Winter has bid Bear Paw a welcome "goodbye" and Spring is in hand. During the winter months the board continued with its efforts to "professionalize" the administrative aspects of our operations by transitioning our bookkeeping to a local auditing firm which was highly recommended by our state auditors. This change addresses concerns surrounding our limited staff and internal multi-tasking and brings additional accountability to these processes.

Our Service District and Property Owners meeting on March 23rd was well attended and there was excellent discussion surrounding many key aspects which impact on our property owners. Below is a brief recap:

\* The pool is being updated with a new flow meter in compliance with Cherokee County and the State of NC mandates. At this time the pumps and filters do not represent an issue and we plan on opening the pool by Memorial Day or sooner if possible.

\*Road paving projects for this fiscal year are planned for the month of April.

\*Security staffing is not an issue at this time, and we have the people necessary to maintain our 24/7 gate operation.

\*A zoning appeal was received by the board from Mr. Tom Anderson on behalf of a property owner currently under construction. The appeal is focused on detached structures such as garages. A formal hearing will be held in the near term to allow consideration for this request. We will publish the date and any interested property owner is encouraged to attend.

\* We are beginning renovation of the tennis courts, playground and club house. All of which have suffered from lack of investment over the years. Our fixed asset maintenance account has more than \$38,000 currently and we intend on utilizing these funds to improve the function and appearance of each area.

\* Our website (bearpawnc.com)has been redesigned to enhance communication between property owners and the Service District. This is the direct result of many hours of volunteer efforts. You will be asked to sign in using your email address. You will be denied access to private pages if your email is not current. You can provide your current/valid email address to Lydia Kennedy at <u>info@bearpawnc.com</u> to ensure that you receive all the benefits of this new platform. \* The Service District has provided an easement to Peachtree Fiber for the installation of infrastructure needed to complete the fiber optic network within Bear Paw. The provider has made significant progress during recent months, and we are on track to see service commence in the June/July timeframe.

\* Carolina Water has stated that it intends to bore two new wells this year to expand water availability in Bear Paw. The wells drilled in 2023 failed to produce adequate water for production. The company states it will continue to invest and actively seek to address this critical matter for our property owners.

\* Budget amendments were passed which re-allocated funds from expense categories significantly below budget to improve areas which were over budget. Review of the current budget and bank statements show a positive improvement year over year from 22/23 to 23/24 at this time.

\* The State audit of our finances for the year 22/23 has been completed and the sole concern rested with our limited number of personnel and lack of segregation with respective duties. It is recognized by the auditors that adding staff is not feasible and recommended that Service District Board Members absorb the duties through increased control and oversight. Ironically, the initiative that was undertaken to outsource our bookkeeping last year addressed this concern head on. In recent years we have experienced a decline in the number of people who actively seek engagement in the community through service on the board. This upcoming election is another opportunity for property owners who are current on county taxes and have the desire and ability to serve to do so. If you are or know of someone who is interested in serving, please send a note to Lydia Kennedy at info@bearpawnc.com by April 30, 2024, so that we can ensure each candidate is announced to the property owners in advance of the meeting.

\* Lastly, it was announced in the October 21, 2023, meeting that we would pursue developing a part time Service District Operations Manager position. This new position will enhance our effectiveness in maintaining our amenities and common areas as well as provide strategy and structure for the investments we will be making. We believe that this mission can be accomplished by working 20 hours each week. Funding for this position was accomplished by re-allocating existing monies for the 23/24 year and will be budgeted for in the 24/25 year. This position was approved by the board during the March 23rd meeting, and we intend on filling the position with a qualified candidate by May 1, 2024.

Kind Regards, Arthur Lecours Chairman, Bear Paw Service District