BLUE RIDGE REAL ESTATE COMPANY
AND SUBSIDIARIES

5 Blue Ridge Court
P O Box 707
Blakeslee, PA 18610

2020

THIRD QUARTER REPORT

As of July 31, 2020 (Unaudited) and October 31, 2019 (Audited)
and for the Three and Nine Months Ended July 31, 2020 and 2019 (Unaudited)

The accompanying unaudited interim financial statements have been prepared by the Company's management. Independent auditors have performed a review of these financial statements.

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

BLUE RIDGE REAL ESTATE COMPANY AND SUBSIDIARIES

a Pennsylvania Corporation

5 Blue Ridge Court
P O Box 707
Blakeslee, PA 18610

Telephone: 570-443-8433
Website: www.brreco.com
Email: info@brreco.com
SIC code: 6500

Quarterly Report
For the Period Ending: July 31, 2020
(the "Reporting Period")

As of July 31, 2020, the number of shares outstanding of our Common Stock was:

2,427,368

As of October 31, 2019, the number of shares outstanding of our Common Stock was:

2,427,368

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: ☐ No: ☒

1) Name of the issuer and its predecessors (if any)

The name of the issuer is Blue Ridge Real Estate Company ("Blue Ridge", the "Company", "we", "our," or "us").

Blue Ridge Real Estate Company was incorporated in Pennsylvania on August 8, 1911.

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

2) Security Information

Trading Symbol:	BRRE
Exact title and class of securities outstanding:	Common Stock
CUSIP:	096005301
Par or Stated Value:	$0.30 per share
Total shares authorized:	6,000,000 as of July 31, 2020
Total shares outstanding:	2,427,368 as of July 31, 2020
Number of shares in the Public Float:	1,002,215 as of July 31, 2020
Total number of shareholders of record:	129 as of July 31, 2020

Transfer Agent

Mailing Address:
American Stock Transfer & Trust Company, LLC
Operations Center
6201 15th Avenue
Brooklyn, NY 11219

Shareholder Services: 888-509-4619
Website: www.astfinancial.com
Email: help@astfinancial.com
Fax: (718) 236-2641

Is the Transfer Agent registered under the Exchange Act? Yes: ☒ No: ☐

List any restrictions on the transfer of security: None.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors: None.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months: None.

3) Issuance History

The Company has not issued any shares of the Company's common stock in exchange for services during the past two completed fiscal years or any subsequent interim period.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent period: ☐

Number of Shares outstanding as of November 1, 2017 Opening Balance: Common:2,443,600 Preferred: 0									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued ($/per share) at issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual / Entity Shares were issued to (entities must have individual with voting/investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided if applicable	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
4/19/2018	Cancellation	112	Common						
7/2/2019	Cancellation	120	Common						
7/12/2019	Cancellation	16,000	Common						
	Shares Outstanding on July 31, 2020: Ending Balance Common: 2,427,368 Preferred: 0								

During the fiscal year ended October 31, 2018, the Company repurchased 112 shares of its common stock. During the fiscal year ended October 31, 2019, the Company repurchased 16,120 shares of its common stock. Upon transfer, all shares were cancelled and returned to the status of authorized but unissued. No shares were repurchased during the nine months ended July 31, 2020.

B. Debt Securities, Including Promissory and Convertible Notes

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☒

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)

4) Financial Statements

A. The following financial statements were prepared in accordance with:

☒ U.S. GAAP

☐ IFRS

B. The financial statements for this reporting period were prepared by

Name: Cynthia A. Van Horn

Title: Chief Financial Officer and Treasurer

Relationship to Issuer: Principal Financial Officer

The following financial statements of the company are included in this Quarterly Report at the pages noted below:

5) Issuer's Business, Products and Services

Blue Ridge Real Estate Company, or Blue Ridge, was incorporated in Pennsylvania on August 8, 1911. Blue Ridge owns investment properties in Eastern Pennsylvania.

Blue Ridge's year end date is October 31st.

Blue Ridge's primary SIC code is 6500.

The accompanying financial statements include the accounts of Blue Ridge Real Estate Company and its wholly-owned subsidiaries (Northeast Land Company, Boulder Creek Resort Company, Moseywood Construction Company, Jack Frost National Golf Course, Inc., Flower Fields Motel, LLC, Blue Ridge WNJ, LLC, Blue Ridge WMN, LLC and Lake Mountain, LLC) (collectively "Blue Ridge").

Blue Ridge and its wholly-owned subsidiaries, operate through three business segments which consist of Resort Operations, Real Estate Management/Rental Operations and Land Resource Management. Our business segments were determined from our internal organization and management reporting, which are based primarily on differences in services we provide.

Additional information regarding the business of Blue Ridge's wholly-owned subsidiaries can be found under Item 6) Issuer's Facilities and in the Notes to the Financial Statements.

Resort Operations (SIC Code 6512)

Resort Operations consists of: amenities surrounding Big Boulder Lake – Boulder View Tavern and Boulder Lake Club; the Jack Frost National Golf Course; and The Stretch fishing club.

Real Estate Management/Rental Operations (SIC Code 6519)

Real Estate Management/Rental Operations consists of: investment properties leased to others; services to the trusts that operate resort residential communities; and rental of communication towers and signboards.

Land Resource Management (SIC Code 6552)

Land Resource Management consists of: land sales; land purchases; timbering operations; a real estate development division; and leasing of land and land improvements. Timbering operations consist of selective timbering on our land holdings. Contracts are entered into for parcels that have had the timber selectively marked. The real estate development division is responsible for the residential land development activities which include overseeing the construction of single and multi-family homes and development of infrastructure.

6) Issuer's Facilities

At July 31, 2020, the properties of Blue Ridge and its subsidiaries consisted of 9,689 total acres of land owned by Blue Ridge, Northeast Land Company and Flower Fields Motel, LLC located in the Pocono Mountains of Eastern Pennsylvania. Of this acreage, 7,972 acres were held for investment, 1,433 acres were held for development and 284 acres were held for sale. Income is derived from these lands through leases, selective timbering by third parties, sales and other dispositions.

These properties included the Jack Frost National Golf Course, Boulder View Tavern, Boulder Lake Club, a commercial property comprised of 3 acres of vacant land, one single family home held for investment, two sewage treatment facilities, a members-only fly-fishing club, a corporate headquarters building and other miscellaneous facilities.

The majority of the Company's property located in the Pocono Mountains is leased to various hunting clubs.

Blue Ridge owns and leases to its wholly-owned subsidiary, Jack Frost National Golf Course, Inc., an 18-hole golf facility known as Jack Frost National Golf Club, which is located on 203 acres near White Haven, Carbon

County, Pennsylvania. The golf course is managed by Billy Casper Golf, LLC, an unaffiliated third-party operator.

Blue Ridge owns the Boulder View Tavern, which consists of 8,800 square feet and is located on the eastern shore of Big Boulder Lake, Kidder Township, Carbon County, Pennsylvania. Lake Mountain, LLC, a wholly owned subsidiary of Blue Ridge Real Estate Company, leases and operates the facility. Effective August 1, 2018, the restaurant is managed by Boulder View Management, LLC, a subsidiary of Billy Casper Golf, LLC, an unaffiliated third-party operator. The restaurant has dining capacity for 200 patrons.

Blue Ridge owns the Boulder Lake Club located in Kidder Township, Carbon County, Pennsylvania, which includes the 175-acre Big Boulder Lake, swimming pool, tennis courts, boat docks and accompanying buildings. Lake Mountain, LLC, a wholly owned subsidiary of Blue Ridge Real Estate Company, leases and operates the facility.

Blue Ridge owns one single family home held for investment.

Blue Ridge owns a sewage treatment facility that serves the resort housing at the Jack Frost Mountain Ski Area. The facility has the capacity of treating up to 400,000 gallons of wastewater per day.

Blue Ridge owns a sewage treatment facility that serves the resort housing at the Big Boulder Ski Area. The facility has the capacity of treating 225,000 gallons of wastewater per day.

Blue Ridge owns The Stretch, an exclusive members-only fly-fishing club, located along a two-mile stretch of the Tunkhannock Creek in Blakeslee, Pennsylvania.

Blue Ridge owns its corporate headquarters building which is located at 5 Blue Ridge Court in Blakeslee, Pennsylvania.

Northeast Land Company owns 89 acres of vacant land located in the Pocono Mountains, of which 3 acres are held for investment and 86 acres of land are held for development.

Flower Fields Motel, LLC owns approximately 3 acres of vacant commercial property located along Route 611 in Tannersville, Pennsylvania. The property was the former location of a motel and two cottage buildings which were demolished during the summer of 2008.

Blue Ridge WNJ, LLC owned and leased to Walgreen Eastern Co., Inc., a retail store in Toms River, New Jersey. The property consisted of a free-standing Walgreens store, including 2 acres of land, with approximately 14,820 square feet of leasable space. On April 2, 2019, the property was sold.

Blue Ridge WMN, LLC owned and leased to Walgreen Co., Inc., a retail store located in White Bear Lake, Minnesota. The property consisted of a free-standing Walgreens store, including 2 acres of land, with approximately 14,820 square feet of leasable space. On March 11, 2019, the property was sold.

7) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons.

The following sets forth the names of each of the executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the Company's equity securities) of the Company as of the date of this information statement.

Name of Officer/Director or Control Person	**Affiliation with Company (e.g. Officer/Director/ Owner of more than 5%)**	**Residential Address (City/State Only)**	**Number of shares owned**	**Share type/class**	**Ownership Percentage of Class Outstanding**	**Note**
Bruce Beaty	Chairman of the Board, President and Chief Executive Officer	Blakeslee, PA	0		0%	
Paul A. Biddelman	Director	New York, NY	0		0%	
Raymond Edwards	Director	Jericho, NY	0		0%	
David Domb	Director	Jericho, NY	0		0%	
Cynthia A. Van Horn	Chief Financial Officer and Treasurer	Blakeslee, PA	0		0%	
KRSX Merge, LLC 500 North Broadway Suite 201 Jericho, NY 11753	Principal Stockholder	Jericho, NY	1,425,153	Common	58.7%	Conor C. Flynn, Director Glenn G. Cohen, Director Ross Cooper, Director 500 North Broadway, Suite 201, Jericho, NY 11753

8). Legal/Disciplinary History

A. During the past 10 years, none of the persons listed above have been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities. None

9) Third Party Providers

Securities Counsel
Joanne R. Soslow, Esquire
Morgan, Lewis & Bockius
1701 Market Street
Philadelphia, PA 19103-2921
(215) 963-5000

Accountant or Auditor
Kevin Foley, CPA
Kronick Kalada Berdy & Co.
190 Lathrop Street
Kingston, PA 18704
(570) 283-2727

Investor Relations Consultant
Not Applicable

Other Service Providers:
Not Applicable

10) Issuer Certification

Principal Executive Officer

I, Bruce Beaty certify that:

1. I have reviewed this quarterly disclosure statement of Blue Ridge Real Estate Company;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, consolidated statements of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: September 14, 2020

/s/ Bruce Beaty
Bruce Beaty
Chief Executive Officer and President

Principal Financial Officer

I, Cynthia A. Van Horn certify that:

1. I have reviewed this quarterly disclosure statement of Blue Ridge Real Estate Company;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, consolidated statements of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: September 14, 2020

/s/ Cynthia A. Van Horn
Cynthia A. Van Horn
Chief Financial Officer and Treasurer
(Principal Financial Officer)

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

BALANCE SHEETS

	(Unaudited)	
ASSETS	**7/31/2020**	10/31/2019
Land and land development costs (1,433 acres per land ledger)	**$6,905,937**	$6,867,101
Land improvements, buildings and equipment, net	**2,162,542**	2,292,937
Land held for investment, principally unimproved (7,972 acres per land ledger)	**1,572,278**	1,572,278
Long-lived assets held for sale (284 acres per land ledger)	**65,657**	65,657
Cash and cash equivalents	**3,630,661**	3,211,688
Equity securities	**1,276,106**	2,419,391
Cash held in escrow	**515**	515
Prepaid expenses and other assets	**382,119**	451,081
Deferred tax asset	**1,479,658**	1,682,186
Accounts receivable	**644,164**	24,978
Total assets	**$18,119,637**	$18,587,812
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Debt	**$586,552**	$61,918
Accounts payable	**313,138**	207,464
Accrued liabilities	**345,414**	596,371
Deferred income	**377,503**	103,584
Accrued pension expense	**1,923,041**	1,694,702
Total liabilities	**3,545,648**	2,664,039
SHAREHOLDERS' EQUITY:		
Capital stock, without par value, stated value $0.30 per share, Blue Ridge authorized 6,000,000 shares, issued and outstanding 2,427,368	**728,210**	728,210
Capital in excess of stated value	**18,148,430**	18,148,430
Earnings retained in the business	**(1,908,337)**	(558,553)
Accumulated other comprehensive loss	**(2,394,314)**	(2,394,314)
Total shareholders' equity	**14,573,989**	15,923,773
Total liabilities and shareholders’ equity	**$18,119,637**	$18,587,812

See accompanying notes to unaudited financial statements.

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENTS OF OPERATIONS
for the three and nine months ended July 31, 2020 and 2019 (UNAUDITED)

	Three Months Ended		Nine Months Ended	
	7/31/2020	7/31/2019	**7/31/2020**	7/31/2019
Revenues:				
Resort operations revenue	**$1,611,202**	$1,620,384	**$2,465,024**	$2,648,283
Real estate management revenue	**160,164**	162,729	**475,276**	503,449
Land resource management revenue	**50,163**	42,097	**125,082**	124,327
Rental income revenue	**12,470**	15,382	**53,157**	51,401
Total revenues	**1,833,999**	1,840,592	**3,118,539**	3,327,460
Costs and expenses:				
Resort operations costs	**1,275,299**	1,327,284	**2,637,480**	2,762,193
Real estate management costs	**125,227**	158,746	**432,080**	480,474
Land resource management costs	**105,220**	105,115	**340,982**	346,297
Rental income costs	**14,818**	14,119	**45,404**	47,026
General and administration expense	**315,397**	314,293	**977,143**	1,029,196
Total costs and expenses	**1,835,961**	1,919,557	**4,433,089**	4,665,186
Operating loss from continuing operations before other income and (expense)	**(1,962)**	(78,965)	**(1,314,550)**	(1,337,726)
Other income and (expense):				
Interest and other income	**0**	0	**3,186**	4,427
Interest expense	**(747)**	(1,064)	**(2,341)**	(3,275)
Interest and dividends on equity securities, net	**15,632**	62,944	**88,803**	151,889
Realized gain (loss) on equity securities	**(3,940)**	9,460	**(112,133)**	10,822
Unrealized gain (loss) on equity securities	**42,127**	0	**(92,001)**	0
Pension expense	**(93,249)**	(99,000)	**(279,748)**	(297,000)
Total other income and (expense)	**(40,177)**	(27,660)	**(394,234)**	(133,137)
Loss from continuing operations before income taxes	**(42,139)**	(106,625)	**(1,708,784)**	(1,470,863)
Benefit for income taxes on continuing operations	**(9,000)**	(23,000)	**(359,000)**	(745,000)
Loss before discontinued operations	**(33,139)**	(83,625)	**(1,349,784)**	(725,863)
Income from discontinued operations before income taxes (including $541,409 gain on disposal in fiscal 2019)	**0**	(716)	**0**	451,897
Provision for income taxes on discontinued operations	**0**	0	**0**	95,000
Income (loss) from discontinued operations	**0**	(716)	**0**	356,897
Net loss	**($33,139)**	($84,341)	**($1,349,784)**	($368,966)
Basic loss per weighted average share				
Loss before discontinued operations	**($0.01)**	($0.03)	**($0.55)**	($0.29)
Income from discontinued operations, net of tax	**$0.00**	$0.00	**$0.00**	$0.14
Total basic (loss) income per weighted average share	**($0.01)**	($0.03)	**($0.55)**	($0.15)

See accompanying notes to unaudited financial statements.

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE LOSS
for the nine months ended July 31, 2020 and 2019
(UNAUDITED)

	7/31/2020	7/31/2019
Net loss	**($1,349,784)**	($368,966)
Other comprehensive income (loss), net of tax		
Unrealized income (loss) on securities		
Unrealized holding gain arising during the period	**0**	189,799
Reclassification adjustment for net gains included in net income	**0**	(10,822)
Deferred tax provision	**0**	(57,710)
Other comprehensive gain	**0**	127,267
Total comprehensive loss	**($1,349,784)**	($241,699)

See accompanying notes to unaudited financial statements.

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
for the nine months ended July 31, 2020 and 2019
(UNAUDITED)

	Capital Stock (1)		Capital in Excess of	Earnings Retained in	Accumulated Other Comprehensive	
	Shares	Amount	Stated Value	the Business	Loss	Total
Balance, October 31, 2019, as previously reported	2,427,368	$728,210	$18,148,430	($678,819)	($2,274,048)	$15,923,773
Adoption of ASU No. 2016-01 as restated				120,266	(120,266)	0
Balance, October 31, 2019, restated	2,427,368	728,210	18,148,430	(558,553)	(2,394,314)	15,923,773
Net loss				(1,349,784)		(1,349,784)
Balance, July 31, 2020	**2,427,368**	**$728,210**	**$18,148,430**	**($1,908,377)**	**($2,394,314)**	**$14,573,989**

(1) Capital stock, at stated value of $0.30 per share

See the accompanying notes to unaudited financial statements.

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENTS OF CASH FLOWS
For the nine months ended July 31, 2020 and 2019
(UNAUDITED)

	7/31/2020	7/31/2019
Cash Flows from Operating Activities:		
Net loss	**($1,349,784)**	($368,966)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	**263,037**	328,960
Realized (gain) loss on equity securities	**112,133**	(10,822)
Unrealized loss on equity securities	**92,001**	0
Deferred income taxes	**(359,000)**	(650,000)
Changes in operating assets and liabilities:		
Accounts receivable	**(57,658)**	(4,454)
Prepaid expenses and other assets	**68,962**	147,063
Land and land development costs	**(38,836)**	(723)
Accounts payable and accrued liabilities	**83,056**	337,787
Deferred income	**273,919**	239,592
Net cash (used in) provided by operating activities	**(912,170)**	18,437
Cash Flows from Investing Activities:		
Purchases of equity securities	**2,528**	(130,408)
Proceeds from maturities and sales of equity securities	**936,623**	471,799
Proceeds from disposition of assets	**0**	3,186,321
Additions to properties	**(132,642)**	(166,811)
Net cash provided by investing activities	**806,509**	3,360,901
Cash Flows from Financing Activities:		
Proceeds from debt	**536,540**	0
Payment of debt	**(11,906)**	(126,636)
Purchase of common stock	**0**	(108,774)
Net cash provided by (used in) financing activities	**524,634**	(235,410)
Net increase in cash and cash equivalents	**418,973**	3,143,928
Cash and cash equivalents, beginning of period	**3,211,688**	2,569,341
Cash and cash equivalents, ending of period	**$3,630,661**	$5,713,269

See accompanying notes to unaudited financial statements.

NOTES TO UNAUDITED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited financial statements include the accounts of Blue Ridge Real Estate Company and its wholly-owned subsidiaries (Northeast Land Company, Boulder Creek Resort Company, Moseywood Construction Company, Jack Frost National Golf Course, Inc., Flower Fields Motel, LLC, Blue Ridge WNJ, LLC, Blue Ridge WMN, LLC and Lake Mountain, LLC) (collectively "Blue Ridge").

The balance sheet as of October 31, 2019, which has been derived from audited financial statements, and the financial statements as of and for the nine month periods ended July 31, 2020 and 2019, which are unaudited, are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. They do not include all information and footnotes required by GAAP for complete financial statements. Accordingly, these financial statements should be read in conjunction with the combined financial statements and notes thereto contained in the Company's 2019 Annual Report filed with OTC Markets on January 29, 2020. In the opinion of management, the accompanying financial statements reflect all adjustments (which are of a normal recurring nature) necessary for a fair statement of the results for the interim periods. All significant intercompany accounts and transactions are eliminated.

Due to intermittent revenues from land resource management, the results of operations for any interim period are not necessarily indicative of the results expected for the full fiscal year.

2. Significant Accounting Policies

Use of Estimates and Assumptions:

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. For example, unexpected changes in market conditions or a continued or further downturn in the economy could adversely affect actual results. Estimates are used in accounting for, among other things, land development costs, asset fair value calculations, accounts, equity securities and accounts and notes receivables, legal liability, insurance liability, depreciation, employee benefits, taxes, and contingencies. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period in which the revisions are determined.

Management believes that its accounting policies regarding revenue recognition, land development costs, long lived assets, deferred income and income taxes among others, affect its more significant judgments and estimates used in the preparation of its financial statements. For a description of these critical accounting policies and estimates, see "Management's Discussion and Analysis of Financial Condition and Results of Operations". There were no significant changes in the Company's critical accounting policies or estimates since the Company's fiscal year ended October 31, 2019 ("Fiscal 2019"). Material subsequent events are evaluated and disclosed through the issuance date of this Quarterly Report.

Statements of Cash Flows:

For purposes of reporting cash flows, the Company considers cash equivalents to be all highly liquid investments with maturities of three months or less when acquired.

Cash Concentration of Credit Risk:

Financial instruments which potentially subject the Company to concentration of credit risk consist principally of temporary cash investments. The Company's temporary cash investments are held by financial institutions. The Company has not experienced any losses related to these investments. At July 31, 2020, the Company had $345,010 working cash on deposit in excess of the FDIC insured limit of $250,000, and also had $2,637,918 invested in money market and mutual funds at July 31, 2020, which are not insured by the FDIC.

Cash Held in Escrow:

Cash held in escrow consists mainly of funds held in a real estate escrow account.

Equity Securities:

Equity securities held by the Company have readily determinable fair values and are reported at fair value. Realized gains and losses are determined by using the first-in first-out method (FIFO). Both realized and unrealized gains and losses on equity securities are reported in net income.

Equity securities consist of investments in preferred stocks (25 positions of financial services, insurance and real estate investment trusts) and two certificates of deposit at July 31, 2020. Equity securities consist of investments in preferred stocks (47 positions of financial services, insurance and real estate investment trusts) and two certificates of deposit at October 31, 2019. Investments in preferred stocks are stated at fair value. Investments in preferred stocks are not purchased with the intent of selling in the near term. However, from time to time, the Company may decide to sell certain securities for liquidity, tax planning and other business purposes. The cost of securities sold is determined by the specific identification method. Unrealized gains and losses on investments in preferred stocks are recorded monthly. Interest and dividends on equity securities are recognized as income when earned.

Discontinued operations:

A component of the Company is classified as a discontinued operation when (i) the operations and cash flows of the component of the Company can be clearly distinguished and have been or will be eliminated from our ongoing operations; (ii) the component has either been disposed of or is classified as held for sale; and (iii) we will not have any significant continuing involvement in the operations of the component of the Company after the disposal transactions. Significant judgements are involved in determining whether a component meets the criteria for discontinued operations reporting and the period in which these criteria are met.

If a component of the Company is reported as a discontinued operation, the results of operations through the date of the sale, including any gain or loss recognized on the disposition, are presented on a separate line of the Statement of Operations.

Reclassification:

Certain prior period amounts have been reclassified to conform to the Fiscal 2020 presentation. Such reclassifications primarily relate to the reclassification of periodic benefit costs, net from general and administrative expense to periodic benefit costs, net on the Statements of Operations as a result of the adoption of ASU 2017-07 and the restatement of earnings retained in the business and other comprehensive loss of the adoption of ASU 2016-01.

New Accounting Pronouncements:

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers” (“ASU 2014-09”), which provides guidance for revenue recognition. ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets and supersedes the revenue recognition requirements in Topic 605, “Revenue Recognition,” and most industry-specific guidance. ASU 2014-09 also supersedes some cost guidance included in Subtopic 605-35, “Revenue Recognition-Construction-Type and Production-Type Contracts.” The standard’s core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which a company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under the current guidance. These judgments and estimates include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each separate performance obligation. In August 2015, the FASB issued ASU 2015-14 “Revenue from Contracts with Customers” (“ASU 2015-14”), which delays the effective date of ASU 2014-09 by one year. ASU 2014-09, as amended by ASU 2015-14, ASU 2016-08 Revenue from Contracts with Customers (Topic 606): Principal Versus

Agent Consideration (Reporting Revenue Gross versus Net); ASU 2016-10 Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing; ASU 2016-12 Revenue from Contracts with Customers (Topic 606): Narrow Scope Improvements and Practical Expedients and ASU 2016-20 Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers were effective for us beginning November 1, 2019. ASU No. 2014-09 was adopted by us on November 1, 2019 and the adoption did not have a material effect on our financial statements and disclosures.

In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments – Recognition and Measurement of Financial Assets and Financial Liabilities", which requires equity investments to be measured at fair value with changes in fair value recognized in net income, requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset and eliminates the requirement to disclose the fair value of the financial instruments measured at amortized cost. ASU No. 2016-01 was effective for us beginning November 1, 2019. ASU No. 2016-01 was adopted by us on November 1, 2019 and the adoption did not have a material effect on our financial statements and disclosures.

In February 2016, the FASB issued ASU No. 2016-02, "Leases" ("ASU 2016-02"), which requires an entity to recognize assets and liabilities on the balance sheet for the rights and obligations created by leased assets and provide additional disclosures. FASB issued updates ASU 2018-10, Codification Improvements to Topic 842, Leases and ASU 2018-11, Leases (Topic 84): Targeted Improvements in relation to ASU 2016-02. In June 2020 ASU No. 2020-05 was released deferring the effective date of ASU 2016-02 for us until November 1, 2022 and at that time, we will adopt the new standard using a modified retrospective approach. We are currently evaluating the impact that the adoption of ASU 2016-02 may have on our financial statements and disclosures.

In March 2017, the FASB issued ASU 2017-7 Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, which requires that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations. ASU 2017-07 was effective for us beginning November 1, 2019. ASU 2017-07 was adopted by us on November 1, 2019 and the adoption did not have a material effect on our financial statements and disclosures.

In August 2018, the FASB issued ASU 2018-14, "Compensation-Retirement Benefits - Defined Benefit Plans-General (Subtopic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans" ("ASU 2018-14"). ASU 2018-14 modifies the disclosure requirements for employers that sponsor defined benefit pension or other post retirement plans. ASU 2018-14 is effective for us beginning November 1, 2021. We are currently evaluating the impact that the adoption of ASU 2018-14 may have on our financial statements and disclosures.

3. Discontinued Operations

On March 11, 2019, the Company sold the Minnesota Walgreens property. As a result, operating activity for the property is being reported as discontinued operations for the three and nine months ended July 31, 2019. The net operating results were previously reported in rental income of the Statements of Operations.

On April 2, 2019, the Company sold the New Jersey Walgreens property. As a result, operating activity for the property is being reported as discontinued operations for the three and nine months ended July 31, 2019. The net operating results were previously reported in rental income of the Statements of Operations.

The results of operations of the property classified as discontinued operations for the three and nine months ended July 31, 2019, are as follows:

STATEMENTS OF OPERATIONS	Three months ended 7/31/19	Nine months ended 7/31/19
Revenues:		
Walgreens, MN	$0	$140,484
Walgreens, NJ	0	152,258
Total Revenue	0	292,742
Expenses (excluding interest):		
Walgreens, MN	262	175,889
Walgreens, NJ	454	37,604
Total Expenses	716	213,493
Interest expense (calculated on debt related to the property):		
Walgreens, MN	0	81,216
Walgreens, NJ	0	87,545
Total Interest	0	168,761
Gain on Disposal		
Walgreens, MN	0	431,030
Walgreens, NJ	0	110,379
Total Gain on Disposal	0	541,409
Income from discontinued operations before income taxes	($716)	$451,897

4. Segment Reporting

The Company currently operates in three business segments, which consist of Resort Operations, Real Estate Management/Rental Operations and Land Resource Management.

5. Income Taxes

The benefit for income taxes for the nine months ended July 31, 2020 was estimated using the estimated annual effective tax rate for the fiscal year ending October 31, 2019.

The benefit for income taxes for the nine months ended July 31, 2019 was estimated using the estimated annual effective tax rate for the fiscal year ending October 31, 2018.

In March 2020 tax reform related to the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) allowed for the immediate refund of the AMT credit carryforward. As a result of this reform the Company reclassified $561,528 from deferred tax asset to accounts receivable.

The Company’s practice is to recognize interest and/or penalties related to income tax matters as income tax expense in its financial statements. As of and for the three and nine months ended July 31, 2020 and as of October 31, 2019, no interest and penalties have been accrued in the balance sheet and no expense is reflected in the statement of operations. At July 31, 2020, federal and state tax returns for years ending October 31, 2016 and later are subject to future examination by the respective tax authorities.

6. Land and Land Development Costs

Land and improvements in progress held for development consist of the following:

	7/31/2020	10/31/2019
Land unimproved designated for development	**$1,981,817**	$1,981,817
Residential development	**1,208,201**	1,208,201
Infrastructure development	**3,715,919**	3,677,083
Total Land and Land Development Costs	**$6,905,937**	$6,867,101

7. Land Held for Investment

	7/31/2020	10/31/2019
Land – Unimproved	**$1,427,492**	$1,427,492
Land – Commercial rental properties	**144,786**	144,786
Total land held for investment	**$1,572,278**	$1,572,278

8. Equity Securities

The cost and fair value of equity securities are as follows:

	July 31, 2020			
	Cost	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**
Available for sale:				
Preferred equity securities	**$983,427**	**$83,765**	**($8,086)**	**$1,059,106**
Certificates of deposit	**217,000**	**0**	**0**	**217,000**
Total equity securities	**$1,200,427**	**$83,765**	**($8,086)**	**$1,276,106**

The costs of the available for sale certificates of deposit at July 31, 2020 were $140,000 maturing within one year, and $77,000, maturing one year through five years. On March 8, 2020 a certificate in the amount of $140,000 matured and yielded interest of $3,098. The Company reinvested $140,000 in a certificate of deposit with Mauch Chunk Trust for a term of 12 months with a new maturity date of March 8, 2021. The preferred stocks include investments in 25 public companies in various industries with the largest investment, at market value, in a single company of $135,150. For the nine months ended July 31, 2020, there were realized gains of $3,096 and realized losses of $115,229 on the sale of equity securities.

	October 31, 2019			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available for sale:				
Preferred equity securities	$2,034,711	$167,680	$0	$2,202,391
Certificates of deposit	217,000	0	0	217,000
Total equity securities	$2,251,711	$167,680	$0	$2,419,391

The costs of the certificates of deposit at October 31, 2019 maturing within one year was $140,000, and maturing one year through five years was $77,000. On February 5, 2019, a certificate initially valued at $176,620 matured yielding interest of $4,402. $140,000 was reinvested in a certificate of deposit with a maturity date of March 8, 2020. The preferred stocks include investments in 47 public companies in various industries with the largest investment, at market value, in a single company of $150,950. For the twelve months ended October 31, 2019, there were realized gains of $13,178 and realized losses of $421 on sales of preferred stocks.

9. Pension Benefits

Components of Net Periodic Pension Cost:

	Three Months Ended		Nine Months Ended	
	7/31/2020	7/31/2019	**7/31/2020**	7/31/2019
Interest Cost	**$70,000**	$90,750	**$210,000**	$272,250
Expected return on plan assets	**(80,501)**	(52,250)	**(241,502)**	(156,750)
Net amortization and deferral:				
Amortization of accumulated loss	**103,750**	60,500	**311,250**	181,500
Net amortization and deferral	**103,750**	60,500	**311,250**	181,500
Total net periodic pension cost	**$93,249**	$99,000	**$279,748**	$297,000

On November 1, 2019 the Company adopted ASU 2017-7 Compensation-Retirement Benefits (topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. As a result, the Company reclassified net periodic benefit costs from general and administrative expense to the Other income and (expense) section, separate of operating income (loss). The Company expects to contribute a minimum of $313,327 to the pension plan in the fiscal year ending October 31, 2020 ("Fiscal 2020"). The CARES Act has provided an option to delay until January 1, 2021 (with interest) any contribution due in 2020, therefore we have delayed contributions which would have been due April 15, and July 15, 2020. As of July 31, 2020, the Company made contributions totaling $51,409. We are carefully reviewing the timing options in regard to the future minimum contributions of $261,918.

10. Accumulated Other Comprehensive Loss

The following table presents the changes in the accumulated other comprehensive loss for the twelve months ended October 31, 2019:

	10/31/2019		
	Unrealized Gains on Securities	Defined Benefit Pension Plan	Accumulated Other Comprehensive Loss
Beginning balance	($34,010)	($1,726,964)	($1,760,974)
Current period other comprehensive income (loss)	154,276	(667,350)	(513,074)
Adoption of ASU No. 2016-01	(120,266)	0	(120,266)
Ending balance	$0	($2,394,314)	($2,394,314)

The other comprehensive income (loss) is reported net of tax.

11. Fair Value of Financial Instruments and Impairment

The Company uses ASC 820, "Fair Value Measurements" ("ASC 820"), to measure the fair value of certain assets and liabilities. ASC 820 provides a framework for measuring fair value in accordance with GAAP, establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and requires certain disclosures about fair value measurements.

The fair value hierarchy is summarized below:

Level 1: Fair value determined based on quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value determined using significant observable inputs, generally either quoted prices in active markets for similar assets or liabilities or quoted prices in markets that are not active.

Level 3: Fair value determined using significant unobservable inputs, such as pricing models, discounted cash flows, or similar techniques.

The estimated recurring fair values of the Company's financial instruments at July 31, 2020 and October 31, 2019 are as follows:

	7/31/2020		10/31/2019	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
ASSETS:				
Cash and cash equivalents and cash held in escrow	**$3,631,176**	**$3,631,176**	$3,212,203	$3,212,203
Equity securities	**1,276,106**	**1,276,106**	2,419,391	2,419,391
Accounts receivable	**644,164**	**644,164**	24,978	24,978
LIABILITIES:				
Accounts payable	**313,138**	**313,138**	207,464	207,464
Accrued liabilities	**345,414**	**345,414**	596,371	596,371
Debt	**586,552**	**587,357**	61,918	63,619

Fair Values were determined as follows:

Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities: The carrying amounts approximate fair value because of the short-term maturity of these instruments.

Equity securities consist of preferred stocks and two certificates of deposit at July 31, 2020 and 2019. Fair value of preferred stocks and certificates of deposit is determined using unadjusted quoted prices in active markets for identical assets – Level 1 hierarchy.

Debt: The fair value of debt is estimated using discounted cash flows based on current borrowing rates available to the Company for similar types of borrowing arrangements - Level 2 hierarchy.

The following tables set forth by level within the fair value hierarchy the Company's equity securities asset at fair value as of July 31, 2020 and October 31, 2019.

	Investment Assets at Fair Value as of July 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Preferred stocks:				
Real estate investment trust	**$439,753**			**$439,753**
Finance	**570,431**			**570,431**
Insurance	**48,922**			**48,922**
Certificates of Deposit	**217,000**			**217,000**
Total equity securities	**$1,276,106**			**$1,276,106**

	Investment Assets at Fair Value as of October 31, 2019			
	Level 1	Level 2	Level 3	Total
Preferred Stocks:				
Real estate investment trust	$1,123,465			$1,123,465
Finance	893,050			893,050
Insurance	185,876			185,876
Certificate of Deposit	217,000			217,000
Total equity securities	$2,419,391			$2,419,391

As of July 31, 2020, the carrying amount net of prior period impairments for land and land development costs is $6,905,937. The carrying amount net of prior period impairments for land improvements, buildings and equipment is $2,162,542. The carrying amount net of prior period impairments for land held for investment is $1,572,278. The carrying amount for long-lived assets held for sale is $65,657; no impairment was ever expensed on the assets held for sale. There was no impairment expense in the nine months ended July 31, 2020.

As of October 31, 2019, the carrying amount net of prior period impairments for land and land development costs is $6,867,101. The carrying amount net of prior period impairments for land improvements, buildings and equipment is $2,292,937. The carrying amount net of prior period impairments for land held for investment is $1,692,278, less impairment expense of $120,000 recorded in Fiscal 2019 for a revised carrying value of $1,572,278. The listing agreement on the Flower Fields lot consisting of 2.90 acres in Bartonsville, PA was extended with a sales price below the carrying value. After careful consideration by Management as to what would be acceptable as the minimum sale price for the property less closing costs, the total carrying value of $300,431 was written down by an impairment charge of $120,000. The carrying amount for long lived assets held for sale is $65,657; no impairment was ever expensed on the asset held for sale. There was a total of $120,000 impairment expense in Fiscal 2019.

12. Per Share Data

Earnings per share ("EPS") is based on the weighted average number of common shares outstanding during the period. The calculation of diluted EPS assumes weighted average options have been exercised to purchase shares of common stock in the relevant period, net of assumed repurchases using the treasury stock method. For the three and nine months ended July 31, 2020 and 2019, there were no unexercised stock options. As a result, the calculation of diluted EPS has been excluded from the table below since diluted EPS for these periods is equal to EPS.

Weighted average basic shares, taking into consideration shares issued, weighted average options, if any, used in calculating EPS, treasury shares repurchased, shares cancelled and basic loss per weighted average share for the three and nine months ended July 31, 2020 and 2019 are as follows:

	Three Months Ended		Nine Months Ended	
	7/31/20	7/31/19	**7/31/20**	7/31/19
Weighted average shares of common stock outstanding used to compute basic earnings per share	**2,427,368**	2,438,115	**2,427,368**	2,441,697
Basic loss per weighted average share is computed as follows:				
Net loss before discontinued operations	**($33,139)**	($83,625)	**($1,349,784)**	($725,863)
Weighted average share of common stock outstanding	**2,427,368**	2,438,115	**2,427,368**	2,441,697
Basic loss per weighted average share	**($0.01)**	($0.03)	**($0.55)**	($0.29)
Net income from discontinued operations	**$0**	($716)	**$0**	$356,897
Weighted average share of common stock outstanding	**2,427,368**	2,438,115	**2,427,368**	2,441,697
Basic earnings per weighted average share	**$0.00**	$0.00	**$0.00**	$0.14
Net loss	**($33,139)**	($84,341)	**($1,349,784)**	($368,966)
Weighted average share of common stock outstanding	**2,427,368**	2,438,115	**2,427,368**	2,441,697
Basic loss per weighted average share	**($0.01)**	($0.03)	**($0.55)**	($0.15)

13. Supplemental Disclosure to Statements of Cash Flows

The following are supplemental disclosures to the statements of cash flows for the nine months ended July 31, 2020 and 2019:

	7/31/2020	7/31/2019
Cash paid during the period for:		
Interest	**$3,275**	$172,036
Income taxes	**$70,000**	$98,331
Non cash:		
Reclassification from deferred tax asset to accounts receivable	**$561,528**	$0
Equity securities and shareholders' equity increase resulting from changes in the net unrealized gains (losses)	**$0**	($127,267)
Reduction of debt due to disposal of discontinued operations	**$0**	$6,184,199
Reclassification from land improvements, buildings & equipment, net to accounts receivable	**$0**	$8,080

14. Business Segment Information

The following information is presented in accordance with the accounting pronouncement regarding disclosures about segments of an enterprise and related information. The Company's business segments were determined from the Company's internal organization and management reporting, which are based primarily on differences in services.

Resort Operations

Resort Operations consists of: amenities surrounding Big Boulder Lake – Boulder View Tavern and Boulder Lake Club; the Jack Frost National Golf Course; and The Stretch fishing club.

Real Estate Management/Rental Operations

Real Estate Management/Rental Operations consists of: investment properties leased to others; services to the trusts that operate resort residential communities; and rental of communication towers and signboards.

Land Resource Management

Land Resource Management consists of: land sales; land purchases; timbering operations; a real estate development division; and leasing of land and land improvements. Timbering operations consist of selective timbering on our land holdings. The real estate development division is responsible for the residential land development activities which include overseeing the construction of single and multi-family homes and development of infrastructure.

Information by business segment is as follows:

	Three months ended		Nine months ended	
	7/31/2020	7/31/2019	**7/31/2020**	7/31/2019
Revenues from continuing operations:				
Resort operations	**$1,611,202**	$1,620,384	**$2,465,024**	$2,648,283
Real estate management/rental operations	**172,634**	178,111	**528,433**	554,850
Land resource management	**50,163**	42,097	**125,082**	124,327
Total revenues from operations	**$1,833,999**	$1,840,592	**$3,118,539**	$3,327,460
Operating loss from continuing operations, excluding general and administrative expenses:				
Resort operations	**$335,903**	$293,100	**($172,456)**	($113,910)
Real estate management/rental operations	**32,589**	5,246	**50,949**	27,350
Land resource management	**(55,057)**	(63,018)	**(215,900)**	(221,970)
Total operating loss, excluding general and administrative expenses	**$313,435**	$235,328	**($337,407)**	($308,530)
General and administrative expenses:				
Resort operations	**$277,082**	$276,691	**$772,375**	$819,124
Real estate management/rental operations	**29,688**	30,414	**165,576**	171,617
Land resource management	**8,627**	7,188	**39,192**	38,455
Total general and administrative expenses	**$315,397**	$314,293	**$977,143**	$1,029,196
Interest and other income, net:				
Resort operations	**$0**	$0	**$3,186**	$4,427
Real estate management/rental operations	**0**	0	**0**	0
Land resource management	**0**	0	**0**	0
Total interest and other income, net	**$0**	$0	**$3,186**	$4,427
Interest expense:				
Resort operations	**$747**	$1,064	**$2,341**	$3,275
Real estate management/rental operations	**0**	0	**0**	0
Land resource management	**0**	0	**0**	0
Total Interest expense	**$747**	$1,064	**$2,341**	$3,275
Loss before income taxes	**($42,139)**	($106,625)	**($1,708,784)**	($1,470,863)

Identifiable assets, net of accumulated depreciation at July 31, 2020 and October 31, 2019 and depreciation expense and capital expenditures for nine months ended July 31, 2020 and the fiscal year ended October 31, 2019 by business segment are as follows:

July 31, 2020	**Identifiable Assets**	**Depreciation and Amortization Expense**	**Capital Expenditures**
Resort operations	**$1,667,898**	**$125,081**	**$75,438**
Real estate management/rental income	**4,281,541**	**99,642**	**26,410**
Land resource management	**11,971,854**	**25,145**	**0**
Other corporate	**132,687**	**13,169**	**30,794**
Assets held for sale	**65,657**	**0**	**0**
Total Assets	**$18,119,637**	**$263,037**	**$132,642**

October 31, 2019	Identifiable Assets	Depreciation and Amortization Expense	Capital Expenditures
Resort Operations	$1,782,231	$165,366	$189,963
Real estate management/rental income	4,481,478	202,300	8,268
Land resource management	12,153,898	33,527	0
Other corporate	104,548	18,649	24,234
Assets held for sale	65,657	0	0
Total Assets	$18,587,812	$419,842	$222,465

There were no significant sales during the nine months ended July 31, 2020. During the nine months ended July 31, 2019, the Company sold two investment properties. On March 11, 2019 we sold the Walgreens property located in White Bear Lake, Minnesota for a sale price of $6,240,000. On April 2, 2019 we sold the Walgreens property located in Toms River, New Jersey for a sale price of $5,700,000.

15. Contingencies and Uncertainties

The Company is party to various legal proceedings incidental to its business. Certain claims, suits and complaints arising in the ordinary course of business are possible of assertion against the Company.

16. Subsequent Events

The Company has evaluated and disclosed subsequent events from July 31, 2020 through the issuance date of the financial statements.

On September 8, 2020, the Company entered into an Amendment to the Agreement of Sale dated February 12, 2018 for 284 +/- acres in Kidder Township, which establishes a date for closing on the earlier to occur of January 19, 2021 or 15 days after receipt of the Redevelopment Assistance Capital Program (RCAP) Grant for the property. The Amendment also provides for, as a condition to closing, the execution of a sanitary sewer easement agreement, a wastewater treatment agreement and a storm water easement agreement.

On September 2, 2020, the Company repurchased 125 shares of its common stock. Upon transfer, all shares were cancelled and returned to the status of authorized but unissued.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion should be read in conjunction with the Financial Statements of Blue Ridge (the "Company") and related notes thereto.

Overview

Over the past 35 years, we have developed resort residential communities adjacent to the Jack Frost Mountain and Big Boulder Ski Areas located in Lake Harmony, Kidder Township, Pennsylvania. These communities are located in the Pocono Mountains of Pennsylvania, a popular recreation destination for local and regional visitors, especially from the New York City and Philadelphia metropolitan areas. The scenic hills and valleys of the Pocono Mountains offer many opportunities to enjoy outdoor activities such as golfing, fishing, hunting, skiing, snowboarding and other sports.

At July 31, 2020, we owned 9,689 acres of land in Northeastern Pennsylvania. Of these land holdings, we designated 7,972 acres as held for investment, 1,433 acres as held for development and 284 acres as held for sale. It is expected that all of our planned developments will either be subdivided and sold as parcels of land, or be developed into single and multi-family housing.

The real estate industry is cyclical and is subject to numerous economic factors including general business conditions, changes in interest rates, inflation and oversupply of properties. Any sustained period of weakening business or economic conditions will impact the demand for the type of properties we intend to develop. Management continues to monitor the progress of residential home sales within the Northeast.

In light of the economic environment, we will continue to evaluate our strategic plan and our master development plan. We have reviewed the Company's land inventory, oil, gas and mineral rights and development portfolio with a view to maximize shareholder value. As in the past, we will continue to consider opportunistic asset sales of non-core investment properties as a means of funding future operations.

We also have generated revenue through the selective timbering of our land. We rely on the advice of our forester, who is engaged on a consulting basis and who receives a commission on each stumpage contract, for the timing and selection of certain parcels for timbering. Our forester gives significant attention to protecting the environment and maximizing the value of these parcels for future timber harvests.

Boulder View Tavern and Boulder Lake Club are a significant portion of our resort operations revenue.

The Jack Frost National Golf Course is managed by Billy Casper Golf, LLC, a nationally-recognized golf course management company. With a continued emphasis on course maintenance, along with the natural maturation of the fairways, Jack Frost National has become one of the premier golf facilities in Northeastern Pennsylvania.

As a result of the Company's focus on real estate activities, we present our balance sheet in an unclassified presentation using the alternate format in order to reflect our assets and liabilities in order of their importance.

Recent Developments

In March 2020, the COVID-19 outbreak was declared a national public health emergency which resulted in state and local governments mandated restrictions. The spread of the virus continues to cause business disruption to the Company and specifically the operations of Jack Frost National Golf Course, Boulder View Tavern and Boulder Lake Club with reduced capacity allowances, social distancing measures and the addition of physical protective equipment and barriers. As we continue to navigate through the pandemic, we have taken significant steps to adapt our businesses to allow us to continue operations. While the Company expects this matter will negatively impact its results, the extent of the impact of the COVID-19 on the Company's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of the COVID-19 on overall demand for the Company's services, all of which are highly uncertain and cannot be predicted. We will continue to closely monitor relevant events so that we are able to respond to developments as they occur.

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was passed and signed into law on March 27, 2020. The Company applied for and on May 5, 2020 received a loan via the Small Business Administration Payroll Protection Program under Division A, Title I of the CARES Act in the amount of $510,130. M & T Bank is administering the loan. The Company expects a significant portion of the loan to be forgiven.

Results of Operations for the Three and Nine Months Ended July 31, 2020 and 2019

Operations for the three and nine months ended July 31, 2020 resulted in a net loss of ($33,139) and a net loss of ($1,349,784), or ($0.01) and ($0.55) per share respectively, compared to a net loss of ($84,341) and ($368,966), or ($0.03) and ($0.15) per share respectively, for the three-and nine month period ended July 31, 2019.

Revenues

Revenues of $1,833,999 and $3,118,539 for the three and nine months ended July 31, 2020 represent a decrease of ($6,593) and ($208,921) compared to the three and nine months ended July 31, 2019. Resort operations revenue decreased ($9,182) and ($183,259), or (1%) and (7%) for the three and nine months ended July 31, 2020. Real Estate Management Operations/Rental Income revenue decreased ($5,477) and ($26,417), or (3%) and (5%) for the three and nine months ended July 31, 2020, compared to the nine months ended July 31, 2019. Land Resource Management revenue increased $8,066 and $755, or 19% and 1% for the three and nine months ended July 31, 2020 compared to the three and nine months ended July 31, 2019.

Resort Operations

Resort operations consist of the Boulder View Tavern, Boulder Lake Club, Jack Frost National Golf Course, and The Stretch fishing club. Resort operations revenue for the nine months ended July 31, 2020 was $2,465,024 as compared to $2,648,283 for the nine months ended July 31, 2019 a decrease of ($183,259) or (7%). The COVID-19 pandemic and the ensuing government-imposed shutdown of businesses is the primary reason of decreased sales at Boulder View Tavern of ($327,507) or (19%). This decrease was offset by revenue increases at Boulder Lake Club of $77,131, or 37%, golf revenues at Jack Frost National of $62,300 or 10% and fishing memberships at The Stretch of $4,817, or 3%.

Real Estate Management/Rental Income

Real Estate Management Operations / Rental Income revenue was $528,433 for the nine months ended July 31, 2020, compared to $554,850 for the nine months ended July 31, 2019, which resulted in a decrease of ($26,417), or (5%). Real Estate Management revenue for the nine months ended July 31, 2020 decreased to $475,276 as compared to $503,449 for the nine months ended July 31, 2019, a decrease of ($28,173), or (6%). This was primarily the result of reduced sewer and water revenues from the trust services. Rental revenue increased $1,756, or 3%, primarily resulting from increased signboard revenues.

Land Resource Management

For the nine months ended July 31, 2020, Land Resource Management revenues increased to $125,082 compared to $124,327 for the nine months ended July 31, 2019, an increase of $755, or 1%.

Operating Costs

Resort Operations

Operating costs associated with Resort Operations for the nine months ended July 31, 2020 decreased to $2,637,480 compared to $2,762,193 for the nine months ended July 31, 2019, a decrease of ($124,713), or (5%). This was primarily related to the COVID-19 pandemic and the ensuing state mandated business closure.

Real Estate Management/Rental Income

Operating costs associated with Real Estate Management Operations/Rental Income for the nine months ended July 31, 2020 decreased to $477,484 compared to $527,500 for the nine months ended July 31, 2019, a decrease of ($50,016), or (9%). This decrease was primarily related to management expense of the property management / trust services division.

Land Resource Management

Operating costs associated with Land Resource Management for the nine months ended July 31, 2020 decreased to $340,982 compared to $346,297 for the nine months ended July 31, 2019, a decrease of ($5,315), or (2%). This decrease was primarily the result of reduced real estate development costs.

General and Administration

General and administration costs for the nine months ended July 31, 2020 decreased to $977,143 as compared to $1,029,196 for the nine months ended July 31, 2019, a decrease of ($52,053), or (5%). This decrease is primarily related to a decrease in labor costs ($22,115), a decrease in audit costs ($26,000) and reduced supplies and services ($4,899) for the nine months ended July 31, 2020 as compared to the nine months ended July 31, 2019.

Other Income and Expense

Interest and other income decreased to $3,186, for the nine months ended July 31, 2020 compared to $4,427 for the nine months ended July 31, 2019.

Interest expense for the nine months ended July 31, 2020 decreased to $2,341 compared to $3,275 for the nine months ended July 31, 2019, a decrease of ($934), or (29%).

Interest and dividends on equity securities, net was $88,803 for the nine months ended July 31, 2020 compared to $151,889 for the nine months ended July 31, 2019, a decrease of ($63,086), or (42%).

Tax Rate

The tax rate specific to federal taxes for the nine months ended July 31, 2020 and 2019 was 21%.

Liquidity and Capital Resources

As reflected in the Statements of Cash Flows, net cash used in operating activities was $912,170 for the nine months ended July 31, 2020 versus net cash provided in operating activities of $18,437 for the nine months ended July 31, 2019.

There was no material non-recurring cash item for the three and nine months ended July 31, 2020. The sales of two retail store properties totaling $11,940,000 are the material non-recurring cash items for the three and nine months ended July 31, 2019.

The Company's investment portfolio includes preferred securities with a goal to provide current income with capital preservation over a 3 to 5-year time horizon. At July 31, 2020, the Company's cash and equity securities totaled $4,906,767 compared to cash and equity securities of $5,631,079 at October 31, 2019.

On May 5, 2020, the Company applied for and received a loan via the Small Business Administration Payroll Protection Program under Division A, Title I of the CARES Act in the amount of $510,130. M & T Bank is administering the loan. The funds are being utilized for salaries and wages and the Company expects a significant portion of the loan to be forgiven

On April 17, 2017, Blue Ridge Real Estate Company entered into a capital lease agreement which is an addendum to a Master Lease Agreement with PNC Equipment Finance, LLC for the procurement of mowing equipment for the Jack Frost National Golf Course in the amount of $135,325. The lease is due and payable in 30 non-consecutive monthly installments in the months of May through October, through June 13, 2022. The interest is a fixed rate of 5.08%.

The Company has two certificates of deposit with Mauch Chunk Trust Company. On March 8, 2020 a certificate in the amount of $140,000 matured and yielded interest of $3,098. The Company reinvested $140,000 in a certificate of deposit with Mauch Chunk Trust for a term of 12 months with a new maturity date of March 8, 2021. A $77,000 certificate was purchased in July of 2016 with a maturity of July 6, 2021. Both bank certificates are included in Equity Securities, which approximates fair value.

On November 14, 2019, the Company renewed an irrevocable stand-by Letter of Credit up to an aggregate of $140,000 in favor of Pennsylvania Department of Environmental Protection ("PA-DEP"), Bureau of Waterways Engineering with Mauch Chunk Trust Company. The Letter has a term of one year, renewable annually and is collateralized by the Company's certificate of deposit with Mauch Chunk Trust. The letter was established January 8, 2016 to comply with legislation that requires Blue Ridge as a private owner of two dams to post a financial guarantee adequate to breach the dams if we fail to comply with PA-DEP safety requirements.

The following table sets forth the Company's significant contractual cash obligations for the items indicated as of July 31, 2020, and their expected year of payment or expiration.

Contractual Obligations:	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Capital Leases	$50,012	$26,572	$23,440	$0	$0
Long Term Debt	536,540	517,804	18,736	0	0
Fixed Rate Interest	4,336	2,892	1,444	0	0
Pension Contribution Obligations (1)	261,918	261,918	0	0	0
Total Contractual Cash Obligations	$852,806	$809,186	$43,620	$0	$0

(1) Estimated funding obligations beyond the current fiscal year are not presented because the requirements fluctuate based on the performance of the plan assets, discount rate assumptions and demographics.

We currently anticipate that the funds needed for future operations and to implement our land development strategy will be satisfied through operating cash, equity securities, borrowed funds, public offerings or private placements of debt or equity and reinvested profits from sales.

Critical Accounting Policies and Significant Judgments and Estimates

We have identified the most critical accounting policies upon which our financial reporting depends. The critical policies and estimates were determined by considering accounting policies that involve the most complex or subjective decisions or assessments. The most critical accounting policies identified relate to deferred tax liabilities, the valuation of land development costs and long-lived assets, and revenue recognition.

Revenues are derived from a wide variety of sources, including sales of real estate, management of investment properties, operation of a restaurant, a recreational lake club facility and a fly-fishing club, property management services, golf activities, timbering, home construction and leasing activities. Generally, revenues are recognized as services are performed, except as noted below.

We recognize income on the disposition of real estate using the full accrual method. The full accrual method is appropriate at closing when the sales contract has been signed, the buyer has arranged permanent financing and the risks and rewards associated with ownership have been transferred to the buyer. In the few instances that the Company finances the sale, a minimum 20% down payment is required from the buyers. The remaining financed purchase price is not subject to subordination. Down payments of less than 20% are accounted for as deposits.

The costs of developing land for resale as resort homes and the costs of constructing certain related amenities are allocated to the specific parcels to which the costs relate. Such costs, as well as the costs of construction of the resort homes, are charged to operations as sales occur. Land held for resale and resort homes under construction are stated at lower of cost or net realizable value.

Timbering revenues from stumpage contracts are recognized at the time a stumpage contract is signed. At the time a stumpage contract is signed, the risk of ownership is passed to the buyer at a fixed, determinable cost. There is no transfer of title in connection with these contracts. Reasonable assurance of collectability is determined by the date of signing and, at that time, the obligations of the Company are satisfied. Therefore, full accrual recognition at the time of contract execution is appropriate.

Deferred income consists of rents, dues and deposits on land or home sales. These rents, which are not yet earned, are rents from the Company's commercial properties that have been paid in advance. Dues are dues paid in advance related to memberships in the Company's hunting and fishing clubs and golf course memberships paid. Revenues related to the hunting and fishing clubs and golf course memberships are recognized over the seasonal period that the dues cover. We recognize revenue related to the fishing club over a five-month period from May through September, and the golf course over a seven-month period, from April through October. Deposits are required on land and home sales.

Management's estimate of deferred tax assets and liabilities is primarily based on the difference between the tax basis and financial reporting basis of depreciable assets, pension, like-kind exchanges of assets, net operating losses and accruals. Valuation allowances are established when necessary to reduce tax assets to the amount expected to be realized.

Real estate development projects are stated at cost unless an impairment exists, in which case the project is written down to fair value in accordance with GAAP. We capitalize as land and land development costs, the original acquisition cost, direct construction and development costs, property taxes, interest incurred on costs related to land under development and other related costs (engineering, surveying, landscaping, etc.) until the property reaches its intended use. Because the development projects are considered as long-lived assets under GAAP, we are required to regularly review the carrying value of each of the projects and write down the value of those projects when we believe the values are not recoverable. The cost of sales for individual parcels of real estate or condominium units within a project is determined using the relative sales value method. Revenue is recognized upon signing of the applicable closing documents, at which time a binding contract is in effect, the buyer has arranged for permanent financing and the Company is assured of payment in full. In addition, at the time of closing, the risks and rewards associated with ownership have been transferred to the buyer. Selling expenses are recorded when incurred.

Long-lived assets, namely properties, are recorded at cost. Depreciation and amortization are provided principally using the straight-line method over the estimated useful life of the asset. Upon sale or retirement of the asset, the cost and related accumulated depreciation are removed from the related accounts, and resulting gains or losses are reflected in income. We test our long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In that event, we utilize either or both a discounted cash flow method or comparable sale pricing method to determine a fair market value. If our use of one or both of these methods indicates that the carrying value of the asset is not recoverable, an impairment loss is recognized in operating income. An impairment loss is the difference between the carrying value and the fair value of the asset less cost to sell. An impairment loss is recognized during the period in which the impairment is determined to be probable and reasonably estimable.

Assets are classified as long-lived assets held for sale when they are expected to be sold within the next year. The amount in long lived assets held for sale at July 31, 2020 and October 31, 2019 included 284 acres of land that is the subject of an Agreement of Sale, entered into by the Company on February 12, 2018.

Significant judgment is applied in assessing the realizability of deferred tax assets. In accordance with GAAP, a valuation allowance is established against a deferred tax asset if, based on the available evidence, it is more-likely-than-not that such asset will not be realized. The realization of a deferred tax asset ultimately depends on the existence of sufficient taxable income in either the carryback or carryforward periods under tax law. We assess the need for valuation allowances for deferred tax assets based on GAAP's "more-likely-than-not" realization threshold criteria. In our assessment, appropriate consideration is given to all positive and negative evidence related to the realization of the deferred tax assets. Forming a conclusion that a valuation allowance is not needed is difficult when there is significant negative evidence such as cumulative losses in recent years. This assessment considers, among other matters, the nature, consistency and magnitude of current and cumulative income and losses, forecasts of future profitability, the duration of statutory carryback or carryforward periods, our experience with operating loss and tax credit carryforwards being used before expiration, and tax planning alternatives.

Our assessment of the need for a valuation allowance on our deferred tax assets includes assessing the likely future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. Changes in existing tax laws or rates could affect our actual tax results and our future business results may affect the amount of our deferred tax liabilities or the valuation of our deferred tax assets over time. Our accounting for deferred tax assets represents our best estimate of future events.

Due to uncertainties in the estimation process, particularly with respect to changes in facts and circumstances in future reporting periods (carryforward period assumptions), actual results could differ from the estimates used in our analysis. Our assumptions require significant judgment because the residential home building industry and land sales are cyclical and highly sensitive to changes in economic conditions. If our results of operations are less than projected and there is insufficient objectively verifiable positive evidence to support the "more-likely-than-not" realization of our deferred tax assets, a valuation allowance would be required to reduce or eliminate our deferred tax assets.

Our deferred tax assets consist principally of the recognition of losses primarily driven by recognition of net operating losses, defined benefit pension, fixed assets and inventory impairments. In accordance with GAAP, we assessed whether a valuation allowance should be established based on our determination of whether it was "more-likely-than-not" that some portion of all of the deferred tax assets would not be realized, we recorded valuation allowances against our state net operating loss carryforwards for the amount not expected to be used.

The loss carryforwards result from prior year losses incurred for federal income tax purposes.

We file tax returns in the various states in which we do business. Each state has its own statutes regarding the use of tax loss carryforwards. Some of the states in which we do business do not allow for the carry forward of losses while others allow for carry forwards for 5 years to 20 years.

Interest, real estate taxes, and insurance costs, including those costs associated with holding unimproved land, are normally charged to expense as incurred. Interest cost incurred during construction of facilities is capitalized as part of the cost of such facilities. Maintenance and repairs are charged to expense, and major renewals and betterments are added to property accounts.

We sponsor a defined benefit pension plan. The accounting for pension costs is determined by specialized accounting and actuarial methods using numerous estimates, including discount rates, expected long-term investment returns on plan assets, employee turnover, mortality and retirement ages, and future salary increases. Changes in these key assumptions can have a significant effect on the pension plan's impact on the Company's financial statements. We engage the services of an independent actuary and investment consultant to assist us in determining these assumptions and in calculating pension income. The pension plan is currently underfunded and, accordingly, the Company has made contributions to the fund of $2,225,127 in Fiscal 2019. The Company contributed $51,409 and anticipates contributing $261,918 to the pension plan in Fiscal 2020. On May 30, 2019, the Company amended the Blue Ridge Real Estate Pension Plan to allow eligible participants the option to elect an immediate single lump-sum payment or distribution to an eligible rollover. Nineteen participants chose a lump sum payment or an eligible rollover. Future benefit accruals under the pension plan ceased as of August 31, 2010. The Company also has a 401(k)-pension plan that is available to all full-time employees. The Company matches 100% of employee salary deferral contributions up to 5% of their pay for each payroll period.

The Company recognizes as compensation expense an amount equal to the grant date fair value of the stock options issued over the required service period, if any. Compensation cost was measured using the modified prospective approach.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Legal Proceedings

We are presently a party to certain lawsuits arising in the ordinary course of our business. We believe that none of our current legal proceedings will be material to our business, financial condition or results of operations.