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May 26, 2020

VIA EMAIL

Mr. Wren Nealy, Chief Operating Officer
Mr. Glen Henning, President, Board of Directors
Cypress Creek Emergency Medical Services
7111 Five Forks Drive
Spring, Texas 77379

Re: Harris County Emergency Services District No. 11 (the "District");
Request for Additional Financial and Asset Information and Errors to Cypress
Creek Emergency Medical Services ("CCEMS") Fiscal Years Ended December
31, 2018 and 2019 ("Audit")

Dear Messrs. Nealy and Henning:

Based upon the discussion at the District's May 21, 2020 Board of Commissioners meeting regarding the CCEMS Audit, the District requests the following information/documents:

- 1) Verification that the CCEMS Asset List provided by hand to me is the complete Asset List utilized to prepare the Audit;
- 2) Loan documentation and collateral/securing assets documentation related to each of the issuances of long term debt listed on page 12 of the Audit;
- 3) All documents reflecting or relating to the sale of any asset acquired utilizing District funds, including documentation showing where the proceeds were deposited and how the sales were booked in CCEMS accounting records; and
- 4) Executed proposal or other acceptance documentation related to the June 1, 2020 health/benefits insurance acquisition by CCEMS and the calculations showing the District's pro rata share of the premium for same as it relates to the coverage for employees for which the District funds salaries and benefits.

Such information must be provided to me by **noon on Friday, May 29, 2020.**

Further, also based upon such discussion, the District requests that the following revisions/corrections be made to the Audit:

1) Particularly with regard to the “ESD 11 funds” section on page 9, but also with regard to any other reporting, including the Internal Revenue Service, the District shall not be referred to as a “donor” to CCEMS. As stated at the meeting, the District has a contract for services with CCEMS. The terms of payment are outlined therein. There is no indication whatsoever that the District’s payments to CCEMS are to be construed as donations. Nor are the use of materials and equipment by CCEMS purchased with District funds to be construed as “donated” to CCEMS, which is what the Audit section noted herein appears to indicate.

2) Page 11, item 4: It is evident based upon the cursory review of the CCEMS Asset List provided at the meeting, that all or most of the capital purchases funded by the District are being included as assets of CCEMS in the following categories: vehicles, communications equipment, medical equipment and possibly other equipment. The depreciated values for those items must be removed from CCEMS’ Audit as they are not CCEMS assets.

3) Page 13, item 7, paragraph 3: CCEMS does not have a lease for operations and storage space with a District Commissioner. This paragraph needs to be removed.

Please provide the corrected Audit with the revisions above to the District upon its completion, which shall be made as soon as possible.

Please let me know if you have any questions.

Sincerely,



Regina D. Adams
General Counsel of the District

Cc: Board of Commissioners, Harris County Emergency Services District No. 11