



Oneida Golf Enterprise Corporation

Fiscal year-To-Date Reporting for period Ending:

September, 2019

The Oneida Golf Enterprise Corporation (OGEC) is a corporation of the Oneida Nation established to oversee and manage the business known as Thornberry Creek at Oneida.

Narrative Report

Business Overview

4th Quarter – July, August, September

- July brings another Successful Thornberry Creek LPGA Classic
 - This year we took on concessions which were down considerably from prior year which we believe is attributed to low attendance. We did approximately \$45k in concession revenue
 - KemperSports assisted with 5 individuals that made a significant difference during that week. We would not have been able to pull off concessions without them.
 - The Legends course recovered well and played great during the week.
 - Merchandise was down 40% from PY presumably to low attendance
- Food and Beverage had a great month in July largely in part of the tournament.
- August was a great Green Fee month up 601 rounds and beating budget and PY
- Overall revenues were down in August due to F and B however Net Income was better than PY by \$17k. we managed this by controlling COGS, payroll and expense.
- New Chef Adam Marty has done a great job to control food costs and hitting our target goal each month after he started. He has done an excellent job of enhancing freshness, food quality and the culture in the kitchen with his staff. I expect his department will excel exponentially as he gets his feet underneath him.
- Merchandise sales are down considerably to prior year but much more in line with years prior to the tournament. We expect that our inventory will go down to an

acceptable level this winter. This will allow us to order appropriately moving forward.

- Manager positions continue to turn over for various reasons making it hard to complete initiatives and build a healthy atmosphere.
 - In the 4th quarter we lost a Food and Beverage Manager to a sister property where he moved on to take a better opportunity.
 - Despite difficulties TCO is extending its last offer to a F&B Manager and upon acceptance will be fully staffed, except for the General Manager position.

See below for current staffing

- Vacant – General Manager (Justin Fox has accepted another position and moved on towards the end of October)
 - Donelle Walters – Food and Beverage Director
 - Wes Suzawith, Morgan Iske, VACANT– Food and Beverage Manager (Offer extended Mid-October to fill last position)
 - Joy Lundberg – Event and Catering Coordinator
 - Roberta Eichelberg – Sales Manager (as of 8/22/2019)
 - Adam Marty - Executive Chef
 - Caitlin Rodriguez – Sous Chef
 - Mike Gottfried – Clubhouse Superintendent
 - Andrew Stieber – Marketing Manager
 - Steve Archibald – Golf Course Superintendent
 - Pete Nowak – Assistant Golf Course Superintendent
 - Ed Brusky – Golf Course Fleet Mechanic
 - Justin Nishimoto – Head Golf Professional
 - Andrew Gutzman – First Assistant Golf Professional (promoted after Travis left to help Justin Nishimoto with the operational load)
 - Ryne Clatworthy – Golf Sales Manager (offer letter signed and he will start at the end of October)
 - Kathleen Kaminski – Controller

| REPORT CRITERIA | |
|-----------------|----------------------------|
| Date of Survey | 7/1/19 - 9/30/19 |
| Select level: | Thornberry Creek at Oneida |

| | NPS | Overall Rating | Service Rating | Course Rating | Food Rating | Recommend Rating | # of Surveys |
|----------------------------|-------------|----------------|----------------|---------------|-------------|------------------|--------------|
| Goal Index | 70.0 70.0 | | | | | | |
| Totals | 67.3 | 8.8 | 9.0 | 8.6 | 8.2 | 9.0 | 205 |
| Thornberry Creek at Oneida | 67.3 | 8.8 | 9.0 | 8.6 | 8.2 | 9.0 | 205 |

YTD

Despite having 40 less playable days than prior year golf competed well and we did increase rounds by approximately 3000 rounds – the majority of the increase coming from the Iroquois 9 which explains why revenues were less than prior year. The shoulder seasons were terrible and did not help rounds for the Legends 18. Season Pass sales increased by \$9,000 compared to prior year which helps us reach our highest revenue year ever for season passes – this could also contribute to more rounds and less green fee revenue. Merchandise did well to stay competitive with prior year as TCLPGA Classic merchandise sales were down over \$30,000 to prior year. We opted to purchase a Range Ball Machine this year to prevent stealing and reduce labor. This proved to be successful as sales are up 25% from prior year and payroll is down to prior year and budget.

The most significant impact to top line revenues is in F&B department where we were down approximately \$260,000. F&B is down for a couple reasons, first being we did 27 weddings in FY2019 compared to 38 in FY2018. Next, KSM has a different accounting process than what we have used in the past for recording Gratuity Income/Service charge. In the past we saw all Gratuity Income/Service Charge revenue on the top line and all the expenses in payroll – now we see only the percentage of revenue that the house takes home on the top line revenue and the remainder credits the payroll as the gratuities are paid out to the employees. Moving forward we have refocused marketing to ensure we fill our wedding schedule and expect our new Sales Manager Position to create more revenue opportunities.

Another note when looking at financials compared to prior year is that in FY2018 we expired many years of old gift cards totaling \$48,443 that hit the books in September 2018. This was a large boost at the end of the year that separates FY2019 from FY2018.

Thank you to Eric and Finance office for helping us with our capital budget. We were able to purchase a new truck, fork lift and greens mower that were all much needed.

Key Performance Highlights:

- Best Season Pass year ever
- Green Fee Revenue competed with prior year despite poor weather
- Range Ball machine proved to increase range revenue by 25% and decrease labor needs
- Total operating expenses continue to go down.

- Capital equipment was all received in FY2019
- Year 3 of the TCLPGA Classic was very successful and smooth. We took on concessions this year which we were not entirely comfortable with. We were very successful operationally with the help of KSM staffers and Danelle Wilson who helped us tremendously with volunteer scheduling.
- Social media continues to grow year over year

Key Performance Issues:

- Down dramatically in food throughout the year. This could be attributed to not being able to open 7 days a week until May and the negative word of mouth behind that. We were also not able to rotate a new menu until after LPGA due to the lack of an Executive Chef – since we have had Adam on board, he has done a great job in the kitchen.
- Down 11 weddings to prior year. With the hire of a Sales Manager and better use of our advertising dollars we expect to correct this number and expect large improvements in wedding bookings and corporate meetings.
- Poor weather limited golf revenues

Key Marketing Actions to Drive Performance

- Continue to use the Thornberry Creek LPGA Classic to leverage the quality of the golf course and drive rounds and golf events.
- New website, tee sheet and online tee time booking engine has made it easier to acquire data and push different emails and PROMO codes that we haven't been able to do in the past.
- GolfWeek Magazine Raters in September for golf, dinner and a Packer Game to show what a true destination experience could be for Oneida and Thornberry Creek at Oneida. This will get us ratings so that we can continue to build our brand and be recognized in golf media regionally and nationally. We were notified that we are now on the Top 50 Casino Golf Courses in the country.
- Winter restaurant programming with special events and daily specials.

Pending Legal Action:

- No litigation pending.