



## *Our COVID-19 Impact Story*

### *Pheasant Field Bed and Breakfast, Carlisle Pa*

#### 1. About Us

- 10-acre historic bed and breakfast with 8 guest rooms; owned for 7 years
- Open year-round, though Nov-Mar are slow months
- 2 part-time employees
- As part of the lodging accommodations business category, we are still open
- Since 1 Jan 2020 we've had a 40% decrease in revenue compared to this time last year
- As of today, we have \$15,000 in cancelled reservations through June
- Our occupancy rate for Mar-Apr 2020, compared to Mar-Apr 2019 is 9% (2020) vs 45% (2019)
- We have lost or delayed revenue due to major revenue generating events (college graduations, car shows) being cancelled or rescheduled to later dates and the shelter-in-place orders
- We are fortunate to have a bank that has approved a 90 day deferment on mortgage payments; will be tough to begin payments on 1 July
- Weddings cancelled or postponed
- Most utility companies are working with us
- Still have other operating and maintenance expenses - insurance, general cleaning, facilities maintenance
- Due to lack of revenue, we are not able to save money now to pay for future mortgage and operating expenses for 4Q 2020 and 1Q & 2Q 2021
- Given current reservation rate, and projected "PA open-for-business" plan, we will have an 80% decrease in our forecasted net operating profit for 2020

#### 2. Aid Packages Experience

- Applied for EIDL 31 Mar; have not heard a thing from the SBA and they have removed their "check status" link
- Received approval for PPP; however, if we accept those funds, in order to receive forgiveness, we must use 75% towards payroll in eight weeks from the date of accepting the "grant"



- We have two part-time employees
- Our average payroll is 20% of total expenses; 80% is other operating and maintenance expenses
- We do not have the guest occupancy rate to support the revenue stream to bring our employees back
- We will be unable to meet the 8 week deadline
- We will end up with a 2-year balloon loan
- We don't need more debt
- We do not qualify for the PUA because we're technically not unemployed, we are still open for business. We would be unable to file the weekly unemployment report to meet the requirement to receive any unemployment compensation

### 3. Congress and PA have missed the mark for "Main Street America" mom & pop micro-businesses

- Definition of small business, 500 employees or less, does not favor "mom & pop" micro-businesses; mom & pop "micro-businesses" typically have 5-20 full-time employees and most have only part-time employees.
- Mom & pop micro-businesses are being dwarfed by "Small businesses" with 300-500 employees who have the resources to research and file for aid much faster than mom & pop micro-businesses; lawyers, financial advisors, CPA's
- The current aid packages, for those that are fortunate to receive the funding, are designed to stop the immediate hemorrhaging; however, the long-term, internal bleeding for micro-businesses won't be seen or felt for another 8-15 months.
- Mom & pop businesses won't have money saved to pay rent/mortgages and operating expenses in 8-15 months
- The PA Governor's recovery plan for small businesses defines small business as; "makes no more than \$30M in annual gross receipts and employees up to 30 full-time employees" – again, this definition overshadows the "mom & pop" micro-businesses who will have to complete for funding.
- How will Congress, the State and banks react when there is a large spike in foreclosures and chapter 7 & 11 filings ... will there be aid packages/forgiveness plans to keep Main Street America open?