BLUE RIDGE REAL ESTATE COMPANY
AND SUBSIDIARIES

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

2025

ANNUAL REPORT

As of and for the Fiscal Years Ended October 31, 2025 and 2024

The accompanying financial statements have been prepared by the Company's management.
Independent auditors have conducted an audit 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

Annual Report
For the Period Ending: October 31, 2025
(the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

2,408,599 as of October 31, 2025

2,408,599 as of October 31, 2024

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933. Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 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: ☒

Change in Control

Indicate by check mark whether a Change in Control of the company has occurred during 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 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?

No: ☒ Yes: ☐

2) Security Information

Transfer Agent

Name: American Stock Transfer & Trust Company, LLC
Phone: 800-937-5449 or 718-921-8124
Email: help@astfinancial.com
Address: Operations Center, 6201 15th Avenue, Brooklyn, NY 11219

Publicly Quoted or Traded Securities:

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 date: October 31, 2025
Total shares outstanding: 2,408,599	as of date: October 31, 2025
Total number of shareholders of record: 93	as of date: October 31, 2025

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities: None

Other classes of authorized or outstanding equity securities that do not have a trading symbol: None

Security Description:

1. **For common equity, describe any dividend, voting and preemption rights.**

Dividends. Holders of Common Stock are entitled to dividends when, as and if declared by the Company's Board of Directors (the "Board") out of funds legally available therefor. In the event of a liquidation, dissolution or winding-up of the affairs of the Company, holders of Common Stock will be entitled to share ratably in the assets of the Company remaining after provision for payment of amounts owed to creditors.

Voting. The Articles provide that every shareholder shall be entitled to one vote for every share standing in the name of the shareholder on the books of the corporation. Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person to act for the shareholder by proxy.

Preemptive Rights. The holders of common shares do not have any preemptive or other preferential rights to purchase any marketable securities that we may issue in the future unless such rights are specifically granted to such holders.

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

No shares of preferred stock have been issued by the Company.

3. **Describe any other material rights of common or preferred stockholders.**

Meetings. Shareholders have the right to attend shareholder meetings. Written notice of every meeting of shareholders shall be given by, or at the direction of, the secretary of the corporation or other authorized person to each shareholder of record entitled to vote at the meeting.

Special meetings of the shareholders may be called at any time by the (i) board of directors or (ii) shareholders entitled to cast at least 20% of the votes that all shareholders are entitled to cast at the particular special meeting.

Right of Inspection by Shareholders. Every shareholder shall, upon written verified demand stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the share register, books and records of account, and records of the proceedings of the incorporators, shareholders and directors and to make copies or extracts therefrom.

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

There have not been any material modifications to rights of holders of the Company's securities that have occurred over the reporting period covered by this report.

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 for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☒ ☐ Yes: (If yes, you must complete the table below)

Shares outstanding Opening Balance November 1, 2023 Common:2,408,599 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. You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
	Shares Outstanding on October 31, 2025: <u>Ending Balance</u> Common: 2,408,599 Preferred: 0								

During the fiscal years ended October 31, 2024, and October 31, 2025, no shares were issued or repurchased.

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

☒ Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance ($)	Outstanding Balance (S) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shared Converted to Date	# of Potential Shares to be Issued Upon Conversion	Name of Noteholder (entities must have individual with voting/investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)

Total Outstanding Balance: _____ Total Shares: ______ ______

Any additional material details, including footnotes to the table are below: None

4) 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 audited 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, Lake Mountain, LLC and Big Boulder Lake, 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

5) Issuer's Facilities and in the Notes to the Audited 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.

Our business faces significant risks. Some of the following risks relate principally to our business and the industry and statutory and regulatory environment in which we operate. Other risks relate principally to financial investments and the securities markets and ownership of our stock. The risks described below may not be the only risks we face. Additional risks that we do not yet know of or that we currently think are immaterial may also impair our business operations. If any of the events or circumstances described in the following risk factors actually occur, our business, financial condition, cash flow and results of operations, could be materially adversely affected, and the trading price of our common stock could decline.

Risks Related to Our Business and Our Industry

We are exposed to risks associated with real estate development.

Our real estate holdings are in the Pocono Mountains of Pennsylvania. The value of our real property and the revenue from related development activities may be adversely affected by a number of factors, including:

- unexpected construction delays or cost overruns, which may increase project development costs;
- claims for construction defects after the property has been developed, including claims by purchasers and property owners' associations;
- government regulations and changes in real estate, zoning, land use, environmental or tax laws;
- attractiveness of the properties to prospective purchasers and tenants;
- local real estate conditions (such as an oversupply of space or a reduction in demand for real estate in an area);
- competition from other available property or space;
- changes in operating costs, including costs for maintenance, insurance and real estate taxes;
- potential liabilities under environmental and other laws;
- our ability to obtain adequate insurance;
- interest rate levels and the availability of financing; and
- national and local economic climate.

We are subject to demand fluctuations in the housing industry. Any reduction in demand would adversely affect our business, results of operations and financial conditions.

The real estate development industry is cyclical in nature and is particularly vulnerable to unpredictable shifts in economic conditions over which we have no control. In addition, the real estate market is subject to downturns, and our business is especially sensitive to economic conditions in the Pocono Mountains, where the demand is for resort vacation homes. Resort vacation unit rental and ownership is a discretionary activity entailing relatively high costs, and if market conditions do not continue to improve as anticipated, or were to worsen, the demand for our resort and real estate products could decline, negatively impacting our business, results of operations, cash flows and financial condition.

If the market values of our home sites and other developed real estate assets were to drop below the book value of those properties, we would be required to write-down the excess book value of those properties, which would have an adverse effect on our balance sheet and our earnings.

We have owned the majority of our land for many years, having acquired most of our land in the 1960's. Consequently, we have a very low-cost basis in the majority of our land holdings. We have subdivided and developed parcels with infrastructure improvements and also constructed a golf course, temporary clubhouse and pavilion, which required significant capital expenditures. Many of these costs are capitalized as part of the book value of the land development. Adverse market conditions, in certain circumstances, may require the book value of the real estate assets to be decreased, often referred to as a “write-down” or “impairment.” A write-down of an asset would decrease the value of the asset on our balance sheet and would reduce our earnings for the period in which the write-down is recorded.

If market conditions were to deteriorate, and the market values of our home sites and other developed real estate were to fall below the book value of these assets, we could be required to take additional write-downs of the book value of those assets.

If we are not able to obtain suitable financing, our business and results of operations may decline.

Our business and earnings may depend on our ability to obtain financing for the development of our residential communities, whether from bank borrowings, public offerings or private placements of debt or equity.

If we are not able to obtain suitable financing at reasonable terms or replace existing debt and credit facilities when they become due or expire, our costs for borrowings will likely increase and our revenues may decrease, or we could be precluded from continuing our operations at current levels.

Our future growth is dependent on entering into transactions with real estate developers. We may not be able to successfully (1) attract effective real estate developers; (2) complete agreements with real estate developers; and/or (3) manage relationships with real estate developers going forward, any of which could adversely affect our business.

We may seek to enter into transactions with real estate developers to develop and capitalize on the potential of our commercial and industrial opportunities. These real estate developers may bring development experience, industry expertise, financial resources, financing capabilities, brand recognition and credibility or other competitive assets. We cannot assure, however, that we will have sufficient resources, experience and/or skills to locate desirable real estate developers. We also may not be able to attract real estate developers who want to conduct business on properties in our core area.

Once a potential buyer has been identified, actually reaching an agreement and closing a transaction may be difficult to complete and may take a considerable amount of time considering that negotiations require balancing of the parties’ various objectives, assets, skills and interests and receiving all regulatory approvals.

Entering into an agreement with a real estate developer may also involve special risks such as:

- the developer could experience financial difficulties, become bankrupt or fail to fund capital contributions, which may delay construction or development of a property;
- actions by the real estate developer which may subject the adjacent properties owned by the Company to adverse consequences.

We may also be subject to adverse business consequences if the market reputation of a real estate developer deteriorates. If we cannot successfully execute transactions, our business, results of operations, cash flows and financial condition could be adversely affected.

Our business is subject to heavy environmental and land use regulation.

We are subject to a wide variety of federal, state and local laws and regulations relating to land use and development and to environmental compliance and permitting obligations, including those related to the use, storage, discharge, emission and disposal of hazardous materials. Any failure to comply with these laws could result in capital or operating expenditures or the imposition of severe penalties or restrictions on our operations that could adversely affect our present and future resort operations and real estate development. In addition, these laws and regulations could change in a manner that materially and adversely affects our ability to conduct our business or to implement desired expansions and improvements to our facilities.

We are subject to litigation in the ordinary course of business.

We are, from time to time, subject to various legal proceedings and claims, either asserted or unasserted. Any such claims, whether with or without merit, could be time-consuming and expensive to defend and could divert management's attention and resources. While management believes we have adequate insurance coverage and accrued loss contingencies for all known matters, we cannot assure that the outcome of all current or future litigation will not have a material adverse effect on us.

Implementation of existing and future legislation, rulings, standards and interpretations from the FASB or other regulatory bodies could affect the presentation of our financial statements and related disclosures.

Future regulatory requirements could significantly change our current accounting practices and disclosures. Such changes in the presentation of our financial statements and related disclosures could change the interpretation or perception of our financial position and results of operations.

If we are unable to retain our key executive personnel and hire additional personnel as required, our business and prospects for growth could suffer.

We believe that our operations and future development are dependent upon the continued services of our key executive personnel. Moreover, we believe our future success will depend in large part upon our ability to attract, retain and motivate highly skilled management employees. If one or more members of our management team or other key personnel become unable or unwilling to continue in their present positions and if additional key personnel cannot be hired as needed, our business and prospects for growth could be materially adversely affected.

The cyclical nature of the forest products industry could adversely affect our timbering operations.

Our results of operations are affected by the cyclical nature of the forest products industry. Historical prices for logs and wood products have been volatile, and we, like other participants in the forest products industry, have limited direct influence over the time and extent of price changes for logs and wood products. The demand for logs and wood products is affected primarily by the level of new residential construction activity and, to a lesser extent, repair and remodeling activity and other industrial uses. The demand for logs is also affected by the demand for wood chips in the pulp and paper markets. These activities are, in turn, subject to fluctuations due to, among other factors:

- changes in domestic and international economic conditions;
- interest rates;
- population growth and changing demographics; and
- seasonal weather cycles (e.g., dry summers, wet winters).

Decreases in the level of residential construction activity generally reduce demand for logs and wood products. This results in lower revenues, profits and cash flows in our Land Resources Management segment. In addition, industry-wide increases in the supply of logs and wood products during favorable price environments can also lead to downward pressure on prices. Timber owners generally increase production volumes for logs and wood products during favorable price environments. Such increased production, however, when coupled with even modest declines in demand for these products in general, could lead to oversupply and lower prices.

We may be adversely impacted by the effects of high or prolonged inflation

Inflation increases the cost of goods we purchase and services we buy, the cost of capital projects and wages and benefits for our workforce. Although we may take measures to mitigate the impact of inflation through pricing actions or cost reduction measures, if we are not able to offset inflationary costs, our results of operations will be negatively impacted and possibly in a material manner. As a result, the impact of high and prolonged inflation could have a material adverse effect on our business, financial condition, or results of operations. Inflationary pressures also increase the cost of living and costs of travel, which decreases consumers' disposable income and could impact our guests' discretionary spending habits or willingness to visit our operating centers, which could reduce customer demand for the products and services that we offer and negatively impact our revenues and operating cash flow.

Weather and other natural conditions and regulatory requirements may limit our ability to market and sell our timber assets, which could adversely affect our operations.

Weather conditions, timber growth cycles, access limitations (for example, restrictions on access to timberlands due to prolonged wet conditions) and regulatory requirements associated with the protection of wildlife and water resources may restrict our ability to market and sell our timber assets. In addition, our timber assets are subject to damage by fire, insect infestation, disease, prolonged drought, flooding and other natural disasters. Changes in global climate conditions could intensify one or more of these factors. Although damage from such natural causes usually is localized and affects only a limited percentage of the timber assets, there can be no assurance that any damage affecting our timberlands will in fact be so limited. We do not maintain insurance coverage with respect to damage to our timberlands. Our results of operations and cash flows may therefore be materially adversely affected if we are unable to sell our timber assets at adequate levels or if demand decreases due to an increase in our prices as a result of any of these factors.

Public health issues such as the COVID-19 pandemic have adversely affected, and could in the future, adversely affect our business or financial results.

The United States and other countries have experienced, and may experience in the future, outbreaks of contagious diseases that affect public health and public perception of health risks. In March 2020, the novel coronavirus, or 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 Company's Resort Operations and impacts its financial performance and condition, operating results, liquidity and cash flows. Factors that would negatively impact our ability to successfully operate during the current outbreak of COVID-19 or another pandemic include:

- Our ability to keep our golf course, restaurant and recreation club open to the public;
- Our ability to attract and retain guests given the risks, or perceived risks, of gathering in public places;
- Our ability to incentivize and retain our current employees, and attract and hire sufficient future seasonal employees;
- Existing and future restrictions imposed by governmental authorities, including capacity, indoor dining or other restrictions that may affect our operations or the ability of our guests to return to our facilities;
- The risks of lawsuits related to COVID-19; and
- Reduced economic activity which could result in a prolonged recession, which could negatively impact consumer discretionary spending.

We have taken significant steps to adapt our businesses during the pandemic 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 COVID-19 and related travel advisories and restrictions, the impact of the COVID-19 on the overall demand for the Company's resort operations, the acceptance and effectiveness of vaccines, and the impact of COVID-19 and related containment and mitigation measures on our customers and employees, all of which are highly uncertain, unpredictable and out of our control. We will continue to closely monitor relevant events so that we are able to respond to developments as they occur, however, if COVID-19 continues to have a significant negative impact on economic conditions over a prolonged period of time, our results of operations and financial condition could be materially adversely impacted.

Risks Related to Our Investments

Our cash and cash equivalents could be adversely affected if the financial institutions in which we hold our cash and cash equivalents fail.

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. We maintain the cash and cash equivalents with reputable major financial institutions. These balances could be impacted if one or more of the financial institutions with which we deposit fails or is subject to other adverse conditions in the financial or credit markets. To date, we have experienced no loss or lack of access to our invested cash or cash equivalents, however, we can provide no assurance that access to our invested cash and cash equivalents will not be impacted by adverse conditions in the financial and credit markets.

Our investments in marketable securities are subject to risks which may cause losses and affect the liquidity of these investments.

We invest funds in excess of those needed for working capital in preferred stocks, mutual funds, money markets and other financial instruments. Significant declines in the value of these investments due to the operating performance of the companies we invest in or general economic or market conditions may result in the recognition of realized or impairment losses which could be material.

Risks Related to Our Common Stock

We do not expect to pay dividends on our common stock.

Although we have declared and paid dividends on our common stock in the past, we do not anticipate declaring or paying any dividends in the foreseeable future. We plan to retain any future earnings to finance the continued expansion and development of our business. As a result, our dividend policy could depress the market price for our common stock.

We are effectively controlled by KRSX Merge, LLC, and other shareholders have little ability to influence our business.

As of January 29, 2026, KRSX Merge, LLC., or KRSX, a wholly-owned subsidiary of Kimco Realty Corporation, owned at least 1,425,153 shares, or approximately 59% of our outstanding voting stock. KRSX is able to exercise significant control over all matters requiring shareholder approval, including the election of directors and approval of significant corporate actions, such as mergers and other business combination transactions. This concentration of ownership may also have the effect of delaying or preventing a change in control over us unless it is supported by KRSX. Accordingly, your ability to influence us through voting your shares is very limited.

Mr. Raymond Edwards and Mr. David Domb, two of the Company's Directors, are employees of Kimco Realty Corporation.

Our common stock is thinly traded. Our stock price may fluctuate more than the stock market as a whole.

As a result of the thin trading market for our stock, its market price may fluctuate significantly more than the stock market as a whole or the stock prices of similar companies. Of the 2,408,599 shares of our common stock outstanding as of January 29, 2026, approximately 41% of such shares are beneficially owned by persons other than KRSX, our controlling shareholder. Without a larger float, our common stock will be less liquid than the stock of companies with broader public ownership, and, as a result, the trading prices for our common stock may be more volatile. Among other things, trading of a relatively small volume of our common stock may have a greater impact on the trading price for our stock than would be the case if our public float were larger.

Holders of our securities are subject to the risks of an investment in a private rather than a public company.

The Company's stock is currently quoted and traded on the OTC Markets Pink Sheets.

Holders of the Company's shares:

- may suffer losses if the Company does not establish profitability and sustain earnings and cash flow in the future;
- will be subject to risk of a decline in the Company's results of operations and potential adverse effects on the Company from an inability to obtain adequate working capital;
- will likely experience limited liquidity of the Company's shares, thus making a sale in the market more difficult;
- will likely, especially if an unaffiliated shareholder, have limited access to information about Blue Ridge.

There may not be a sufficient number of shares outstanding and publicly traded to ensure a continued trading market in the shares in any over-the-counter market. The continued quotation of our common shares as well as the availability of any over-the-counter trading in our common shares will depend, in part, on the nature and extent of continued publicly available information about Blue Ridge. Although we continue to provide audited annual financial statements and unaudited quarterly financial statements to our shareholders and publish reports and news releases with the OTC Markets, there is no requirement that we do so. Further, under Rule 15c2-11, brokers and dealers are prohibited from publishing any quotation for a security, directly or indirectly, or submitting any such quotation for publication, in any quotation medium unless such broker or dealer has in its records the documents and information required by the rule ("Paragraph A Current Information"), and, based upon a review of such information together with any other documents and information required by the rule ("Paragraph B Information"), has a reasonable basis under the circumstances for believing that the Paragraph A Information is accurate in all material respects, and that the sources of the Paragraph A information are reliable. Market Makers may post quotations in securities of companies with limited financial information only if they can demonstrate to the Financial Industry Regulatory Authority ("FINRA") that the requirements of Rule 15c2-11 are being satisfied.

5) Issuer's Facilities

At October 31, 2025, the properties of Blue Ridge and its subsidiaries consisted of 9,061 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, 7,559 acres were held for investment and 1,429 acres were held for development and 73 acres 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. The golf course is a seasonal facility. Golf course operations generally occur between April and October.

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. On November 1, 2022, the Company entered into a Management Agreement with RealFood, LLC, a subsidiary of Troon Golf, LLC, an unaffiliated third-party operator, for the management of Boulder View Tavern. The restaurant has dining capacity for 200 patrons. The restaurant is open year-round.

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. Big Boulder Lake, 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 member-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.

6) All Officers, Directors and Control Persons of the Company

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 marketable securities) of the Company as of the date of this information statement.

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	**Position/Company Affiliation (ex: CEO, 5% Control person)**	**City and State (Include Country if outside U.S.)**	**Number of Shares Owned (List common, preferred warrants and options separately)**	**Class of Shares Owned**	**Percentage of Class of Shares Owned (undiluted)**
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 Conor C. Flynn Glenn G. Cohen Ross Cooper	Principal Stockholder Director Director Director	Jericho, NY	1,425,153	Common	59.2%

7) 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, financial or investment-related, insurance or banking activities;
3. A finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;
4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above;
5. Been the subject 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.
6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

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.

8) Third Party Service Providers

All 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
Not Applicable

All other means of Investor Communication:
X (Twitter): None
Discord: None
LinkedIn: None
Facebook: None
(Other): None

Other Service Providers
Not Applicable

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by:

Name: Cynthia A. Van Horn

Title: Chief Financial Officer and Treasurer

Relationship to Issuer: Principal Financial Officer

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

☐IFRS
☒U.S. GAAP

C. The following financial statements were prepared by

Name: Cynthia A. Van Horn

Title: Chief Financial Officer and Treasurer

Relationship to Issuer: Principal Financial Officer

Describe the qualifications of the person or persons who prepared the financial statements: Cynthia A. Van Horn has served as the Company's Chief Financial Officer ("CFO") and Treasurer since January 1, 2012. Mrs. Van Horn previously served as the Companies' Controller beginning in October 1996. From November 1995 until October 1996 Mrs. Van Horn served as the Companies' Accounting Manager. Mrs. Van Horn holds a Bachelor of Science Degree in Accounting from Pennsylvania State University.

Provide the following qualifying financial statements:

10) Issuer Certification

Principal Executive Officer:

I, Bruce Beaty certify that:

1. I have reviewed this Disclosure Statement for 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, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: 1/29/2026

/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 Disclosure Statement for 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, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: 1/29/2026

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

Independent Auditors' Report

Board of Directors and Shareholders
Blue Ridge Real Estate Company

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Blue Ridge Real Estate Company (a PA corporation) and its Subsidiaries, which comprise the consolidated balance sheets as of October 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive income (loss), changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Blue Ridge Real Estate Company and its Subsidiaries as of October 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blue Ridge Real Estate Company and its Subsidiaries, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Blue Ridge Real Estate Company and its Subsidiaries' ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Blue Ridge Real Estate Company and its Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blue Ridge Real Estate Company and its Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Information included in the Company's Annual Report

Management is responsible for the other information included in the Blue Ridge Real Estate Company and Subsidiaries' annual report. The other information comprises management's discussion and analysis and regulated required disclosures, but it does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

/s/Kronick Kalada Berdy & Co. P.C.
Kingston, Pennsylvania
January 29, 2026

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

BALANCE SHEETS
October 31, 2025 and 2024

ASSETS:	10/31/2025	10/31/2024
Land and land development costs (1,429 per land ledger)	**$6,758,521**	$6,777,690
Land improvements, buildings and equipment, net	**2,634,487**	2,280,752
Land held for investment, principally unimproved (7,559 and 7,632 acres per land ledger, respectively)	**1,515,342**	1,532,287
Long-lived assets held for sale (73 and 0 acres per land ledger, respectively)	**27,142**	0
Cash and cash equivalents	**7,618,870**	9,653,691
Equity securities	**3,168,141**	2,323,327
Cash held in escrow	**545**	540
Prepaid expenses and other assets	**559,320**	527,079
Accounts receivable	**58,723**	127,789
Accrued pension assets	**0**	175,770
Total assets	**$22,341,091**	$23,398,925
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Debt	**$28,065**	$40,973
Accounts payable	**312,879**	336,718
Accrued liabilities	**575,073**	683,800
Deferred income	**176,746**	161,793
Deferred income taxes, net	**303,003**	576,882
Accrued pension expense	**358,542**	0
Total liabilities	**1,754,308**	1,800,166
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	**2,914,545**	3,667,943
Accumulated other comprehensive loss	**(1,054,203)**	(795,625)
Total shareholders' equity	**20,586,783**	21,598,759
Total liabilities and shareholders' equity	**$22,341,091**	$23,398,925

The accompanying notes are an integral part of the financial statements.

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENTS OF OPERATIONS
for the years ended October 31, 2025 and 2024

	10/31/2025	10/31/2024
Revenues:		
Resort operations revenue	**$5,457,294**	$5,527,867
Real estate management revenue	**791,909**	727,031
Land resource management revenue	**492,964**	473,476
Rental income revenue	**124,486**	91,484
Total revenues	**6,866,653**	6,819,858
Costs and expenses:		
Resort operations costs	**5,185,394**	5,121,002
Real estate management costs	**805,565**	769,737
Land resource management costs	**512,324**	778,219
Rental income costs	**50,564**	50,239
General and administration expense	**1,551,719**	1,551,075
Total costs and expenses	**8,105,566**	8,270,272
Operating loss before other income and (expense)	**(1,238,913)**	(1,450,414)
Other income and (expense):		
Gain on sale of assets	**3,050**	56,790
Interest and other income	**32,050**	179,467
Interest expense	**(269)**	(592)
Interest and dividends on marketable securities, net	**466,912**	563,244
Realized gain on marketable securities	**2,305**	58,588
Unrealized gain (loss) on marketable securities	**(12,978)**	83,243
Pension expense	**(184,555)**	(294,004)
Total other income	**306,515**	646,736
Loss from operations before income taxes	**(932,398)**	(803,678)
Provision (benefit) for income taxes		
Current income taxes	**4,000**	11,000
Deferred income taxes	**(183,000)**	(192,000)
Total benefit for income taxes	**(179,000)**	(181,000)
Net loss	**($753,398)**	($622,678)
Basic loss per weighted average share	**($0.31)**	($0.26)

The accompanying notes are an integral part of the financial statements

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE LOSS
for the years ended October 31, 2025 and 2024

	10/31/2025	10/31/2024
Net loss	**($753,398)**	($622,678)
Defined benefit pension		
Net (loss) gain arising during the period	**(464,989)**	247,026
Amortization of net loss included in net periodic pension cost	**115,232**	180,297
Deferred tax benefit (expense)	**91,179**	(124,434)
Other comprehensive (loss) income	**(258,578)**	302,889
Total comprehensive loss	**($1,011,976)**	($319,789)

Deferred tax benefit (expense) on net (loss) gain arising during the period was $121,219 and ($71,933) for the years ended October 31, 2025 and 2024, respectively.

Deferred tax expense on amortization of net loss included in net periodic pension cost was ($30,040) and ($52,501) for the years ended October 31, 2025 and 2024, respectively.

The accompanying notes are an integral part of the financial statements

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
for the years ended October 31, 2025 and 2024

	Capital Stock (1) Shares	Capital Stock (1) Amount	Capital in Excess of Stated Value	Earnings Retained in the Business	Accumulated Other Comprehensive Income (Loss)	Total
Balance, October 31, 2023	2,408,599	$722,580	$18,003,861	$4,290,621	($1,098,514)	$21,918,548
Net loss				(622,678)		(622,678)
Other comprehensive income					302,889	302,889
Balance, October 31, 2024	2,408,599	$722,580	$18,003,861	$3,667,943	($795,625)	$21,598,759
Net loss				(753,398)		(753,398)
Other comprehensive loss					(258,578)	(258,578)
Balance, October 31, 2025	**2,408,599**	**$722,580**	**$18,003,861**	**$2,914,545**	**($1,054,203)**	**$20,586,783**

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

The accompanying notes are an integral part of the financial statements

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES

STATEMENTS OF CASH FLOWS
for the years ended October 31, 2025 and 2024

	10/31/2025	10/31/2024
Cash Flows from Operating Activities:		
Net loss	**($753,398)**	($622,678)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	**475,548**	467,458
Amortization of investment premiums	**4,554**	698
Realized gain on equity securities	**(2,305)**	(58,588)
Unrealized loss (gain) on equity securities	**12,978**	(83,243)
Abandonment	**10,180**	0
Deferred income taxes	**(183,000)**	(192,000)
Gain on sale of assets	**(3,050)**	(56,790)
Changes in operating assets and liabilities:		
Accounts receivable	**69,066**	165,059
Prepaid expenses and other assets	**(32,241)**	4,835
Land and land development costs	**(1,207)**	(9,855)
Long-lived assets held for sale	**0**	40,783
Accounts payable and accrued liabilities	**52,289**	335,572
Deferred income	**14,953**	(61,050)
Net cash used in operating activities	**(335,633)**	(69,799)
Cash Flows from Investing Activities:		
Purchase of marketable securities	**(1,360,041)**	(1,376,016)
Proceeds from disposition of assets	**4,500**	300,500
Proceeds from maturities and sales of marketable securities	**500,000**	2,150,000
Additions to properties	**(830,733)**	(727,895)
Net cash (used in) provided by investing activities	**(1,686,274)**	346,589
Cash Flows from Financing Activities:		
Proceeds from debt	**0**	35,081
Payment of debt	**(12,909)**	(5,570)
Net cash provided by (used in) financing activities	**(12,909)**	29,511
Net increase (decrease) in cash and cash equivalents and restricted cash	**(2,034,816)**	306,301
Cash and cash equivalents and restricted cash, beginning of period	**9,654,231**	9,347,930
Cash and cash equivalents and restricted cash, end of period	**$7,619,415**	$9,654,231

The accompanying notes are an integral part of the financial statements

NOTES TO AUDITED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation:

The accompanying audited 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, Lake Mountain, LLC and Big Boulder Lake, LLC) (collectively "Blue Ridge" or "The Company" or The Companies"). All significant intercompany accounts and transactions are eliminated.

Revenue Recognition:

Revenues are derived from a wide variety of sources, including sales of real estate, management of investment properties, operation of a restaurant and recreational lake club facility, property management services, golf activities, timbering, and leasing activities. Generally, revenues are not recognized as revenues until the revenue is earned, which is at the time of sale or when the services are provided and the Company does not believe it is required to provide additional goods or services, except as noted below.

Land and Resort Homes:

The Company recognizes 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 financed the sale, more than 20% down payment is required. 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 market.

Timbering Revenues:

Timbering revenues from stumpage contracts are recognized at the time a stumpage contract is signed, at which time the risk of ownership has been passed to the buyer at a fixed, determinable cost. Reasonable assurance of collectability has been determined by the date of signing, and the few obligations of the Company have already been met.

Land and Land Development Costs:

The Company capitalizes 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. 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 closing documents. At closing a binding contract is in effect, the buyer has arranged for permanent financing and the Company is assured of payment in full. Also at this time, the risks and rewards associated with ownership have been transferred to the buyer. Selling expenses are recorded when incurred.

Land Improvements, Buildings, Equipment and Depreciation:

Land improvements, buildings and equipment are stated at cost. Depreciation and amortization are provided principally using the straight-line method over the estimated useful lives as set forth below:

Land improvements	10-30 years
Buildings and improvements	3-40 years
Equipment and furnishings	3-20 years

Upon sale or retirement of depreciable property, the cost and related accumulated depreciation are removed from the related accounts, and resulting gains or losses are reflected in income.

Interest, real estate taxes, and insurance costs, including those costs associated with holding unimproved land, are 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.

Land Held for Investment:

Land held for investment is stated at cost and is principally unimproved. Portions of this land are leased on an annual basis primarily to hunting and sportsman clubs. Real estate taxes and insurance are expensed as incurred.

Long-Lived Assets Held for Sale:

The Company classifies assets as a long-lived asset held for sale upon a signed agreement of sale and the receipt of a deposit. The carrying value of the assets held for sale are stated at the lower of carrying value or fair market value less costs to sell. The impairment loss for long-lived assets held for sale is the difference between their carrying value and their fair value less cost to sell. Included in long-lived assets held for sale at October 31. 2025 were 73 acres and 1 buildable lot with less than 1 acre and were both under Agreement of Sale with a combined cost of $27,142. There are no long-lived assets classified as held for sale at October 31, 2024. On November 5, 2025, 1 buildable lot was sold.

Impairment:

The Company reviews its long-lived assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, which is primarily due to the state of the industry and the economy. In that event, the Company calculates the expected future net cash flows to be generated by the asset. If those net future cash flows are less than the carrying value of the asset, an impairment loss is recognized in operating loss. The impairment loss is the difference between the carrying value and the fair value of the asset less cost to sell. The impairment loss is recognized in the period incurred.

Deferred Income:

Deferred income includes dues, rents and deposits on land or home sales. Rents that are not yet earned relate to the Company's commercial properties that have been paid in advance, and dues are related to memberships in the Company's hunting and fishing clubs, golf club and lake club paid in advance. The Company recognizes revenue related to the hunting and fishing clubs, golf course and lake club memberships over the period that the dues cover. The Company recognizes revenue related to the fishing club over a six-month period, April through September, the golf course over a seven-month period, April through October and the lake club over a five-month period, May through September. Deposits are required on land and home sales. Deferred income amounted to $222,843 at October 31, 2023.

Sales Tax:

The Company records taxes collected from non-exempt customers on revenue producing activities on a net basis (excluded from revenue). The taxes are recorded as liabilities until remitted to state agencies.

Comprehensive Loss:

The Company's comprehensive loss differs from net loss substantially due to changes in the funded status of the Company's defined benefit pension plan (see Note 9). The Company has elected to disclose comprehensive loss in its Statements of Comprehensive Loss. See Note 10 for Accumulated Other Comprehensive Loss.

Income Taxes:

The Company accounts for income taxes utilizing the asset and liability method of recognizing the tax consequence of transactions that have been recognized for financial reporting or income tax purposes. Among other things, this method requires current recognition of the effect of changes in statutory tax rates on previously provided deferred taxes. For federal income tax purposes, Blue Ridge and its subsidiaries file as consolidated entities. State income taxes are reported on a separate company basis. Valuation allowances are established, when necessary to reduce tax assets to the amount expected to be realized.

The Company's policies for Accounting for Uncertainty in Income Taxes in an enterprise's financial statements, requires a review of all tax positions and applies a "more-likely-than-not" recognition threshold to determine whether any part of an individual tax position should be recognized in the financial statements. A tax position that meets the more-likely-than-not recognition threshold is measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon the ultimate settlement with the taxing authority that has full knowledge of all relevant information. Management has analyzed the Company's tax positions, and has concluded that no liability should be recorded related to uncertain tax positions taken at October 31, 2025 and 2024.

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, marketable 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, 2025 ("Fiscal 2025"). 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 October 31, 2025, the Company had $93,274 working cash on deposit in excess of the FDIC insured limit of $250,000, and also had $7,180,699 invested in money market and mutual funds at October 31, 2025, which are not insured by the FDIC.

Cash, Equivalents and Restricted Cash:

Cash, cash equivalents and restricted cash as of October 31, 2025 and 2024 consist of the following:

	2025	2024
Cash and cash equivalents	**$7,618,870**	$9,653,691
Cash held in escrow	**545**	540
Total cash, cash equivalents, and restricted cash shown in the statements of cash flows	**$7,619,415**	$9,654,231

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.

Accounts Receivable:

Accounts receivable are reported at net realizable value. Accounts or a portion thereof are written off when they are determined to be uncollectible based upon management's assessment of individual accounts, historical experience and subsequent collections. An allowance for credit losses, if deemed necessary, is estimated based on its assessment of the current conditions, reasonable and supportable forecasts regarding future events, the financial stability of its customers, and other factors deemed relevant by the Company. Accounts receivable amounted to $61,539 at October 31, 2023.

Earnings Per Share:

Basic earnings per share are calculated based on the weighted-average number of shares outstanding. Diluted earnings per share include the dilutive effect of stock options, if applicable.

Business Segments:

The Company currently operates in three business segments, which consist of Resort Operations, Real Estate Management/Rental Operations and Land Resource Management. Financial information about our segments can be found in Note 16.

Marketable Securities:

Marketable 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 Marketable securities are reported in net income (loss).

Marketable securities consist of investments in preferred stocks (17 positions of financial services, insurance and real estate investment trusts), 4 positions of government bonds, a bond mutual fund, a fixed income exchange traded products fund and two certificates of deposit at October 31, 2025. Marketable securities consist of investments in preferred stocks (16 positions of financial services, insurance and real estate investment trusts), 3 positions of government bonds, a bond mutual fund, a fixed income exchange traded products fund and one certificate of deposit at October 31, 2024. 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 and government bonds are recorded monthly. Since these investments are in marketable 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.

New Accounting Pronouncements:

The Financial Accounting Standards Board issued ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", which supersedes accounting standards that currently exist under GAAP and provides a methodology for measuring credit losses that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The standard also requires companies to disclose additional information, including expanded credit quality disclosures. The Company adopted the standard effective November 1, 2023. The adoption did not have a material effect on our consolidated financial statements and disclosures.

The FASB issued ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures, effective for years beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not been made available for issuance. The Company is evaluating the impact the pronouncement may have on the consolidated financial statements. We do not anticipate the adoption to have a material effect on our consolidated financial statements.

In March 2023, the FASB issued ASU 2023-01, Leases (Topic 842): Common Control Arrangements, in response to private company stakeholder concerns about applying Topic 842 to related party arrangements between entities under common control. The Company adopted the standard effective November 1, 2024. The adoption did not have a material effect on our consolidated financial statements.

2. CONDENSED FINANCIAL INFORMATION:

Condensed financial information of Blue Ridge and its subsidiaries at October 31, 2025 and 2024 and for each of the years then ended is as follows:

	Blue Ridge and Subsidiaries	
	10/31/2025	10/31/2024
FINANCIAL POSITION:		
Total assets	**$22,341,091**	$23,398,925
Total liabilities	**1,754,308**	1,800,166
Shareholders' equity	**20,586,783**	21,598,759
OPERATIONS:		
Revenues	**$6,866,653**	$6,819,858
Loss from operations before taxes	**(932,398)**	(803,678)
Total benefit for income taxes	**(179,000)**	(181,000)
Net loss	**($753,398)**	($622,678)

3. LAND AND LAND DEVELOPMENT COSTS:

Land and improvements in progress held for development as of October 31, 2025 and 2024 consist of the following:

	10/31/2025	10/31/2024
Land unimproved designated for development	**$1,979,222**	$1,979,287
Residential development	**4,565,919**	4,585,023
Infrastructure development	**213,380**	213,380
Total land and land development costs	**$6,758,521**	$6,777,690

4. ABANDONMENT OF LAND DEVELOPMENT COST:

One lot within the Laurelwoods III development on Mountainwoods Drive, which was previously planned for the construction of a single-family home was deemed unbuildable due to the slope of the property and the necessity for a nearby retention wall. The major expenditures being abandoned include permits, surveys, legal fees, infrastructure and capitalized costs including labor, interest and property taxes.

Original Cost Basis	$59,610
Previous Impairment: 10/31/2010	($32,758)
Previous Impairment: 10/31/2014	($16,672)
Book Value at 10/31/25	$10,180
Abandonment at 10/31/25	($10,180)
Net Investment after Abandonment	$0

5. LAND HELD FOR INVESTMENT:

	10/31/2025	10/31/2024
Land – Unimproved	**$1,370,556**	$1,387,501
Land – Commercial rental properties	**144,786**	144,786
Total land held for investment	**$1,515,342**	$1,532,287

6. DEBT AND LETTER OF CREDIT:

Debt as of October 31, 2025 and 2024 consists of the following:

	10/31/2025	10/31/2024
Note payable to credit corporation, interest fixed at 0%, payable in 60 monthly installments through October 2029, secured by certain equipment.	**$28,065**	$35,081
Note payable to bank, interest fixed at 5.65%, payable in 24 non-consecutive installments in the months of May through October of $1,089, through October 2025, secured by certain equipment.	**0**	5,892
Total debt	**$28,065**	$40,973

On October 8, 2024 Blue Ridge Real Estate Company entered into an installment loan with Kubota Credit Corporation in the amount of $35,081 on the purchase of a Kubota backhoe. The loan is payable in 60 monthly installments of $585 from November 2024 to October 2029. The loan has a 0% interest rate and includes property insurance coverage on the equipment for the term of the loan.

On March 8, 2022, Blue Ridge Real Estate Company entered into an agreement with PNC Equipment Finance, LLC for the addition of a golf utility cart at Jack Frost National Golf Course in the amount of $23,802. The obligation is due and payable in 26 non-consecutive monthly installments in the months of May through October of $1,027 through October 2025 and bears interest at a fixed rate of 5.65%.

On November 7, 2024, 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 2 dams to post a financial guarantee adequate to breach the dams if we fail to comply with PA-DEP safety requirements.

As of October 31, 2025, and 2024, the Company has no variable rate debt.

The aggregate amount of debt maturing subsequent to October 31, 2025, is $7,016 in 2026, $7,016 in 2027, $7,016 in 2028 and $7,017 in 2029.

7. INCOME TAXES:

The expense (benefit), rounded to the nearest thousand, for income taxes from continuing operations is as follows:

	10/31/2025	10/31/2024
Currently payable:		
Federal	**$0**	$0
State	**4,000**	11,000
	4,000	11,000
Deferred:		
Federal	**(200,000)**	(158,000)
State	**17,000**	(34,000)
	(183,000)	(192,000)
Total	**($179,000)**	($181,000)

A reconciliation between the amount computed using the statutory federal income tax rate of 21% and the actual expense (benefit), rounded to the nearest thousand, for income taxes as of October 31, 2025 and 2024, respectively, is as follows:

	10/31/2025	10/31/2024
Computed at statutory rate	**($196,000)**	($169,000)
State income taxes, net of federal income tax	**10,000**	(25,000)
Nondeductible expenses	**2,000**	2,000
True up of prior year amounts	**5,000**	11,000
Benefit for income tax	**($179,000)**	($181,000)

The components of the deferred tax assets and liabilities as of October 31, 2025 and 2024 are as follows:

	10/31/2025	10/31/2024
Deferred tax assets:		
Asset impairment	**$4,246,000**	$4,376,000
Net operating losses	**2,981,000**	2,730,000
Valuation allowance	**(4,980,000)**	(5,068,000)
Contribution carryforward	**11,000**	3,000
Capital loss carryforward	**24,000**	25,000
Unrealized capital loss	**(3,000)**	(7,000)
Deferred tax asset	**2,279,000**	2,059,000
Deferred tax liability:		
Depreciation	**(2,537,000)**	(2,436,000)
Accrued expenses	**(5,000)**	(5,000)
Deferred income	**(24,000)**	(30,000)
Defined benefit pension	**(13,000)**	(161,000)
Partnership basis differences	**(3,000)**	(4,000)
Deferred tax liability	**(2,582,000)**	(2,636,000)
Deferred income tax liability, net	**($303,000)**	($577,000)

At October 31, 2025, the Companies have federal net operating losses of approximately $2,124,000 which will carry forward indefinitely with the utilization subject to an annual limitation of 80% of taxable income. At October 31, 2025, the Companies have state net operating loss carryforwards of approximately $31,724,000 that will expire from 2026 to 2045. The Companies have recorded a valuation allowance against the deferred tax assets, which are not expected to be utilized. The net change in valuation allowance was $88,000 for the year ended October 31, 2025.

The Companies recognize interest and/or penalties related to income tax matters in income tax expense, if any.

8. MARKETABLE SECURITIES:

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

	October 31, 2025			
	Cost	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**
Preferred marketable securities	$780,445	$26,311	($25,227)	$781,529
Bond mutual fund	87,129	47,058	(39,447)	94,740
Exchange traded fund	88,431	14,760	(19,591)	83,600
Government bonds	1,803,224	4,880	0	1,808,104
Certificate of deposit	400,000	168	0	400,168
Total marketable securities	$3,159,229	$93,177	($84,265)	$3,168,141

The cost of the Mauch Chunk Trust certificate of deposit at October 31, 2025 was $150,000 maturing on February 11, 2026. The cost of the JPMorgan Chase Bank certificate of deposit at October 31, 2025 was $250,000 maturing on September 9, 2027. The preferred stocks include investments in 17 public companies in various industries with the largest investment, at market value, in a single company of $185,588. For the year ended October 31, 2025, there were realized gains of $2,305 and realized losses of $0 on the sale of marketable securities.

	October 31, 2024			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Preferred marketable securities	$676,972	$37,839	($12,199)	$702,612
Bond mutual fund	83,832	27,977	(31,227)	80,582
Exchange traded fund	88,431	13,320	(17,791)	83,960
Government bonds	1,302,202	3,971	0	1,306,173
Certificate of deposit	150,000	0	0	150,000
Total marketable securities	$2,301,437	$83,107	($61,217)	$2,323,327

The cost of the certificate of deposit at October 31, 2024 was $150,000 maturing on February 11, 2026. On April 9, 2024 a certificate in the amount of $140,000 matured and yielded interest of $6,100. The Company increased its investment by $10,000 and reinvested $150,000 in a certificate of deposit with Mauch Chunk Trust for a term of 22 months with a new maturity date of February 11, 2026. The preferred stocks include investments in 16 public companies in various industries with the largest investment, at market value, in a single company of $185,232. For the year ended October 31, 2024, there were realized gains of $58,588 and realized losses of $0 on the sale of marketable securities.

Marketable securities are carried in the financial statements at fair value. The fair value of preferred stocks, bond mutual funds, certificates of deposit and a fixed equity fund have been measured on a recurring basis using Level 1 inputs, which are based on unadjusted quarter market prices within active markets. The fair value of government bonds are based on current interest rates available to the Company for similar types of borrowing arrangements – Level 2 hierarchy. There have been no changes in valuation approaches or techniques and related inputs.

9. PENSION BENEFITS:

Effective July 15, 2010, the Company's sponsored defined benefit pension plan was amended such that future benefit accruals ceased effective as of August 31, 2010. Benefits under the plan were based on average compensation and years of service. The Company's funding policy is to contribute annually at least the minimum amounts required under the Employee Retirement Income Security Act of 1974.

At the February 2025 Board of Directors meeting a resolution was approved for the termination of the defined benefit pension plan. The termination is anticipated to be complete in Fiscal 2026.

Weighted Average Assumptions	**10/31/2025**	10/31/2024
Discount Rates used to determine net periodic pension cost as of October 31, 2025 and 2024	**5.08%**	5.90%
Expected long-term rates of return on assets	**5.00%**	5.00%
Rates of increase in compensation levels	**N/A**	N/A

Change in Benefit Obligation	**10/31/2025**	10/31/2024
Benefit obligation at beginning of year	**$5,926,234**	$5,788,359
Service cost (net of expenses)	**71,454**	65,658
Interest cost	**289,386**	325,413
Actuarial loss	**408,191**	295,264
Benefits paid	**(555,330)**	(548,460)
Benefit obligation at end of year	**$6,139,935**	$5,926,234

Change in Plan Assets	**10/31/2025**	10/31/2024
Fair value of plan assets at beginning of year	**$6,102,004**	$5,800,810
Actual return on plan assets	**309,385**	877,614
Employer contributions	**0**	30,000
Benefits paid	**(555,330)**	(548,460)
Administrative expenses	**(74,666)**	(57,960)
Fair value of plan assets at end of year	**$5,781,393**	$6,102,004

Reconciliation of Funded Status of the Plan	**10/31/2025**	10/31/2024
Funded status at end of year	**($358,542)**	$175,770
Unrecognized net actuarial loss	**1,450,314**	1,100,557
Net amount recognized at end of year	**$1,091,772**	$1,276,327

Amounts Recognized in the Balance Sheets	**10/31/2025**	10/31/2024
Accrued pension assets (expense)	**($358,542)**	$175,770
Accumulated other comprehensive loss (pre-tax)	**1,450,314**	1,100,557
Net amount recognized	**$1,091,772**	$1,276,327

Additional Year-End Information for Pension Plan	**10/31/2025**	10/31/2024
Projected benefit obligation	**$6,139,935**	$5,926,234
Accumulated benefit obligation	**$6,139,935**	$5,926,234
Fair value of plan assets	**$5,781,393**	$6,102,004

The net amount of projected benefit obligation and plan assets for the pension plan was ($358,542) and $175,770. at October 31, 2025 and 2024, respectively, and was classified as accrued pension expense and accrued pension assets, respectively, on the consolidated balance sheets.

Amounts Recognized in Accumulated Other Comprehensive Loss	**10/31/2025**	10/31/2024
Net actuarial loss	**$1,450,314**	$1,100,557
Total (before tax effects)	**$1,450,314**	$1,100,557

Components of Net Periodic Benefit Cost	**10/31/2025**	10/31/2024
Service cost	**$71,454**	$65,658
Interest cost	**289,386**	325,413
Expected return on plan assets	**(291,517)**	(277,364)
Recognition of actuarial loss	**115,232**	180,297
Total net periodic benefit expense	**$184,555**	$294,004

Other changes in plan assets and benefit obligations recognized in other comprehensive loss	**10/31/2025**	10/31/2024
Net (gain) loss	**$464,989**	($247,026)
Recognized net actuarial loss	**(115,232)**	(180,297)
Total recognized in other comprehensive loss (before tax effects)	**$349,757**	($427,323)
Total recognized in net periodic benefit cost and other comprehensive loss (before tax effects)	**$534,312**	($133,319)

Amounts expected to be recognized into net periodic cost in the coming year	**10/31/2025**	10/31/2024
Loss recognition	**$203,000**	$119,000

Estimated Future Benefits Payments	**Fiscal Year**	**Benefits**
	2026	$6,139,935
	2027	$0
	2028	$0
	2029	$0
	2030	$0
	2031-2035	$0

The Company expects to contribute $0 to the pension plan in the fiscal year ending 2026.

Measurement Date October 31

Weighted Average Assumptions	**For Determination of:**	
	Benefit Obligations as of October 31, 2025	Benefit Obligations as of October 31, 2024
Discount rate	**4.50%**	5.08%
Rate of compensation increase	**N/A**	N/A
Mortality improvement scale	**MP-2025**	MP-2024

Service costs of $71,454 and $65,658 for the years ended October 31, 2025 and 2024, respectively, are included in pension expense on the statements of operations.

Weighted-Average Asset Allocations	**10/31/2025**	10/31/2024
Asset Category		
Equity	**0%**	32.58%
Fixed Income	**95.38%**	64.77%

Cash Equivalents	**4.62%**	2.65%
Total	**100.00%**	100.00%

The Company's goal is to conservatively invest the plan assets in high-grade securities with a minimum risk of market fluctuation.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs used in determining valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted market prices for similar assets in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at October 31, 2025 and 2024.

Fair value for investment in the common collective trusts are based on the net asset value ("NAV") provided by the administrator of the funds. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV's unit price is quoted on a private market that is not active, however, the unit price is based on the underlying investments which are traded on an active market.

The preceding method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methodology is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In accordance with FASB ASC Subtopic 820-10, investments measured at fair value using the net asset value per share practical expedient are not classified within the fair value hierarchy. The fair value of these investments at October 31, 2025 and 2024 are $5,781,393 and $6,102,004, respectively.

The following table summarizes investments at fair value based on NAV per share as of October 31, 2025 and 2024, respectively:

As of October 31, 2025:

Name	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common collective trusts	$5,781,393	N/A	Daily	5 days

As of October 31, 2024:

Name	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common collective trusts	$6,102,004	N/A	Daily	5 days

10. ACCUMULATED OTHER COMPREHENSIVE LOSS:

The following table presents the changes in the accumulated other comprehensive loss for the years ended October 31, 2025 and 2024:

	10/31/2025	
	Defined Benefit Pension Plan	**Accumulated Other Comprehensive Loss**
Beginning balance	**($795,625)**	**($795,625)**
Current period other comprehensive loss	**(258,578)**	**(258,578)**
Ending balance	**($1,054,203)**	**($1,054,203)**

	10/31/2024	
	Defined Benefit Pension Plan	**Accumulated Other Comprehensive Loss**
Beginning balance	($1,098,514)	($1,098,514)
Current period other comprehensive income	302,889	302,889
Ending balance	($795,625)	($795,625)

The other comprehensive loss is reported net of tax.

11. FAIR VALUE LAND IMPROVEMENTS, BUILDINGS AND EQUIPMENT, NET:

These assets consist of the following at October 31, 2025 and 2024:

	10/31/2025	10/31/2024
Land improvements	**$11,731,565**	$11,395,561
Corporate buildings	**1,361,022**	1,309,878
Buildings leased to others	**188,872**	188,872
Equipment and furnishings	**5,702,831**	5,283,444
	18,984,290	18,177,755
Less accumulated depreciation and amortization	**16,349,803**	15,897,003
Total	**$2,634,487**	$2,280,752

12. ACCRUED LIABILITIES:

Accrued liabilities consist of the following at October 31, 2025 and 2024:

	10/31/2025	10/31/2024
Payroll	**$488,512**	$522,040

Security and Other Deposits	**1,500**	1,500
Professional Fees	**75,204**	132,728
Other	**9,857**	27,532
Total	**$575,073**	$683,800

13. OPERATING LEASES:

The Company leases land and investment properties each of which are accounted for as operating leases. Rents are reported as income over the terms of the leases as they are earned. Information concerning rental properties and minimum future rentals under current leases as of October 31, 2025, is as follows:

		Properties Subject to Lease
		Cost
Land		
Minimum future rentals:		
Fiscal years ending October 31:	2026	$22,200
	2027	22,200
	2028	22,200
	2029	22,200
	2030	22,000
	Thereafter	864,500
		$975,300

Minimum future rentals subsequent to 2030 include $864,500 under a land lease expiring in fiscal 2072. There were no contingent rentals included in income for Fiscal 2025 and 2024. The above information includes rental escalations recognized using straight-line basis, if any.

14. 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 October 31, 2025 and October 31, 2024 are as follows:

	10/31/2025		10/31/2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
ASSETS:				
Cash and cash equivalents and cash held in escrow	**$7,619,415**	**$7,619,415**	$9,654,231	$9,654,231
Marketable securities	**3,168,141**	**3,168,141**	2,323,327	2,323,327
Accounts receivable	**58,723**	**58,723**	127,789	127,789

LIABILITIES:				
Accounts payable	**312,879**	**312,879**	336,718	336,718
Accrued liabilities	**575,073**	**575,073**	683,800	683,800
Debt	**28,065**	**24,416**	$40,973	$35,708

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.

Marketable securities consist of preferred stocks, government bonds, a bond mutual fund, a fixed equity exchange traded fund and two certificates of deposit at October 31, 2025. Marketable securities at October 31, 2024 consisted of all the aforementioned. The fair value of preferred stocks, bond mutual funds, certificate of deposit and a fixed equity fund are determined by the fair value at the closing price reported on the active markets on which the individual securities are traded – Level 1 hierarchy. The fair value of the government bonds is based on current interest rates available to the Company for similar types of borrowing arrangements – Level 2 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 marketable securities and certificates of deposit asset at fair value as of October 31, 2025 and October 31, 2024:

	Investment Assets at Fair Value as of October 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Preferred stocks:				
Real estate investment trust	**$183,575**			**$183,575**
Finance	**588,923**			**588,923**
Insurance	**9,030**			**9,030**
Government bonds		**$1,808,104**		**1,808,104**
Bond mutual fund	**94,741**			**94,741**
Exchange traded fund	**83,600**			**83,600**
Certificates of deposit	**400,168**			**400,168**
Total marketable securities	**$1,360,037**	**$1,808,104**		**$3,168,141**

	Investment Assets at Fair Value as of October 31, 2024			
	Level 1	Level 2	Level 3	Total
Preferred Stocks:				
Real estate investment trust	$195,145			$195,145
Finance	498,692			498,692
Insurance	8,775			8,775
Government bonds		$1,306,173		1,306,173
Bond mutual fund	80,582			80,582
Exchange traded fund	83,960			83,960
Certificate of Deposit	150,000			150,000
Total marketable securities	$1,017,154	$1,306,173		$2,323,327

As of October 31, 2025, the carrying amount net of prior period impairments and net of abandonment of $10,180 for land and land development costs is $6,758,521. The carrying amount net of prior period impairments for land improvements, buildings and equipment is $2,634,487. The carrying amount net of prior period impairments for land held for investment is $1,515,342. The carrying amount for long lived assets held for sale is $27,142. There was abandonment expense of $10,180 and $0 impairment expense in Fiscal 2025.

As of October 31, 2024, the carrying amount net of prior period impairments for land and land development costs is $6,777,690. The carrying amount net of prior period impairments for land improvements, buildings and equipment is $2,280,752. The carrying amount net of prior period impairments for land held for investment is $1,532,287. The carrying amount for long lived assets held for sale is $0. There was no impairment expense in Fiscal 2024.

15. QUARTERLY FINANCIAL INFORMATION:

The results of operations for each of the quarters in Fiscal 2025 and Fiscal 2024 years are presented below:

	1st	**2nd**	**3rd**	**4th**	**Total**
Year ended 10/31/2025					
Operating revenues	**$760,079**	**$1,251,262**	**$2,530,552**	**$2,324,760**	**$6,866,653**
Operating profit (loss)	**(850,826)**	**(485,431)**	**116,506**	**(19,162)**	**($1,238,913)**
Net income (loss)	**(594,038)**	**(316,680)**	**$162,409**	**(5,089)**	**($753,398)**
Net income (loss) per weighted average combined share	**($0.25)**	**($0.13)**	**$0.07**	**$0.00**	**($0.31)**
	1st	2nd	3rd	4th	Total
Year ended 10/31/2024					
Operating revenues	$980,324	$1,003,552	$2,612,821	$2,223,161	$6,819,858
Operating (loss) profit	(663,348)	(808,125)	170,224	(149,165)	(1,450,414)
Net (loss) income	(275,618)	(527,922)	$220,144	(39,282)	(622,678)
Net (loss) income per weighted average combined share	($0.11)	($0.22)	$0.09	($0.02)	($0.26)

The quarterly results of operations for Fiscal 2025 and 2024 reflect the impact of land dispositions and other assets that occur from time to time during the period and do not follow any pattern during the fiscal year.

16. 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:

	10/31/2025	10/31/2024
Revenues from operations:		
Resort operations	**$5,457,294**	$5,527,867
Real estate management/rental income	**916,395**	818,515
Land resource management	**492,964**	473,476
Total revenues from operations	**$6,866,653**	$6,819,858
Operating income (loss) from operations, excluding general and administrative expenses:		
Resort operations	**$271,900**	$406,865
Real estate management/rental income (loss)	**60,266**	(1,461)
Land resource management	**(19,360)**	(304,743)
Total operating income, excluding general and administrative expenses	**$312,806**	$100,661
General and administrative expenses:		
Resort operations	**$1,233,234**	$1,257,231
Real estate management/rental income	**207,086**	186,159
Land resource management	**111,399**	107,685
Total general and administrative expenses	**$1,551,719**	$1,551,075
Interest and other income, net:		
Resort operations	**$25,472**	$145,368
Real estate management/rental income	**4,277**	21,536
Land resource management	**2,301**	12,563
Total interest and other income, net	**$32,050**	$179,467
Interest expense:		
Resort operations	**$269**	$592
Total Interest expense	**$269**	$592
Loss before income taxes	**($932,398)**	($803,678)

Identifiable assets, net of accumulated depreciation at October 31, 2025 and 2024 and depreciation expense and capital expenditures for the years then ended by business segment are as follows:

	Identifiable Assets	**Depreciation and Amortization Expense**	**Capital Expenditures**
October 31, 2025			
Resort operations	**$3,244,004**	**$312,663**	**$605,939**
Real estate management/rental income	**4,405,680**	**121,129**	**28,515**
Land resource management	**13,896,724**	**22,563**	**133,655**
Other corporate	**767,541**	**19,193**	**62,624**
Assets held for sale	**27,142**		
Total Assets	**$22,341,091**	**$475,548**	**$830,733**

	Identifiable Assets	Depreciation and Amortization Expense	Capital Expenditures
October 31, 2024			
Resort operations	$3,002,364	$293,804	$649,411
Real estate management/rental income	5,000,509	120,341	24,896
Land resource management	15,088,088	37,439	9,445
Other corporate	307,964	15,874	44,143
Total Assets	$23,398,925	$467,458	$727,895

There were no significant sales during fiscal year ended October 31, 2025 and fiscal year ended October 31, 2024.

17. 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.

18. RELATED PARTY TRANSACTIONS:

KRSX Merge LLC, or KRSX, is our controlling shareholder and Kimco Realty Corporation, or Kimco, the parent company of KRSX, provides consulting services to us. The services are focused on land development, acquisitions and disposals. Kimco was paid $0 in consulting fees in each of Fiscal 2025 and 2024.

Mr. Raymond Edwards, one of our Board of Directors, is Executive Vice President of Kimco Realty Corporation.

Mr. David Domb, one of our Board of Directors, is Vice President Research and Associate to the Executive Chairman of Kimco Realty Corporation.

Amounts due to the above related parties total $0 at October 31, 2025 and October 31, 2024.

19. STOCK OPTIONS AND CAPITAL STOCK:

During Fiscal 2025 and 2024, no stock options were issued or exercised. For Fiscal 2025 and 2024, there were no outstanding stock options.

The Company's policy regarding the exercise of options requires that optionees utilize an independent broker to manage the transaction, whereby the broker sells the exercised shares on the open market.

20. 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 Fiscal 2025 and 2024, 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.

During the fiscal years ended October 31, 2025 and 2024, the Company issued and repurchased 0 shares of its common stock, respectively.

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 Fiscal 2025 and 2024 are as follows:

	10/31/2025	10/31/2024
Weighted average shares of common stock outstanding used to compute basic earnings per share	**2,408,599**	2,408,599
Basic loss per weighted average share is computed as follows:		
Net loss	**($753,398)**	($622,678)
Weighted average share of common stock outstanding	**2,408,599**	2,408,599
Basic loss per weighted average share	**($0.31)**	($0.26)

21. SUPPLEMENTAL DISCLOSURE TO STATEMENTS OF CASH FLOWS:

The following are supplemental disclosures to the statements of cash flows for Fiscal 2025 and 2024:

	10/31/2025	10/31/2024
Cash paid during the period for:		
Interest	**$269**	$592
Income taxes	**$9,000**	$0
Non cash:		
Reclassification from land held for investment, principally unimproved to long-lived assets held for sale	**$16,946**	$0
Reclassification from land and land development costs to abandonment	**$10,180**	$0
Reclassification from land and land development costs to long-lived assets held for sale	**$10,196**	$10,196
Reclassification from land and land development costs to land improvements, buildings & equipment, net	**$0**	$270,371
Reclassification from land and land development costs to accounts receivable	**$0**	$231,309

Pension liability and accumulated other comprehensive loss was increased (decreased) by $258,578 and ($258,578) in 2025 and (decreased) increased by ($302,889) and $302,889 in 2024 resulting from changes in the funded status, the prior service cost and the net actuarial loss.

22. SUBSEQUENT EVENTS:

The Company has evaluated and disclosed subsequent events from October 31, 2025 through the issuance date of the financial statements.

On November 5, 2025, the Company closed on the sale of Lot 440 located in Laurelwoods III Community.

On November 7, 2025, the Company entered into an agreement with Blue Heron Homeowners Association. The agreement provides for the execution of a new deed consistent in form and substance with the 2014 Deed, except that it removes Blue Heron Homeowners reversionary rights. It further relocates certain Blue Heron Homeowners activities previously conducted under the July 18, 2014 License Agreement and establishes the terms and conditions governing the construction and operation of recreational facilities, including pickleball courts, on property owned by the Company located on Big Boulder Drive, Kidder Township.

On November 19, 2025, the Company entered into an agreement with a building Company for construction services of Pickleball Courts located on Big Boulder Drive in Kidder Township.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion should be read in conjunction with the consolidated 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 October 31, 2025, we owned 9,061 acres of land in Northeastern Pennsylvania. Of these land holdings, we designated 7,559 acres as held for investment, 1,429 acres as held for development and 73 acres 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 the ever-challenging 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 monitor opportunities for 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, Boulder Lake Club and The Stretch fishing club are a significant portion of our Resort Operations revenue. We remain vigilantly focused on these operations and improvements to the facilities as they continue to provide valuable amenities to the surrounding land.

The Jack Frost National Golf Course is managed by Jack Frost Golf Management, LLC, a subsidiary of Indigo Sports, LLC (formerly known as Antares 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

On September 16, 2025, the Board of Directors signed a Unanimous Consent to proceed with construction of Pickleball courts located on Big Boulder Drive in Kidder Township with a total completion cost of approximately $400,000.

On September 22, 2025, a first amendment agreement was signed for BRRE Lot 2 in Kidder Township extending the inspection period until October 8, 2025.

On September 22, 2025, the Company entered into an agreement with a building Company to construct Two single-family dwellings in one duplex structure located at 340-341 Woodsbluff Court, Lake Harmony, for a contract price of $945,600.

On September 30, 2025, the Company entered into an agreement with an Excavating Company for services of Pickleball Courts located on Big Boulder Drive in Kidder Township.

On October 1, 2025, the Company entered into a two-year License Agreement with Blue Heron Homeowners Association for the use of a parcel of land at the end of Round Pond Road, in Kidder Township, for maintenance purposes. The License may be renewed for a subsequent two-year period at the discretion of the Company.

On October 6, 2025, the Company entered into an Agreement of Sale for Lot 440 for the purchase price of $120,000. The lot is located in Laurelwoods III Community.

On October 9, 2025, a payment in the amount of $40,000 was received for the extension of the Diligence Period of the mora solar energy ground lease.

Net loss

For Fiscal 2025, we reported a net loss of ($753,398), or ($0.31) per share, as compared to a net loss of ($622,678), or ($0.26) per share for Fiscal 2024.

Revenues

Revenue of $6,866,653 in Fiscal 2025 represents an increase of $46,795, or less than 1% compared to $6,819,858 in Fiscal 2024. Resort operations revenue decreased to $5,457,294 in Fiscal 2025 as compared to $5,527,867 for Fiscal 2024 which represents a decrease of ($70,573), or (1%.) Land resource management revenue increased $19,488 compared to Fiscal 2024. Real estate management/rental income increased $97,880, or 12% compared to Fiscal 2024.

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 was $5,457,294 in Fiscal 2025 as compared to $5,527,867 in Fiscal 2024, a decrease of ($70,573), or (1%.) This was primarily the result of decreased revenues at Boulder View Tavern of ($183,152), or (7%), decreased revenues at Bolder Lake Club of ($24,917), or (4%), offset by increases in revenue at Jack Frost National Golf Course of $125,741, or 6%, and the Stretch fishing club of $11,755, or 4%.

Real Estate Management/Rental Income

The Real Estate Management/Rental Income revenue was $916,395 in Fiscal 2025 as compared to $818,515 in Fiscal 2024, which represented an increase of $97,880, or 12%. Real Estate Management revenue increased to $791,909 in Fiscal 2025 as compared to $727,031 in Fiscal 2024, an increase of $64,878, or 9%. This increase primarily related to increased trust fees. Rental revenue increased $33,002, or 36%, primarily resulting from increased solar lease rental revenues.

Land Resource Management

Land Resource Management revenues increased to $492,964 in Fiscal 2025 as compared to $473,476 in Fiscal 2024, an increase of $19,488, or 4%. This was primarily due to increased rental revenue.

<u>Operating Costs</u>

Resort Operations

Operating costs associated with Resort Operations were $5,185,394 in Fiscal 2025, compared to $5,121,002 in Fiscal 2024, an increase of $64,392, or 1%.

Real Estate Management/Rental Income

Operating costs associated with Real Estate Management Operations/Rental Income for Fiscal 2025 were $856,129 as compared to $819,976 for Fiscal 2024, which represents an increase of $36,153, or 4%. This increase was primarily related to an increase in supplies & services.

Land Resource Management

Operating costs associated with Land Resource Management for Fiscal 2025 were $512,324 compared to $778,219 for Fiscal 2024, a decrease of ($265,895), or (34%.) This decrease was primarily due to a decrease in research and development costs.

General and Administration

General and administration costs for Fiscal 2025 were $1,551,719 as compared with $1,551,075 for Fiscal 2024, which represents an increase of $644 or less than 1%.

<u>Other Income and Expense</u>

Interest and other income were $32,050 in Fiscal 2025 as compared to $179,467 in Fiscal 2024, a decrease of $147,417.

Interest expense for Fiscal 2025 was $269 as compared to $592 for Fiscal 2024, a decrease of ($323).

Interest and dividends on marketable securities, net was $466,912 in Fiscal 2025 compared to $563,244 in Fiscal 2024, a decrease of ($96,332), or (17%.) This is primarily related to decreased money market and mutual fund dividends. Realized gains on disposition of marketable securities were $2,305 in Fiscal 2025 compared to $58,588 in Fiscal 2024 and there were unrealized losses of ($12,978) on marketable securities in Fiscal 2025 versus unrealized gains of $83,243 in Fiscal 2024.

Pension expense for Fiscal 2025 decreased to $184,555 from $294,004 in Fiscal 2024, a decrease of $109,449, primarily related to decreased interest cost based on an increased discount rate and lower expected return on assets.

<u>Tax Rate</u>

The tax rate specific to federal taxes for Fiscal 2025 and 2024 was 21%. The effective rate for Fiscal 2025 and 2024 was 19.2% and 23.3%, respectively.

<u>Liquidity and Capital Resources</u>

As reflected in the Statements of Cash Flows, net cash used in operating activities was $335,633 for Fiscal 2025 versus net cash used in operating activities of $69,799 for Fiscal 2024.

There were no material non-recurring cash items for Fiscal 2025 and Fiscal 2024.

The Company's investment portfolio includes marketable securities with a goal to provide current income with capital preservation over a 3 to 5-year time horizon. At October 31, 2025, the Company's cash and marketable securities totaled $10,787,011 compared to cash and marketable securities of $11,977,018 at October 31, 2024.

On October 8, 2024 Blue Ridge Real Estate Company entered into an installment loan with Kubota Credit Corporation in the amount of $35,081 for the purchase of a Kubota backhoe. The loan is payable in 60 monthly installments of $585 from November 2024 to October 2029. The loan has a 0% interest rate and includes property insurance coverage on the equipment for the term of the loan.

On March 21, 2022, the Company entered into an agreement with PNC Equipment Finance, LLC for the procurement of utility vehicle for the Jack Frost National Golf Course in the amount of $22,323. The obligation is due and payable in 24 non-consecutive monthly installments in the months of May through October, through October 20, 2025. The interest is a fixed rate of 5.65%.

The Company has one certificate of deposit with Mauch Chunk Trust Company. On April 9, 2024 the certificate in the amount of $140,000 matured and yielded interest of $6,100. The Company increased its investment by $10,000 and reinvested $150,000 in a certificate of deposit with Mauch Chunk Trust for a term of 22 months with a new maturity date of February 11, 2026. The Company also has one certificate of deposit with JP Morgan Chase Bank which is included in the Fidelity Investment portfolio in the amount of $250,000 with a maturity date of September 9, 2027. The bank certificates are included in marketable securities, which approximates fair value.

The following table sets forth the Company's significant contractual cash obligations for the items indicated as of October 31, 2025, 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
Debt	$28,065	$7,016	$21,049	$0	$0
Total Contractual Cash Obligations	$28,065	$7,016	$21,049	$0	$0

We currently anticipate that the funds needed for future operations and to implement our land development strategy will be satisfied through operating cash, marketable 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 is 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, fishing and lake clubs, and golf course memberships paid. Revenues related to the hunting, fishing and lake clubs and golf course memberships are recognized over the seasonal period that the dues cover. We recognize revenue related to the fishing and lake clubs 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. Long-lived assets held for sale at October 31, 2025 is $27,142.

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 income tax liabilities consist principally of net operating losses, depreciation and asset 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.

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 Company has made $0 contributions to the pension plan in Fiscal 2025. At the February 2025 Board of Directors meeting a resolution was approved for the termination of the defined benefit pension plan. The termination is anticipated to be complete in Fiscal 2026. 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.