant quarterly payment of interest will be \$12,500.

10. 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.

11. Employees' Retirement Plan:

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

The Company contributes to a union sponsored multi-employer pension plan covering its union employees. The Company contributions to the Pension Plan for the three months ended October 31, 2010 and 2009, respectively, were \$6,472 and \$4,649. The Company also contributes to union sponsored health benefit plans.

The Company sponsors a noncontributory Money Purchase Plan covering substantially all of its non-union employees. Operations were charged \$82,518 and \$78,911 as contributions to the Plan for the three months ended October 31, 2010 and 2009, respectively.

-13-

12. 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 (3) months or less, which are readily convertible into cash.

Supplemental disclosure:

	Three Months Ended October 31	
	2010	2009
Interest paid, net of capitalized interest of \$3,598 (2010) and \$569 (2009)	\$178,403	\$164,696
Income taxes paid	\$53	\$295,975

13. 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 October 31, 2010 and at July 31, 2010.

14. 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 Condensed Consolidated Financial Statements.

In response to a termination notice that the Company received concerning its tenancy in a portion of the Jowain 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 sought a judgment declaring that the landlords' termination notice was improperly issued and that the Company was not required to correct or cure the purported defaults cited in the termination notice. In addition, the Company sought 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.

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

The lawsuit that was brought by the Company against its prior landlords concerning the Company's tenancy in a portion of the Jowein building at 490 Fulton Street, Brooklyn, New York ("490 Fulton") has been dismissed pursuant to a stipulation of discontinuance filed on June 1, 2010. The dismissal of the lawsuit is with prejudice and includes all claims and counterclaims relating to the Company's tenancy and the lawsuit.

In connection with the settlement, the Company has paid to the landlords' successor ("490 Owner") \$1,000,000. In return, 490 Owner has provided to the Company general releases of past, present and future claims relating to the lease of 490 Fulton from former landlords Snyder Fulton Street, LLC and Fulton Interest, LLC and successor landlord 490 Owner.

The Company has transferred to 490 Owner title to 484 Fulton Street, Brooklyn, New York (with an appraised value of \$4,490,000) subject to the existing tenancy and 490 Owner has caused title to 14 Hanover Place, Brooklyn, New York (with an appraised value of \$900,000) to be transferred to the Company. The appraised values of the two buildings were merely based upon a review of "comparables" (other properties which are believed by the appraisers to be similar to the properties subject to the appraisals). The appraised values of the two properties were not derived from a negotiation between the parties as to the actual purchase and sale prices for such properties since no such negotiation took place. Nor were such appraised values derived using other valuation methods, such as the net present value from cash flows. Accordingly, these appraised values are merely estimated values of the properties.

-14-

The Company has entered into a 49-year lease with a designee of 490 Owner for approximately 20,000 square feet in the basement, first and second floors of 25 Elm Place, Brooklyn, New York at an annual rental of \$100,000, with 10% rent escalations every five years.

The Company surrendered to 490 Owner possession of 490 Fulton as of May 1, 2010 in "as is" condition and the Company has no obligation to correct, cure or take any action relating to repairing such premises other than the cure of certain existing violations as documented in the settlement agreement. The Company retains rights to access and maintain certain offices, equipment and systems in the alleyway between 490 Fulton and 25 Elm Place.

490 Owner will indemnify and hold the Company harmless from all claims by its affiliates and the landlord concerning the Company's obligations under its lease at 14 Hanover Place.

The Company is required to remove the foot bridge over Bond Street in Brooklyn, New York by June 2012. The estimated cost has not yet been determined.

If the Company sells, transfers, disposes of or demolishes 25 Elm Place, Brooklyn, New York, then the Company may be liable to create a condominium unit for the loading dock. The necessity of creating the condominium unit and the cost of such condominium unit cannot be determined at this time.

The Company has a commitment to do construction work in connection with a new lease agreement for 18,218 square feet at the Company's Nine Bond Street Brooklyn, New York building. The costs related to the construction work are estimated at \$1,500,000.

Item 2.

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

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

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our financial statements and related notes thereto contained in this report. In this discussion, the words "Company", "we", "our" and "us" refer to J.W. Mays, Inc. and subsidiaries.

Forward Looking Statements

The following can be interpreted as including forward-looking statements under the Private Securities Litigation Reform Act of 1995. The words "outlook", "intend", "plans", "efforts", "anticipates", "believes", "expects" or words of similar import typically identify such statements. Various important factors that could cause actual results to differ materially from those expressed in the forward-looking statements are identified under the heading "Cautionary Statement Regarding Forward-Looking Statements" below. Our actual results may vary significantly from the results contemplated by these forward-looking statements based on a number of factors including, but not limited to, availability of labor, marketing success, competitive conditions and the change in economic conditions of the various markets we serve.

Critical Accounting Policies and Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities. We believe the critical accounting policies in Note 1 to the Condensed Consolidated Financial Statements affect our more significant judgments and estimates used in the preparation of our financial statements. Actual results may differ from these estimates under different assumptions and conditions. (See Note 1 on page 7 to the Condensed Consolidated Financial Statements herein and Note 1 on pages 8 and 9 to the Consolidated Financial Statements in the Annual Report to Shareholders for the fiscal year ended July 31, 2010).

-15-

Results of Operations:

Three Months Ended October 31, 2010 Compared to the Three Months Ended October 31, 2009:

In the three months ended October 31, 2010, the Company reported net income of \$174,955, or \$.09 per share. In the comparable three months ended October 31, 2009, the Company reported net income of \$298,454, or \$.15 per share.

In the three months ended October 31, 2010, the Company reported net income from continuing operations of \$174,955, or \$.09 per share. In the comparable three months ended October 31, 2009, the Company reported net income from continuing operations of \$328,834, or \$.16 per share.

In the three months ended October 31, 2009, the Company reported a net loss from discontinued operations of (\$30,380), or (\$.01) per share. In the comparable three months ended October 31, 2010, the Company did not have discontinued operations.

Revenues from continuing operations in the current three months decreased to \$3,608,290 from \$3,753,252 in the comparable 2009 three months. The decrease

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

in revenues was primarily due to a real estate tax refund in the 2009 year (see below).

There was a recovery of real estate taxes, net of legal expenses in the 2009 three months in the amount of \$114,251. The comparable 2010 three months did not have a recovery of real estate taxes.

Real estate operating expenses from continuing operations in the current three months increased slightly to \$1,863,977 from \$1,860,937 in the comparable 2009 three months primarily due to an increase in maintenance expense, partially offset by decreases in real estate taxes, insurance costs and rental expense.

Administrative and general expenses from continuing operations in the current three months increased slightly to \$874,173 from \$872,018 in the comparable 2009 three months primarily due to increases in payroll costs and legal and professional costs partially offset by decreases in insurance costs.

Depreciation and amortization expense from continuing operations in the current three months increased to \$391,195 from \$374,929 in the comparable 2009 three months. The increase was due to improvements on the Nine Bond Street building in Brooklyn, New York.

Interest expense in the current three months exceeded investment income by \$154,990 and by \$140,534 in the comparable 2009 three months. The increase in the excess of interest expense over investment income was due primarily to additional interest expense on the additional elevator loan, offset by 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 \$2,767,160 at October 31, 2010.

In September 2009, the Company entered into a lease agreement with a drive-in restaurant at the Company's Massapequa premises. The drive-in 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 late 2011. This will replace the tenant that vacated the premises in April 2009. The rental income from this lease agreement will more than offset the rental income lost from the previous tenant.

In October, 2010, the Company entered into a lease agreement with a tenant for 18,218 square feet for office space at the Company's Nine Bond Street,

-16-

Brooklyn, New York building. The cost of construction and brokerage commissions to the Company will be approximately \$2,000,000. The Company plans to finance these costs through operating funds. Rent is anticipated to commence in late 2011.

Cash Flows From Operating Activities:

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

Deferred Charges: The Company had expenditures for brokerage commissions in the three months ended October 31, 2010 in the amount of \$475,140, relating to a tenant at its Brooklyn, New York property.

Payroll and Other Accrued Liabilities: The Company incurred \$475,140 for brokerage commissions in order to lease space at the Company's property in Brooklyn, New York in the three months ended October 31, 2010.

Cash Flows From Investing Activities:

The Company had expenditures of \$101,000 in the three months ended October 31, 2010 for the renovation of 18,218 square feet for office space for a tenant at the Company's Nine Bond Street Brooklyn, New York building. The cost of the project is estimated to be \$1,500,000 and is anticipated to be completed in May 2011.

Cautionary Statement Regarding Forward-Looking Statements:

This section, Management's Discussion and Analysis of Financial Condition and Results of Operations, other sections of this Report on Form 10-Q and other reports and verbal statements made by our representatives from time to time may contain forward-looking statements that are based on our assumptions, expectations and projections about us and the securities industry. These include statements regarding our expectations about revenues, our liquidity, our expenses and our continued growth, among others. Such forward-looking statements by their nature involve a degree of risk and uncertainty. We caution that a variety of factors, including but not limited to the factors listed below, could cause business conditions and our results to differ materially from what is contained in forward-looking statements:

- changes in the rate of economic growth in the United States;
- the ability to obtain credit from financial institutions and at what costs;
- changes in the financial condition of our customers;
- changes in regulatory environment;
- lease cancellations;
- changes in our estimates of costs;
- war and/or terrorist attacks on facilities where services are or may be provided;
- outcomes of pending and future litigation;
- increasing competition by other companies;
- compliance with our loan covenants;
- recoverability of claims against our customers and others by us and claims by third parties against us; and
- changes in estimates used in our critical accounting policies.

Other factors and assumptions not identified above were also involved in the formation of these forward-looking statements and the failure of such other assumptions to be realized, as well as other factors, may also cause actual results to differ materially from those projected. Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the areas of risk described above in connection with any forward-looking statements that may be made by us.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to review any additional disclosures we make in proxy statements, Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K and Current Reports on Form 8-K filed with the Securities and Exchange Commission.

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

Item 3. Quantitative and Qualitative Disclosures About Market Risks:

The Company uses fixed-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 October 31, 2010, the Company had fixed-rate debt of \$10,359,082.

Item 4. Controls and Procedures:

The Company's management reviewed the Company's internal controls and procedures and the effectiveness of these controls. As of October 31, 2010, 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.

-18-

Part II - Other Information

Item 1A. Risk Factors

There have been no changes to our risk factors from those disclosed in our Annual Report on Form 10-K for our fiscal year ended July 31, 2010.

Item 6. Exhibits and Reports on Form 8-K

(a) List of Exhibits:

Exhibit Number -----	Exhibit -----	Sequentially Numbered Page -----
(3)	Articles of Incorporation and Bylaws.	N/A
(10)	Material contracts.	N/A
(11)	Statement re computation of per share earnings	N/A
(12)	Statement re computation of ratios	N/A
(14)	Code of ethics	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
(31)	Additional exhibits - Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	
	(31.1) Chief Executive Officer	21
	(31.2) Chief Financial Officer	22
(32)	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.	23

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

(b) Reports on Form 8-K - Two reports on Form 8-K was filed by the registrant during the three months ended October 31, 2010.

Items reported:

The Company reported the departure of a director. Date of report filed - October 1, 2010.

The Company reported its financial results for the three and twelve months ended July 31, 2010.

Date of report filed - October 7, 2010.

-19-

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 December 8, 2010

Lloyd J. Shulman

Lloyd J. Shulman
President
Chief Executive Officer

Date December 8, 2010

Mark S. Greenblatt

Mark S. Greenblatt
Vice President
Chief Financial Officer

-20-

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

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

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its Consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

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: December 8, 2010

/s/ Lloyd J. Shulman

Lloyd J. Shulman
President
Chief Executive Officer

-21-

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.;

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

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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: December 8, 2010

/s/ Mark S. Greenblatt

Mark S. Greenblatt
Vice President

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

Chief Financial Officer

-22-

EXHIBIT 32

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

In connection with the Quarterly Report of J. W. Mays, Inc. (the "Company") on Form 10-Q for the period ending October 31, 2010 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.

December 8, 2010

/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.

-23-