BLUE RIDGE REAL ESTATE COMPANY
AND SUBSIDIARIES

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

2022

FIRST QUARTER REPORT

As of January 31, 2022 (Unaudited) and October 31, 2021 (Audited)
and for the Three Months Ended January 31, 2022 and 2021 (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: January 31, 2022
(the "Reporting Period")

As of January 31, 2022, the number of shares outstanding of our Common Stock was:

2,408,599

As of October 31, 2021, the number of shares outstanding of our Common Stock was:

2,408,599

As of July 31, 2021, the number of shares outstanding of our Common Stock was:

2,408,711

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 and address(es) 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 and its current standing in Pennsylvania is active.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception: 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.

The address(es) of the issuer's principal executive office: 5 Blue Ridge Court, P O Box 707, Blakeslee, Pa 18610.

The address(es) of the issuer's principal place of business:
Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors 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 January 31, 2022
Total shares outstanding:	2,408,599 as of January 31, 2022
Number of shares in the Public Float:	983,446 as of January 31, 2022
Total number of shareholders of record:	1114 as of January 31, 2022

Transfer Agent

Name: American Stock Transfer & Trust Company, LLC

Phone: 800-937-5449 or 718-921-8124

Website: www.astfinancial.com

Email: help@astfinancial.com

Address: Operations Center, 6201 15th Avenue, Brooklyn, NY 11219

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

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, 2019 Opening Balance: Common:2,427,368 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?
9/2/2020	Cancellation	125	Common						
3/4/2021	Cancellation	241	Common						
3/5/2021	Cancellation	18,291	Common						
9/3/2021	Cancellation	112	Common						
	Shares Outstanding on January 31, 2022: Ending Balance Common: 2,408,599 Preferred: 0								

During the fiscal year ended October 31, 2020, the Company repurchased 125 shares of its common stock. During the fiscal year ended October 31, 2021, the Company repurchased 18,644 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 three months ended January 31, 2022.

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 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 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 January 31, 2022, the properties of Blue Ridge and its subsidiaries consisted of 9,405 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, 7,899 acres were held for investment, 1,433 acres were held for development and 73 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 Jack Frost Golf Management, LLC, a subsidiary of Indigo Sports, LLC (formerly known as Antares 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. The restaurant is managed by Boulder View Management, LLC, a subsidiary of Indigo Sports, LLC (formerly known as Antares 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. Boulder Lake Club is a seasonal facility. Lake Club operations generally occur between May and September.

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. The Stretch is a seasonal facility. Fishing club operations generally occur between April and September.

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 of land 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.

7) Company Insiders (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 Title /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	59.2%	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 or entities 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: March 16, 2022

/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: March 16, 2022

/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	**1/31/2022**	10/31/2021
Land and land development costs (1,433 acres per land ledger)	**$6,891,623**	$6,884,923
Land improvements, buildings and equipment, net	**2,082,953**	2,108,200
Land held for investment, principally unimproved (7,899 acres per land ledger)	**1,555,332**	1,555,332
Long-lived assets held for sale (73 acres per land ledger)	**16,946**	16,946
Cash and cash equivalents	**9,709,570**	10,435,604
Equity securities	**901,992**	1,026,311
Cash held in escrow	**525**	525
Prepaid expenses and other assets	**316,656**	458,562
Accounts receivable	**82,705**	59,400
Total assets	**$21,558,302**	$22,545,803
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Debt	**$9,427**	$26,003
Accounts payable	**202,716**	267,427
Accrued liabilities	**262,791**	542,097
Deferred income	**310,502**	151,085
Deferred income taxes	**16,075**	207,075
Accrued pension expense	**518,773**	562,768
Total liabilities	**1,320,284**	1,756,455
SHAREHOLDERS' EQUITY:		
Capital stock, without par value, stated value $0.30 per share, Blue Ridge authorized 6,000,000 shares, issued and outstanding 2,408,599	**722,580**	722,580
Capital in excess of stated value	**18,003,861**	18,003,861
Earnings retained in the business	**2,760,641**	3,311,971
Accumulated other comprehensive loss	**(1,249,064)**	(1,249,064)
Total shareholders' equity	**20,238,018**	20,789,348
Total liabilities and shareholders’ equity	**$21,558,302**	$22,545,803

See accompanying notes to unaudited financial statements.

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENTS OF OPERATIONS
for the three months ended January 31, 2022 and 2021
(UNAUDITED)

	1/31/2022	1/31/2021
Revenues:		
Resort operations revenue	**$477,773**	$409,642
Real estate management revenue	**139,489**	162,233
Land resource management revenue	**43,545**	8,442,513
Rental income revenue	**17,405**	20,282
Total revenues	**678,212**	9,034,670
Costs and expenses:		
Resort operations costs	**728,004**	691,430
Real estate management costs	**161,170**	152,753
Land resource management costs	**103,590**	261,842
Rental income costs	**16,392**	14,351
General and administration expense	**379,735**	329,052
Total costs and expenses	**1,388,891**	1,449,428
Operating (loss) profit before other income and (expense)	**(710,679)**	7,585,242
Other income and (expense):		
Gain on sale of assets	**8,154**	0
Interest expense	**(71)**	(715)
Interest and dividends on marketable securities, net	**13,005**	13,228
Realized gain on disposition of equity securities	**3,715**	0
Unrealized (loss) gain on equity securities	**(27,429)**	13,152
Pension expense	**(29,025)**	(46,500)
Total other expense	**(31,651)**	(20,835)
(Loss) profit from operations before income taxes	**(742,330)**	7,564,407
(Benefit) provision for income taxes	**(191,000)**	1,947,000
Net (loss) income	**($551,330)**	$5,617,407
Basic (loss) income per weighted average share	**($0.23)**	$2.31

See accompanying notes to unaudited financial statements.

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
for the three months ended January 31, 2022 and 2021
(UNAUDITED)

	1/31/2022	1/31/2021
Net income (loss)	**($551,330)**	$5,617,407
Other comprehensive income (loss), net of tax	**$0**	0
Total comprehensive income (loss)	**($551,330)**	$5,617,407

See accompanying notes to unaudited financial statements.

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the THREE MONTHS ENDED JANUARY 31, 2022
(UNAUDITED)

	Capital Stock (1)		Capital in Excess of	Earnings Retained in	Accumulated Other Comprehensive	
	Shares	Amount	Stated Par	the Business	Loss	Total
Balance, October 31, 2021	2,408,599	$722,580	$18,003,861	$3,311,971	($1,249,064)	$20,789,348
Net loss				(551,330)		(551,330)
Balance, January 31, 2022	**2,408,599**	**$722,580**	**$18,003,861**	**$2,760,641**	**($1,249,064)**	**$20,238,018**

(1) Capital stock, at stated value of $.30 per combined share

See accompanying notes to unaudited financial statements.

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENTS OF CASH FLOWS
For the three months ended January 31, 2022 and 2021
(UNAUDITED)

	1/31/2022	1/31/2021
Cash Flows from Operating Activities:		
Net income (loss)	**($551,330)**	$5,617,407
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	**102,542**	89,191
Realized gain on equity securities	**(3,715)**	0
Unrealized loss (gain) on equity securities	**27,428**	(13,152)
Deferred income taxes	**(191,000)**	1,947,000
Gain on sale of assets	**(8,154)**	
Changes in operating assets and liabilities:		
Accounts receivable	**(23,305)**	(32,929)
Prepaid expenses and other assets	**141,906**	155,982
Land and land development costs	**(6,700)**	0
Long-lived assets held for sale	**0**	65,657
Accounts payable and accrued liabilities	**(388,012)**	(247,750)
Deferred income	**159,417**	88,648
Net cash (used in) provided by operating activities	**(740,923)**	7,670,054
Cash Flows from Investing Activities:		
Purchases of marketable securities	**(69,594)**	0
Proceeds from maturities and sales of marketable securities	**170,200**	0
Proceeds from disposition of assets	**24,000**	0
Additions to properties	**(93,141)**	(20,126)
Net cash provided by (used in) investing activities	**31,465**	(20,126)
Cash Flows from Financing Activities:		
Payment of debt	**(16,576)**	(2,109)
Net cash used in financing activities	**(16,576)**	(2,109)
Net (decrease) increase in cash and cash equivalents and restricted cash	**(726,034)**	7,647,819
Cash and cash equivalents and restricted cash, beginning of period	**10,436,129**	4,141,178
Cash and cash equivalents and restricted cash, ending of period	**$9,710,095**	$11,788,997

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, Jack Frost National Golf Course, Inc., Flower Fields Motel, LLC, and Lake Mountain, LLC) (collectively "Blue Ridge").

The balance sheet as of October 31, 2021, which has been derived from audited financial statements, and the financial statements as of and for the three-month periods ended January 31, 2022 and 2021, 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 2021 Annual Report filed with OTC Markets on January 28, 2022. 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, 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, 2021 ("Fiscal 2021"). Material subsequent events are evaluated and disclosed through the issuance date of this Annual 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 January 31, 2022, the Company had no working cash on deposit in excess of the FDIC insured limit of $250,000, and had $9,430,570 invested in money market and mutual funds at January 31, 2022, which are not insured by the FDIC.

Cash Equivalents and Restricted Cash:

Cash, cash equivalents and restricted cash as of the three months ended January 31, 2022 and 2021 consist of the following:

	2022	2021
Cash and cash equivalents	**$9,709,570**	$11,788,477
Cash held in escrow	**525**	520
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	**$9,710,095**	$11,788,997

Restricted cash represents cash held in a real estate escrow account. The restriction expires when the real estate brokers license associated with the account is no longer in place.

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 (12 positions of financial services, insurance and real estate investment trusts), a bond mutual fund, a fixed income exchange traded products fund and one certificate of deposit at January 31, 2022. Equity securities consist of investments in preferred stocks (16 positions of financial services, insurance and real estate investment trusts), a bond mutual fund, a fixed income exchange traded products fund and one certificate of deposit at October 31, 2021. 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 and realized gains and losses on investments in preferred stocks are recorded monthly. Since these investments are in equity securities with a readily determinable fair value, unrealized and realized gains and losses are recorded in other income. Purchases and sales of securities are recorded on a trade date basis. Dividend income is recorded on the ex-dividend date and interest is recorded when earned.

Fair value is the price we would receive to sell an asset in an orderly transaction with a market participant at the measurement date.

Paycheck Protection Program Loan:

The Company obtained a loan from a bank pursuant to the Paycheck Protection Program (“PPP”) of the CARES Act. The loan qualified for forgiveness provided the proceeds were used for eligible expenses in the covered 24-week period and certain employee retention criteria were met. In accordance with FASB ASC 470, Debt, and ASC 405-20, Liabilities – Extinguishment of Liabilities, the Company recorded the cash inflow from the PPP as a liability and in cash flows from financing activities, pending legal release from the obligation by the U.S. Small Business Administration at October 31, 2020. On April 1, 2021 the U.S. Small Business Administration forgave the loan in full and accordingly the proceeds were reclassified from Debt to Other income.

New Accounting Pronouncements:

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 of the adoption of ASU 2016-02 and we do not expect the adoption will 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, and does not have a material impact on our financial statements and disclosures.

In December 2018, the FASB issued ASU 2018-20, “Leases (Topic 842): Narrow-Scope Improvements for Lessors, effective date for entities that have not adopted ASU 2016-02 is the same as ASU 2016-02, as amended. The effective date of ASU 2016-02 for us is November 1, 2022 and at that time, we will adopt ASU 2018-20. We are currently evaluating the impact of the adoption of ASU 2018-20 and we do not expect the adoption will have a material effect on our financial statements and disclosures.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, effective for nonpublic entities for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted but requires simultaneous adoption of all provisions of the new standard. ASU 2019-12 is effective for us beginning November 1, 2022 and we are currently evaluating the impact of the adoption of ASU 2019-19 and do not expect the adoption will have a material effect on our financial statements and disclosures.

3. Segment Reporting

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

4. Income Taxes

The benefit for income taxes for the three months ended January 31, 2022 was estimated using an estimated annual effective tax rate of 25.74%.

The provision for income taxes for the three months ended January 31, 2021 was estimated using the estimated annual effective tax rate of 25.74%.

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 months ended January 31, 2022, no interest and penalties have been accrued in the balance sheet and no expense is reflected in the statement of operations. At January 31, 2022, federal and state tax returns for years ending October 31, 2018 and later are subject to future examination by the respective tax authorities.

5. Land and Land Development Costs

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

	1/31/2022	10/31/2021
Land unimproved designated for development	**$1,981,785**	$1,981,785
Residential development	**1,175,754**	1,175,754
Infrastructure development	**3,734,084**	3,727,384
Total Land and Land Development Costs	**$6,891,623**	$6,884,923

6. Land Held for Investment

	1/31/2022	10/31/2021
Land – Unimproved	**$1,410,546**	$1,410,546
Land – Commercial rental properties	**144,786**	144,786
Total land held for investment	**$1,555,332**	$1,555,332

7. Equity Securities

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

	January 31, 2022			
	Cost	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**
Preferred equity securities	**$537,042**	**$63,198**	**$0**	**$600,240**
Bond mutual fund	**75,440**	**0**	**(1,609)**	**73,831**
Exchange traded fund	**88,432**	**0**	**(511)**	**87,921**
Certificates of deposit	**140,000**	**0**	**0**	**140,000**
Total equity securities	**$840,914**	**$63,198**	**($2,120)**	**$901,992**

The costs of the available for sale certificate of deposit at January 31, 2022 was $140,000 maturing within one year. On March 8, 2022 a certificate in the amount of $140,000 matured and yielded interest of $129. 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, 2023. The preferred stocks include investments in 12 public companies in various industries with the largest investment, at market value, in a single company of $142,411. For the three months ended January 31, 2022, there were realized gains of $3,718 and realized losses of $3 on the sales of equity securities.

	October 31, 2021			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Preferred equity securities	$703,527	$88,327	$0	$791,854
Bond mutual fund	50,035	262	0	50,297
Exchange traded fund	44,242	0	(82)	44,160
Certificates of deposit	140,000	0	0	140,000
Total equity securities	$937,804	$88,589	($82)	$1,026,311

The cost of a certificates of deposit at October 31, 2021 maturing within one year was $140,000. On March 8, 2021 a certificate in the amount of $140,000 matured and yielded interest of $1,333. 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, 2022. On June 24, 2021, a $77,000 certificate matured yielding interest of $6,362. The $83,362 was deposited back into operating cash. The preferred stocks include investments in 16 public companies in various industries with the largest investment, at market value, in a single company of $151,997. For the twelve months ended October 31, 2021, there were realized gains of $1,449 and realized losses of $83 on sales of equity securities.

8. Pension Benefits

Components of Net Periodic Pension Cost:

	Three Months Ended	
	1/31/2022	1/31/2021
Interest Cost	**$49,892**	$50,000
Expected return on plan assets	**(91,715)**	(69,500)
Net amortization and deferral:		
Amortization of accumulated loss	**70,848**	66,000
Net amortization and deferral	**70,848**	66,000
Total net periodic pension cost	**$29,025**	$46,500

On November 1, 2021, the Company adopted 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, and does not have a material impact on our financial statements and disclosures.

The Company expects to contribute a minimum of $399,168 to the pension plan in the fiscal year ending October 31, 2022 ("Fiscal 2022"). As of January 31, 2022, the Company has made contributions $73,020 and anticipates contributing the $326,148 to fund their pension plan in the remaining nine months of Fiscal 2022.

9. Accumulated Other Comprehensive Loss

The following table presents the changes in the accumulated other comprehensive loss for the twelve months ended October 31, 2021:

	10/31/2021	
	Defined Benefit Pension Plan	Accumulated Other Comprehensive Loss
Beginning balance	($1,773,992)	($1,773,992)
Current period other comprehensive income	524,928	524,928
Ending balance	($1,249,064)	($1,249,064)

The other comprehensive income is reported net of tax.

10. 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 January 31, 2022 and October 31, 2021 are as follows:

	1/31/2022		10/31/2021	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
ASSETS:				
Cash and cash equivalents and cash held in escrow	**$9,710,095**	**$9,710,095**	$10,436,129	$10,436,129
Equity securities	**901,992**	**901,992**	1,026,311	1,026,311
Accounts receivable	**82,705**	**82,705**	59,400	59,400
LIABILITIES:				
Accounts payable	**202,716**	**202,716**	267,427	267,427
Accrued liabilities	**262,791**	**262,791**	542,097	542,097
Debt	**$9,427**	**$9,808**	$26,003	$25,797

Fair Values were determined as follows:

Cash and cash equivalents and cash held in escrow, 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, a bond mutual fund, a fixed equity exchange traded fund and one certificate of deposit at January 31, 2022 and October 31, 2021. 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 assets at fair value as of January 31, 2022 and October 31, 2021.

	Investment Assets at Fair Value as of January 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Preferred stocks:				
Real estate investment trust	**$243,555**			**$243,555**
Finance	**345,771**			**345,771**
Insurance	**10,914**			**10,914**
Bond mutual fund	**73,832**			**73,832**
Exchange traded fund	**87,920**			**87,920**
Certificate of Deposit	**140,000**			**140,000**
Total equity securities	**$901,992**			**$901,992**

	Investment Assets at Fair Value as of October 31, 2021			
	Level 1	Level 2	Level 3	Total
Preferred Stocks:				
Real estate investment trust	$382,610			$382,610
Finance	397,469			397,469
Insurance	11,775			11,775
Bond mutual fund	50,297			50,297
Exchange traded fund	44,160			44,160
Certificate of Deposit	140,000			140,000
Total equity securities	$1,026,311			$1,026,311

As of January 31, 2022, the carrying amount net of prior period impairments for land and land development costs is $6,891,623. The carrying amount net of prior period impairments for land improvements, buildings and equipment is $2,082,953. The carrying amount net of prior period impairments for land held for investment is $1,555,332. The carrying amount for long lived assets held for sale is $16,946, no impairment was ever expensed on the assets held for sale. There was no impairment expense in the three months ended January 31, 2022.

As of October 31, 2021, the carrying amount net of prior period impairments for land and land development costs is $6,884,923. The carrying amount net of prior period impairments for land improvements, buildings and equipment is $2,108,200. The carrying amount net of prior period impairments for land held for investment is $1,555,332. The carrying amount for long lived assets held for sale is $16,946, no impairment was ever expensed on the assets held for sale. There was no impairment expense in Fiscal 2021.

11. 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 months ended January 31, 2022 and 2021, 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 months ended January 31, 2022 and 2021 are as follows:

	Three Months Ended	
	1/31/2022	1/31/2021
Weighted average shares of common stock outstanding used to compute basic earnings per share	**2,408,599**	2,427,243
Basic income (loss) per weighted average share is computed as follows:		
Net income (loss)	**($551,330)**	$5,617,407
Weighted average share of common stock outstanding	**2,408,599**	2,427,243
Basic income (loss) per weighted average share	**($0.23)**	$2.31

12. Supplemental Disclosure to Statements of Cash Flows

The following are supplemental disclosures to the statements of cash flows for the three months ended January 31, 2022 and 2021:

	1/31/2022	1/31/2021
Cash paid during the period for:		
Interest	**$71**	$248
Income taxes	**$0**	$0

13. 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 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	
	1/31/2022	1/31/2021
Revenues from operations:		
Resort operations	**$477,773**	$409,642
Real estate management/rental operations	**156,894**	182,515
Land resource management	**43,545**	8,442,513
Total revenues from operations	**$678,212**	$9,034,670
Operating income (loss) from operations, excluding general and administrative expenses:		
Resort operations	**($250,231)**	($281,788)
Real estate management/rental operations	**(20,668)**	15,411
Land resource management	**(60,045)**	8,180,671
Total operating income (loss), excluding general and administrative expenses	**($330,944)**	$7,914,294
General and administrative expenses:		
Resort operations	**$269,612**	$16,453
Real estate management/rental operations	**87,339**	6,581
Land resource management	**22,784**	306,018
Total general and administrative expenses	**$379,735**	$329,052
Interest expense:		
Resort operations	**$0**	$467
Real estate management/rental operations	**71**	248
Land resource management	**0**	0
Total Interest expense	**$71**	$715
Income (loss) before income taxes	**($742,330)**	$7,564,407

Identifiable assets, net of accumulated depreciation at January 31, 2022 and October 31, 2021 and depreciation expense and capital expenditures for three months ended January 31, 2022 and the fiscal year ended October 31, 2021 by business segment are as follows:

January 31, 2022	**Identifiable Assets**	**Depreciation and Amortization Expense**	**Capital Expenditures**
Resort operations	**2,102,494**	**$59,568**	**$88,118**
Real estate management/rental income	**4,738,610**	**32,029**	**0**
Land resource management	**14,307,494**	**7,862**	**0**
Other corporate	**392,758**	**3,083**	**5,023**
Assets held for sale	**16,946**	**0**	**0**
Total Assets	**$21,558,302**	**$102,542**	**$93,141**

October 31, 2021	Identifiable Assets	Depreciation and Amortization Expense	Capital Expenditures
Resort Operations	$2,279,396	$209,728	$368,349
Real estate management/rental income	5,049,371	127,674	22,470
Land resource management	14,939,552	31,770	0

Other corporate	260,538	14,426	17,462
Assets held for sale	16,946	0	0
Total Assets	$22,545,803	$383,598	$408,281

During the three months ended January 31, 2022, there were no significant sales. During the fiscal year ended October 31, 2021, the Company sold 284 acres of land for a sale price of $8,400,000.

14. 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.

15. Subsequent Events

The Company has evaluated and disclosed subsequent events from January 31, 2022 through the issuance date of the financial statements.

On March 8, 2022 a certificate of deposit in the amount of $140,000 matured and was reinvested with Mauch Chunk Trust Company for an additional twelve months.

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 40 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 January 31, 2022, we owned 9,405 acres of land in Northeastern Pennsylvania. Of these land holdings, we designated 7,899 acres as held for investment, 1,433 acres as held for development and 73 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 Jack Frost Golf Management, LLC, a subsidiary of Antares Golf, LLC (formerly known as 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

There are no recent developments.

Results of Operations for the Three Months Ended January 31, 2022 and 2021

Operations for the three months ended January 31, 2022 resulted in a net loss of $551,330, or $0.23 per share respectively, compared to a net income of $5,617,407, or $2.31 per share, for the three-month period ended January 31, 2021, respectively.

Revenues

Revenues of $678,212 for the three months ended January 31, 2022 represent a decrease of ($8,356,458) compared to the three months ended January 31, 2021. The primary reason for the decrease in revenue is due to no land sales for the three months ended January 31, 2022 versus the sale of 284 acres of land for the three months ended January 31, 2021.

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 three months ended January 31, 2022 was $477,773 as compared to $409,642 for the three months ended January 31, 2021, an increase of $68,131, or 17%. This was primarily the result of increased sales at Boulder View Tavern of $84,256, or 25% due to state imposed COVID restrictions in prior year and increased revenues at Boulder Lake Club of $3,693, or 26%. The increases were offset by a decrease in revenue at Jack Frost National Golf Course of ($19,848) or (36%) due to an earlier close for the season in Fiscal 2022.

Real Estate Management/Rental Income

Real Estate Management Operations/Rental Income revenue was $156,894 for the three months ended January 31, 2022, compared to $182,515 for the three months ended January 31, 2021, which resulted in a decrease of ($25,621), or (14%). Real Estate Management revenue for the three months ended January 31, 2022 decreased to $139,489 as compared to $162,233 for the three months ended January 31, 2021, a decrease of ($22,744), or (14%). This was primarily the result of decreased trust revenues from the sewer, road and water services. Rental revenue decreased ($2,877), or (14%) primarily due to $0 solar lease revenue in Fiscal 2022 versus $7,600 in Fiscal 2021, which was offset by increased signboard rental revenues in Fiscal 2022.

Land Resource Management

For the three months ended January 31, 2022, Land Resource Management revenues decreased to $43,545 compared to $8,442,513 for the three months ended January 31, 2021, a decrease of ($8,398,968), primarily due to no land sales in the three months ended January 31, 2022 versus the sale of 284 acres of land in the three months ended January 31, 2021.

<u>Operating Costs</u>

Resort Operations

Operating costs associated with Resort Operations for the three months ended January 31, 2022 increased to $728,004 compared to $691,430 for the three months ended January 31, 2021, an increase of $36,574 or 5%. This was primarily related to increased labor costs $21,075 and increased repairs and maintenance $15,998.

Real Estate Management/Rental Income

Operating costs associated with Real Estate Management Operations/Rental Income for the three months ended January 31, 2022 increased to $177,562 compared to $167,104 for the three months ended January 31, 2021, a increase of $10,458, or 6%. This increase 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 three months ended January 31, 2022 decreased to $103,590 compared to $261,842 for the three months ended January 31, 2021, a decrease of $158,252, or 60%. This decrease was primarily the result of no land sales during the three months ended January 31, 2022 versus the sale of 284 acres of land during the three months ended January 31, 2021.

General and Administration

General and administration costs for the three months ended January 31, 2022 increased to $379,735 as compared to $329,052 for the three months ended January 31, 2021, an increase of $50,683, or 15%. This increase is primarily related to an increase in labor costs $38,484 and increased insurance costs of $7,397.

Other Income and Expense

Interest expense for the three months ended January 31, 2022 decreased to $71 compared to $715 for the three months ended January 31, 2021, a decrease of ($644), or (90%).

Interest and dividends on equity securities, net was $13,005 for the three months ended January 31, 2022 compared to $13,228 for the three months ended January 31, 2021, a decrease of ($223) or (2%). Realized gains on disposition of equity securities were $3,715 for the three months ended January 31, 2022 compared to $0 in the three months ended January 31, 2021 and there were unrealized losses of ($27,429) on equity securities in Fiscal 2022 versus unrealized gains of $13,152 in Fiscal 2021.

Pension expense for the three months ended January 31, 2022 decreased to $29,025 compared to $46,500 for the three months ended January 31, 2021, a decrease of ($17,475) or (37%).

Tax Rate

The tax rate specific to federal taxes for the three months ended January 31, 2022 and 2021 was 21%. The effective rate was 25.74% for the three months ended January 31, 2022 and 2021.

Liquidity and Capital Resources

As reflected in the Statements of Cash Flows, net cash used in operating activities was $740,923 for the three months ended January 31, 2022 versus net cash provided by operating activities was $7,670,054 for the three months ended January 31, 2021.

There was no material non-recurring cash item for the three months ended January 31, 2022. The sale of 284 acres of land totaling $8,400,000 was the material non-recurring cash item for the three months ended January 31, 2021.

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 January 31, 2022, the Company's cash and equity securities totaled $10,611,562 compared to cash and equity securities of $11,461,915 at October 31, 2021.

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 administered the loan. 100% of the funds were utilized for salaries and wages. On April 1, 2021, the total balance of the loan was forgiven.

On July 30, 2020, the Company entered into an installment loan with GM Financial in the amount of $26,410 for the purchase of a 2020 Chevrolet Colorado. The loan was payable in 36 monthly installments of $786 from September 2020 to August 2023 and bore interest at a fixed rate of 4.39%. On November 17, 2021, the Company paid this loan in full and on December 23, 2021 the vehicle was sold with a gain on the sale of $8,154.

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 one certificate of deposit with Mauch Chunk Trust Company. Subsequently on March 8, 2022 the certificate in the amount of $140,000 matured and yielded interest of $129. 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, 2023. The bank certificate is included in Equity Securities, which approximates fair value.

On November 14, 2020, 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 two years, renewable biennially 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 January 31, 2022, 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
Long Term Debt	$0	$0	$0	$0	$0
Capital Leases	9,427	9,427	0	0	0
Fixed Rate Interest	302	302	0	0	0
Pension Contribution Obligations (1)	326,148	326,148	0	0	0
Total Contractual Cash Obligations	$335,877	$335,877	$0	$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 January 31, 2022 represents 73 acres of land currently under an Agreement of Sales entered into August 24, 2021.

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.

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. Future benefit accruals under the pension plan ceased as of August 31, 2010. The pension plan is currently underfunded. During Fiscal 2020 the CARES Act provided the option to delay contributions due in 2020 until January 1, 2021, with interest. The Company has made contributions of $219,100 to the pension plan in Fiscal 2021. The Company has contributed $73,020 during the three months ended January 31, 2022 and anticipates contributing an additional minimum of $326,148 to the pension plan in the remaining months of Fiscal 2022. 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.