

General Manager's Report 4/21/25 POA Board Meeting

I love this town.

We had some great events this month starting with:

1. The Big Kahuna golf tournament
 - a. The Chee Weez concert was awesome.
 - b. Thanks to Darrel Davis and Craig Harvey for their efforts to raise money for the Marine Corps League of MS.
 - c. This group helps our veteran soldiers who are struggling
 - d. Thanks to our golf members who participated
 - e. Thanks to our entire staff who really stepped up
 - i. The kitchen, restaurant, golf operations, administration, marketing, and facilities groups
 - ii. All worked together as a team to ensure a great event
 - f. Again, thank you, everyone!
2. Kids Fishing Rodeo
 - a. Over 100 kids participated.
 - b. Lots of fish were caught, and lucky fishermen caught the special red-tagged fish to win a prize
 - c. Lunch was served, and everyone enjoyed the day
 - d. Each kid got to take home a T-shirt and a fishing pole.
3. Easter Egg Hunt
 - a. As always, a great time for the families
 - b. Our aptly named Hoppy Smith was the Easter Bunny!
4. Financials
 - a. Change is always difficult. Immediate change is even more of a challenge.
 - b. Nobody is more thrilled to say: Planned Organizational changes to reduce costs are complete!
 - c. I spoke last month about having a positive cash flow in February.
 - d. We now have 2 positive data points
 - e. March numbers were as follows
 - i. Revenue was \$798,000
 - ii. Expenses were \$688,000
 - iii. Net gain in cash flow was \$110,000
 - iv. P&L was \$51,000
 - f. We have just completed our final cost adjustments
 - g. We are now projecting positive figures for the remainder of the year
 - h. Our bank balance is projected to grow from 1.4mm to 1.7mm barring any high capital expenses
 - i. I am happy to announce that these changes have allowed the POA board to reconsider the Holiday Pool.

- j. We are now planning to keep all 4 pools open this year.
- 5. I would like to take a minute to discuss the business model that originated with the POA.
 - a. We have a town full of great amenities.
 - b. The cost to maintain these amenities was built on 100% participation for paying dues.
 - c. The POA dues are the main source of income.
 - d. A 40% drop in participation presents major challenges
 - e. This was not acted upon early enough and left this board in financial straits.
- 6. Our strategy to get back on track was to get spending under control. This has been completed.
- 7. However, this is not enough.
 - a. A healthy company must have at least 6 months of expenses in the bank. We have 2 months.
 - b. We do not have the Capital Funds to replace worn out equipment and maintain our facilities.
- 8. Our next and most important challenge is to raise revenue.
 - a. This is paramount for us to keep all our amenities
 - b. We simply cannot achieve this without revenue growth.
 - c. We are planning to start a committee to seek ideas.
 - i. This starts with a survey to all of Diamondhead.
 - ii. In order to create our path forward, we must better understand the thoughts of our membership, both active and inactive.
 - iii. Your feedback is very important.
 - d. The best solution would be for everyone to pay their POA dues.
 - i. I urge you to pay your dues.
 - ii. Our amenities help maintain property values.
 - iii. Added revenue would allow us to do more for our members, such as investing in things like the pickleball courts.

Again, I urge everyone to pay their dues.

Rick Goldstein
General Manager
Diamondhead POA