

THE LAW OFFICES OF



BOBI J. FRANK

ATTORNEY AT LAW

(O) 352-639-4117 · (F) 352-639-4118 | bobi@bfranklaw.com | bfranklaw.com

Gainesville Office
2631 NW 41st Street, Suite A-2
Gainesville, Florida 32606

Daytona Beach Office
1112 Riverside Drive
Holly Hill, Florida 32117

December 18, 2018

Re: Request for documents pertaining to the Reichert House, Inc.

To Whom it May Concern:

It has been brought to my attention that the City of Gainesville is requesting documents from the Reichert House, Inc., a 501(c)(3) entity that is separate and distinct from Reichert House Youth Academy, a City ran organization. I have been advised that the purpose of the City's document request is to perform an audit of the financials for the Reichert House, Inc. I believe that the City's request is an oversight, and not an intentional request for financial documents from a Corporation that the City has not created and does not supervise.

Because the Reichert House, Inc., is not under the supervision or direction of the City of Gainesville it would be inappropriate for the City to perform an audit pertaining to any area of the Reichert House, Inc. Accordingly, no documents will be supplied concerning the Reichert House, Inc. If I am mistaken in any way regarding the information that I have received, please advise me of such as soon as possible.

If you should have any questions or concerns, please feel free to reach out to me at your convenience.

Sincerely,

Bobi J. Frank

Bobi J. Frank
Attorney at Law



City Auditor's Office

Carlos Lee Holt

**Sent to
Reichert House Inc.**

Monday, January 28, 2019

President
Julie Waldman
1621 NE Waldo Road
Gainesville, FL 32609

Vice President
Scott Whitaker
4653 SW 105th Drive
Gainesville, FL 32608-7138

Treasurer and Secretary
Edward T. Bonahue
2346 NW 14th Place
Gainesville, FL 32605

Director
Everett Caudle
620 East University Avenue
Gainesville, FL 32601

Officers and Directors:

I am writing to each of you named above in your capacity as an Officer and/or Director of Reichert House, Inc., a Florida not for profit corporation. On September 20, 2018, the Gainesville City Commission tasked this Office with performing an audit of the Reichert House Youth Program to include its Governance, Finance, and Performance Metrics for Fiscal Years 2016 - 2018. The interest of the City in conducting this audit is to verify and ensure that transparency and controls exist, in particular with respect to the finances of this City program, to eliminate or minimize the opportunity for theft, fraud, and waste in connection with a City program. This is always a risk with any program. As a bit of background information, my staff and I were informed on December 12, 2018, by Robert Woody (a professional temp employee of the City assigned as the Director of Community Relations for Reichert House Youth Program) that when funds got low at Reichert House, Inc. they would borrow funds from Palm Breeze Youth Services, Inc., a Florida not for profit corporation ("Palm Breeze") and pay them back when Reichert House, Inc. was in better financial conditions. Further, he stated that he was attempting to gain agreement from both boards to merge Reichert House, Inc. and Palm Breeze.

In working to complete the audit, my office became aware of questionable transactions that involve the Reichert House Youth Program. Some examples are provided below:

- The "Gainesville Police Athletic League" (which does not exist as a legal entity, nor as a City program or function) was awarded (as a sub-grantee of National PAL, Inc.) a \$20,000 Federal Department of Justice Grant using the City's Data Universal Numbering System (DUNS) and the City's Employer Identification Number (EIN). The City Finance Department has no record of this Federal Grant. In discussions with staff from National PAL, Inc., my staff was informed that PAL was requested to disburse Federal Grant payments to Palm Breeze - not the City of Gainesville. It is unknown to us if they were in fact requested to be disbursed to Reichert House, Inc.
- In January 2018, John Alexander charged travel expenses to the City for attending the National PAL "Mandatory Sub-grant Training" in Charlotte, North Carolina. In speaking with the Director of the National PAL, Inc., he stated that a check was initially made payable to the Gainesville Police Department for these travel expenses; however, John Alexander (or presumably someone under his direction) later called to request the check be re-issued payable to Palm Breeze. The City Finance Department has no record of receipt of a check from National PAL or of reimbursement from Palm Breeze or Reichert House, Inc. for the travel expenses paid by the City.

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PO Box 490, Gainesville, FL 32602-0490

- The Community Foundation of North Central Florida created a designated fund "Friends of Reichert House" to accept charitable donations to support the City's Reichert House Youth Program. The City Finance Department has no record of receiving any money from this designated fund. The Community Foundation records reflects that it disbursed \$41,000 from this designated fund to Palm Breeze. It is unknown to us if any was also disbursed to Reichert House, Inc. since the funds were ultimately to support the Reichert House Youth Program.

I contacted John Alexander (Registered Agent for Reichert House Inc.) on December 18, 2018, Robert Woody and Tony Jones (Registered Agent of Palm Breeze and Chief of Police of the City of Gainesville, who is over the Reichert House Youth Program) to obtain records that would resolve our concerns regarding these and other transactions. Specifically, we requested from Reichert House, Inc. and Palm Breeze:


"As part of the audit, to show that we (City of Gainesville) are good stewards of all funds provided to the Reichert House program, and to show that we can document all resources (funds, services, food, etc.) received, we are requesting access to the bank statements and cancelled checks of Reichert House, Inc. We request that the Consent and Authorization form attached be completed and notarized to grant such access; or, the bank statement and cancelled checks simply be provided to us for our review."

For Reichert House, Inc. John Alexander acknowledged to me on December 18, 2018, that "I will pass this information to the legal representative for the Board of Directors to disseminate to the Board members". Our request was refused and we were provided a copy of a letter from Attorney Bobi J. Frank (a copy of which is attached). It is unclear from the letter whether she represents your entity, although we note that she is a Board Member of Palm Breeze. The letter from Attorney Frank misapprehends the scope and purpose of our audit.

Unfortunately, this refusal necessitated this letter to you. As an Officer and/or Director of Reichert House, Inc. with fiduciary responsibility for all transactions made by your entity, I hope for your cooperation and willingness to share the requested Reichert House, Inc. financial records so that I will be able to find explanations and documentation for the above transactions and other transactions. Additionally, I will be able to document how and in what manner Reichert House Inc. supports the Reichert House Youth Program of the City of Gainesville, Florida. Without your cooperation, we will be left to request that an outside party make such an investigation.

In order to assist me in timely completion of this audit, please have an authorized corporate representative for Reichert House Inc. complete one or more of the attached "Consent and Authorization" form (one for each and every financial institution and account used by Reichert House, Inc. - open or closed - since September 30, 2015) and deliver it to the City Auditor's Office no later than 5pm on Wednesday, February 6, 2019.

Sincerely,


Carlos Lee Holt, CPA, CFF, CIA, CFE, CGAP
City Auditor

200 E. University Ave., Suite 211-17
PO Box 490, Gainesville, FL 32602

**CUSTOMER CONSENT AND AUTHORIZATION
FOR ACCESS TO FINANCIAL RECORDS**

I, _____ Julie Waldman _____, hereby authorize the
(customer/account holder)

to disclose the financial records related to any accounts as named above to

for the following purpose: performing an internal audit of the accounts related to the
Operations of the City of Gainesville Police Department's Youth and Community Services
Bureau , Reichert House, Bold Program.

I understand this authorization can be revoked by me in writing at any time and that this
authorization is valid for no more than three months from the date of my signature.

(Date)

(Signature of Customer)

(Address of Customer)

Witness - _____

Notary:

THE LAW OFFICES OF



BOBI J. FRANK
ATTORNEY AT LAW

(O) 352-639-4117 · (F) 352-639-4118 | bobi@bfranklaw.com | bfranklaw.com

Gainesville Office
2631 NW 41st Street, Suite A-2
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Daytona Beach Office
1112 Riverside Drive
Holly Hill, Florida 32117

December 18, 2018

Re: Request for documents pertaining to the Reichert House, Inc.

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If you should have any questions or concerns, please feel free to reach out to me at your convenience.

Sincerely,

Bobi J. Frank

Bobi J. Frank
Attorney at Law

JULIE WALDMAN
1621 NE WALDO ROAD
GAINESVILLE, FL 32609
352.538.1514
Juliewaldman57@gmail.com

February 12, 2019

Carlos Lee Holt, City Auditor
200 E. University Ave.
Suite 211-17
PO Box 490
Gainesville, FL 32602

Via email: holtcl@cityofgainesville.org

Dear Mr. Holt:

Thank you for speaking with me last week. As we discussed, this letter is in response to your correspondence of January 28, 2019, to the Board Members of Reichert House, Inc.

First, we want to ensure that you correctly differentiate the Reichert House, Inc. Board from any other entity which may provide funding and/or support to the Reichert House Youth Academy, including, but not limited to Palm Breeze Youth Services, Inc. Any monies received by, or given to Reichert House, Inc., or monies received from grants applied for by Reichert House, Inc., are intended to support the Reichert House Youth Academy. According to the by-laws for Reichert House, Inc., funds may not be withdrawn or pledged without the prior review and approval of the Reichert House, Inc. board. In addition, any actions related to Reichert House, Inc. such as applying for grant funding, require prior review and approval of the Reichert House, Inc. board. Any monies controlled by Reichert House, Inc. are to be disbursed only for the support and use of Reichert House Youth Academy, with and after board approval, when the intended use is disclosed to the board, and such use is consistent, in the board's sole judgment, with the mission and purposes of Reichert House, Inc.

Second, we would like to clarify that the letter from Bobi Frank, Attorney, dated December 18, 2018, was neither requested nor authorized by Reichert House, Inc. To the contrary, our board has determined that we have no objection to a review of Reichert House, Inc., consistent with our board responsibilities, and with the participation of a member of our board to assist you. We will also

authorize your office to discuss these issues with the staff of James Moore, and Company, which has supported Reichert House, Inc. in the preparation of the required IRS Form 990.

Third, as we know you appreciate, our board is charged with the fiduciary oversight of Reichert House, Inc., and not of the Reichert House Youth Academy, which is a City of Gainesville entity. We welcome, although cannot authorize, a review which looks into the Reichert House Youth Academy revenues and expenses, as those may impact the funds—general and endowed—of Reichert House, Inc. However, the board of Reichert House, Inc. has no authority to approve any audit of any other organization, except Reichert House, Inc.

Finally, with regard to the specific assertions in your letter, neither the board of Reichert House, Inc., nor any of its individual members, approved of any of the items you described. Any such matters affecting Reichert House, Inc. would have required prior approval by the board, which was neither sought nor authorized. No employee of the City of Gainesville, or its departments, the staff of the Reichert House Youth Academy, the Board of Palm Breeze, the staff at the Community Foundation of North Central Florida, nor anyone else, without Reichert House, Inc. board approval, may withdraw or pledge funds held by Reichert House, Inc. However, to the extent any of those matters affect the funds and operations of Reichert House, Inc. the board of Reichert House, Inc. would want to know what, if any, affect your investigation discloses.

Please consider this letter as consent and authorization for access to the financial records of Reichert House, Inc. In addition, the Reichert House, Inc. board members are willing to meet with you and/or your staff, at a time mutually convenient to all, to further discuss these matters, if necessary.

Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Julie Waldman". The signature is written in black ink and is positioned above the typed name.

Julie Waldman

President, Reichert House, Inc.

By and on behalf of all board members:

Scott Whitaker; Edward Bonahue; Everett Caudle; Al Herndon

From: Julie Waldman [mailto:juliewaldman57@gmail.com]
Sent: Friday, March 15, 2019 10:54 AM
To: Holt, Carlos L <HoltCL@cityofgainesville.org>
Cc: Bowie, Emily V <BowieEV@cityofgainesville.org>
Subject: Re: Reichert House, Inc. Response

Good morning, Mr. Holt:

The only financial records that the board of Reichert House, Inc. has authority over are those maintained by the Community Foundation of North Central Florida, where we have two (2) accounts: a general use account (Friends of Reichert House) and an Endowment fund. No individual board member maintains any other financial records, nor do we maintain or control any other bank accounts. It is my understanding that you and your staff have already reviewed the records for Reichert House, Inc., that are maintained by the Community Foundation, however, my initial letter to you, dated February 12, 2019, authorizes you and your staff to have complete access to those records as necessary to complete your audit, with the participation of a member of our board. In addition, I will follow up with Barzella Papa, Director, to ensure that her staff are informed of our consent.

Please let me know if I can assist you further.

Sincerely,

Julie Waldman
352-538-1514

On Tue, Mar 12, 2019 at 5:26 PM Holt, Carlos L <HoltCL@cityofgainesville.org> wrote:

Julie Waldman,

I received your letter of consent and authorization for access to the financial records of Reichert House, Inc. that was dated February 12, 2019. However, I have not received any financial records of any kind. I am seeking the following:

- 1) All bank statements of October 1, 2015, to present for accounts that Reichert House Inc. was a party to.
- 2) A copy of all checks (front and back) from the accounts requested in item 1 for the same period.
- 3) A copy of all withdrawal slips for the same accounts for the same period.
- 4) Any and all supporting documentation for checks and deposits for the same accounts and the same period.

Please advise,

Carlos L. Holt, CPA, CFF, CFE, CIA, CGAP

From: Julie Waldman [mailto:juliewaldman57@gmail.com]
Sent: Wednesday, February 13, 2019 12:31 AM
To: Holt, Carlos L <HoltCL@cityofgainesville.org>
Subject: Reichert House, Inc. Response

Good evening, Mr. Holt,

As we discussed last week, attached please find a response to your January 28, 2019 letter to the board members of Reichert House, Inc.

Thank you for your consideration.

Sincerely,

Julie Waldman

From: Julie Waldman [mailto:juliewaldman57@gmail.com]
Sent: Thursday, April 04, 2019 7:50 PM
To: Holt, Carlos L <HoltCL@cityofgainesville.org>
Subject: Re: RH Inc. Bank Accounts Update

Hello Mr. Holt,
We are in the process of reviewing the information you provided, and will get back with you as soon as we are able with any additional response or information.
Thank you.
Julie Waldman

*Julie Waldman, Attorney
Experience, Integrity, Leadership, Compassion
352-538-1514*

On Fri, Mar 29, 2019 at 9:29 AM Holt, Carlos L <HoltCL@cityofgainesville.org> wrote:

Ms. Waldman,

Attached is a May 2017 donation check from GRU (SunTrust Account) to Reichert House Inc. that was deposited in an account at Harbor Community Bank* #045, Gainesville, 32608 stating that it was "credited to the account of the within named Payee" showing a date of August 11, 2017.

*Now named "Center State Bank" after consolidation

- 1) Could you verify that there was a Reichert House Inc. account at Harbor Community/Center State Bank during this time period?
- 2) If so, was this check deposited to that account?
- 3) If so, could you get the bank statements (with check copies) of this account first?

Note: This was between the period of time after the previous RH Inc. check copy (also attached) I sent you dated January 27, 2016, was written for \$7,503 and the Community Foundation deposit of a similar amount. This Harbor Community/Center State account could potentially clear up some unanswered questions and provide a clearer picture of operations.

Please advise as soon as possible.

Sincerely,

Carlos L. Holt, CPA, CFF, CFE, CIA, CGAP

From: Bloodsworth, Jeffrey L
Sent: Thursday, March 28, 2019 4:52 PM
To: Bowie, Emily V <BowieEV@cityofgainesville.org>; Loria, Leonard F <LoriaLF@gru.com>
Cc: Holt, Carlos L <HoltCL@cityofgainesville.org>
Subject: RE: CONFIDENTIAL & EXEMPT 119.0713 2b- Reichert House GRU Sponsorship

Good afternoon, I have attached a copy of the check that was issued as requested; please let me know if you need anything further. Thank you.

Jeff Bloodsworth, CAPA

Account Clerk Senior

GRU Accounts Payable

352-393-1310 Phone

352-334-2964 Fax

bloodsworjl@gru.com

From: Holt, Carlos L
Sent: Friday, March 22, 2019 12:24 PM
To: 'Julie Waldman' <juliewaldman57@gmail.com>
Cc: Bowie, Emily V <BowieEV@cityofgainesville.org>
Subject: RE: Reichert House, Inc. Response

Ms. Waldman,

Thank you for your prompt attention, response and willingness to assist the City of Gainesville.

Reviewing your information leads me to conclude that you are unaware of previous accounts held by Reichert House Inc. that you now have the authority to request records on. Also, the files supporting the checks and accounts of your organization should be somewhere under the control of Reichert House Inc.

Attached are:

1) A copy of a check written on a Reichert House Inc. account by James Albright (now deceased), a City of Gainesville employee at the Gainesville Police Department. Note that the check states that it was written to close the account but were not sure that was actually the case, possibly being closed as late as 2018. Due to a lack of information, if you could obtain the statements for all of calendar year 2015 until the account was closed, that would be great.

Florida Citizens Bank – Account Number: 202200004986

Two additional accounts at the same bank that showed transfers into the above account are:

Florida Citizens Bank – Account Number: 202200005363

Florida Citizens Bank – Account Number: 202200005066

2) Also attached are three account agreement/signature letter forms showing Reichert House as a joint party to the account with Black on Black Crime Task Force. If RH Inc. was actually a party to the accounts we would like statements from October 1, 2015 through September 30, 2018.

Please advise,

Carlos L. Holt, CPA, CFF, CFE, CIA, CGAP

From: Julie Waldman [<mailto:juliewaldman57@gmail.com>]
Sent: Friday, March 15, 2019 10:54 AM
To: Holt, Carlos L <HoltCL@cityofgainesville.org>
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City Auditor, City of Gainesville, FL

(352) 393-8629

Effective Auditing: A Key to Quality Government

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Sent: Wednesday, February 13, 2019 12:31 AM

To: Holt, Carlos L <HoltCL@cityofgainesville.org>

Subject: Reichert House, Inc. Response

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Thank you for your consideration.

Sincerely,

Julie Waldman



City Auditor's Office

Carlos Lee Holt

**Sent to
Palm Breeze Youth Services**

Monday, January 28, 2019

Chairman
Louis Kalivoda
724 SW 26th Place
Gainesville, FL 32601-9053

Vice Chair
Ken Van Nortwick
281 NW 46th Street
Gainesville, FL 32607-2263

Treasurer
Roberta Gastmeyer
4118 NW 69th Street
Gainesville, FL 32606

Director
Michael Joyner
2559 SW 87th Way
Gainesville, FL 32608

Director
John Alexander
4413 NW 36th Terrace
Gainesville, FL 32605-5420

Director
Al Cockrell
3411 NW 32nd Dr.
Gainesville, FL 32605-2169

Director
Rhonda Baxter
5010 NW 80th Rd
Gainesville, FL 32653

Director
Curtis Jefferson
2201 NW 77th Street
Gainesville, FL 32605

Director
Bruce Stechmiller
3124 NW 18th Place
Gainesville, FL 32605

Director
Philip Calvert
231 NW 33rd Avenue
Gainesville, FL 32609-2227

Director
Ryan Woods
3465 NW 51st Avenue
Gainesville, FL 32605

Director
Bobi Frank
2631 NW 41st Street, Suite a-2
Gainesville, FL 32606

Officers and Directors:

I am writing to each of you named above in your capacity as an Officer and/or Director of Palm Breeze Youth Services, Inc., a Florida not for profit corporation ("Palm Breeze"). On September 20, 2018, the Gainesville City Commission tasked this Office with performing an audit of the Reichert House Youth Program to include its Governance, Finance, and Performance Metrics for Fiscal Years 2016 - 2018. The interest of the City in conducting this audit is to verify and ensure that transparency and controls exist, in particular with respect to the finances of this City program, to eliminate or minimize the opportunity for theft, fraud, and waste in connection with a City program. This is always a risk with any program.

In working to complete the audit, this Office became aware of questionable transactions that involve Palm Breeze. Some examples are provided below:

- The "Gainesville Police Athletic League" (which does not exist as a legal entity, nor as a City program or function) was awarded (as a sub-grantee of National PAL, Inc.) a \$20,000 Federal Department of Justice Grant using the City's Data Universal Numbering System (DUNS) and the City's Employer Identification Number (EIN). The City Finance Department has no record of this Federal Grant. In discussion with staff from National PAL, Inc., my staff was informed that PAL was requested to disburse Federal Grant payments to Palm Breeze - not the City of Gainesville. In January 2018, John Alexander charged travel expenses to the City for attending the National PAL "Mandatory Sub-grant Training" in Charlotte, North Carolina. In speaking with the Director of the National PAL, Inc., he stated that a check was initially made payable to the Gainesville Police Department for these travel expenses; however, John Alexander (or someone under his direction) later called to request the check be re-

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- The Community Foundation of North Central Florida created a designated fund "Friends of Reichert House" to accept charitable donations to support the City's Reichert House Youth Program. The City Finance Department has no record of receiving any money from this designated fund. The Community Foundation records reflect that it disbursed \$41,000 from this designated fund to Palm Breeze.

I contacted Tony Jones (Registered Agent for Palm Breeze and Chief of the Gainesville Police Department), Robert Woody (a professional temp employee of the City assigned as the Director of Community Relations for Reichert House Youth Program) and John Alexander (Board Member of Palm Breeze and Executive Director of the Reichert House Youth Program) to obtain records that would resolve our concerns regarding these transactions. Specifically, we requested:


"As part of the audit, to show that we (City of Gainesville) are good stewards of all funds provided to the Reichert House program, and to show that we can document all resources (funds, services, food, etc.) received, we are requesting access to the bank statements and cancelled checks of Palm Breeze Youth Services, Inc. We request that the Consent and Authorization form attached be completed and notarized to grant such access; or, the bank statement and cancelled checks simply be provided to us for our review."

Tony Jones acknowledged to me that he did make the request to Palm Breeze; however, the request has yet to be acknowledged.

Unfortunately, this refusal necessitated this letter to you. As an Officer and/or Director of Palm Breeze Youth Services, Inc., with fiduciary responsibility for all transactions made by your entity, I hope for your cooperation and willingness to share the requested Palm Breeze financial records so that I will be able to find explanations and documentation for the above transactions and other transactions. Additionally, I will be able to document how and in what manner Palm Breeze supports the Reichert House Youth Program. Without your cooperation, we will be left to request that an outside party make such an investigation.

In order to assist me in timely completion of this audit, please have an authorized corporate representative for Palm Breeze complete one or more of the attached "Consent and Authorization" form (one for each and every financial institution and account used by Palm Breeze since September 30, 2015) and deliver it to the City Auditor's Office no later than 5pm on Wednesday, February 6, 2019.

Sincerely,


Carlos Lee Holt, CPA, CFF, CIA, CFE, CGAP
City Auditor

200 E. University Ave., Suite 211-17
PO Box 490, Gainesville, FL 32602

**CUSTOMER CONSENT AND AUTHORIZATION
FOR ACCESS TO FINANCIAL RECORDS**

I, _____ John Alexander _____, hereby authorize the
(customer/account holder)

to disclose the financial records related to any accounts as named above to

for the following purpose: performing an internal audit of the accounts related to the
Operations of the City of Gainesville Police Department's Youth and Community Services
Bureau , Reichert House, Bold Program,

I understand this authorization can be revoked by me in writing at any time and that this
authorization is valid for no more than three months from the date of my signature.

(Date)

(Signature of Customer)

(Address of Customer)

Witness - _____

Notary:



City Auditor's Office

Carlos Lee Holt

Friday, February 15, 2019

Chairman

Louis Kalivoda

724 SW 26th Place

Gainesville, FL 32601-9053

Vice Chair

Ken Van Nortwick

281 NW 46th Street

Gainesville, FL 32607-2263

Chairman and Vice Chair:

I am writing to follow-up on the previous letter, dated January 18, 2019, that I sent to you and each director of Palm Breeze Youth Services. Although I was in contact with Director Bobi Frank, by telephone last week, I have not received any communication from you designating her as the official point of contact for this matter. I have also not received neither the bank records requested nor authorization for direct access with the financial institutions involved.

Contrastingly, I did receive notice (enclosed) from Reichert House, Inc.

Sincerely,

Carlos Lee Holt, CPA, CFF, CIA, CFE, CGAP

City Auditor

JULIE WALDMAN
1621 NE WALDO ROAD
GAINESVILLE, FL 32609
352-538.1514
juliewaldman57@gmail.com

February 12, 2019

Carlos Lee Holt, City Auditor
200 E. University Ave.
Suite 211-17
PO Box 490
Gainesville, FL 32602

Via email: holtcl@cityofgainesville.org

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Thank you for speaking with me last week. As we discussed, this letter is in response to your correspondence of January 28, 2019, to the Board Members of Reichert House, Inc.

First, we want to ensure that you correctly differentiate the Reichert House, Inc. Board from any other entity which may provide funding and/or support to the Reichert House Youth Academy, including, but not limited to Palm Breeze Youth Services, Inc. Any monies received by, or given to Reichert House, Inc., or monies received from grants applied for by Reichert House, Inc., are intended to support the Reichert House Youth Academy. According to the by-laws for Reichert House, Inc., funds may not be withdrawn or pledged without the prior review and approval of the Reichert House, Inc. board. In addition, any actions related to Reichert House, Inc. such as applying for grant funding, require prior review and approval of the Reichert House, Inc. board. Any monies controlled by Reichert House, Inc. are to be disbursed only for the support and use of Reichert House Youth Academy, with and after board approval, when the intended use is disclosed to the board, and such use is consistent, in the board's sole judgment, with the mission and purposes of Reichert House, Inc.

Second, we would like to clarify that the letter from Bobi Frank, Attorney, dated December 18, 2018, was neither requested nor authorized by Reichert House, Inc. To the contrary, our board has determined that we have no objection to a review of Reichert House, Inc., consistent with our board responsibilities, and with the participation of a member of our board to assist you. We will also

authorize your office to discuss these issues with the staff of James Moore, and Company, which has supported Reichert House, Inc. in the preparation of the required IRS Form 990.

Third, as we know you appreciate, our board is charged with the fiduciary oversight of Reichert House, Inc., and not of the Reichert House Youth Academy, which is a City of Gainesville entity. We welcome, although cannot authorize, a review which looks into the Reichert House Youth Academy revenues and expenses, as those may impact the funds—general and endowed—of Reichert House, Inc. However, the board of Reichert House, Inc. has no authority to approve any audit of any other organization, except Reichert House, Inc.

Finally, with regard to the specific assertions in your letter, neither the board of Reichert House, Inc., nor any of its individual members, approved of any of the items you described. Any such matters affecting Reichert House, Inc. would have required prior approval by the board, which was neither sought nor authorized. No employee of the City of Gainesville, or its departments, the staff of the Reichert House Youth Academy, the Board of Palm Breeze, the staff at the Community Foundation of North Central Florida, nor anyone else, without Reichert House, Inc. board approval, may withdraw or pledge funds held by Reichert House, Inc. However, to the extent any of those matters affect the funds and operations of Reichert House, Inc. the board of Reichert House, Inc. would want to know what, if any, affect your investigation discloses.

Please consider this letter as consent and authorization for access to the financial records of Reichert House, Inc. In addition, the Reichert House, Inc. board members are willing to meet with you and/or your staff, at a time mutually convenient to all, to further discuss these matters, if necessary.

Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Julie Waldman". The signature is written in dark ink and is positioned above the typed name.

Julie Waldman

President, Reichert House, Inc.

By and on behalf of all board members:

Scott Whitaker; Edward Bonahue; Everett Caudle; Al Herndon

Palm Breeze Youth Services, Inc.

P.O. Box 357582
Gainesville, FL 32635

March 4, 2019

Mr. Carlos Holt
City Auditor's Office
City of Gainesville
200 East University Avenue, Suite 211-17
P.O. Box 490
Gainesville, FL 32602-0490

Dear Mr. Holt,

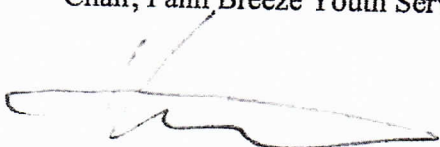
This letter is in reference to your letter of February 15, 2019 seeking additional information about City funds or funds designated to entities created by and controlled by the City of Gainesville that may have passed through accounts held by Palm Breeze Youth Services, Inc. Palm Breeze Youth Services, Inc., recognizes the obligation to account to the City for any such funds, though not for other donations received by or funds held by the Corporation. The Corporation has authorized Bobi Frank, a local attorney and a director of the Corporation, and Timothy McLendon, a local attorney, to act on behalf of the Corporation to identify any such funds and to cooperate with your office in ensuring that you have the information you require to conduct your audit.

We understand that you have been in communication with Ms. Frank, and that much of the information you request has been provided to your office on February 22, 2019. We will look forward to hearing from your office about any additional specific information you may require.

Sincerely,



Louis Kalivoda
Chair, Palm Breeze Youth Services, Inc.



Ken Van Nortwick
Vice Chair, Palm Breeze Youth Service, Inc.

From: Holt, Carlos L
Sent: Friday, February 22, 2019 10:57 AM
To: Legal Department <legal@bfranklaw.com>
Cc: Bobi Frank <bobi@bfranklaw.com>; Bowie, Emily V <BowieEV@cityofgainesville.org>
Subject: RE: Requested Reichert House documents delivered

To all parties of whom it may concern,

A box of documents was delivered to the City Auditor's Office this morning. The City Auditor's Office has by no means ascertained that these particular documents represent the complete amount of documents requested from Reichert House Inc., Palm Breeze Youth Services, and Reichert House Youth Services of the City of Gainesville (requested documents included all bank statements, cancelled checks, and back-up supporting transaction documentation for any open or closed bank account activity since Oct 1, 2015).

Sincerely,

Carlos L. Holt, CPA, CFF, CFE, CIA, CGAP
City Auditor, City of Gainesville, FL
(352) 334-5020
Effective Auditing: A Key to Quality Government

From: Legal Department [<mailto:legal@bfranklaw.com>]
Sent: Friday, February 22, 2019 9:00 AM
To: Bowie, Emily V <BowieEV@cityofgainesville.org>; Holt, Carlos L <HoltCL@cityofgainesville.org>
Cc: Bobi Frank <bobi@bfranklaw.com>
Subject: Requested Reichert House documents delivered

Good morning Emily and Carlos:

Please let this email serve as confirmation that the requested Reichert House documents were delivered in person to your office this morning February 2, 2019.

Have a wonderful day.

Sincerely,

Matt

BOBI J. FRANK LAW, P.A.
2631 NW 41st Street, Suite A-2

From: Holt, Carlos L

Sent: Tuesday, March 12, 2019 6:06 PM

To: Bobi Frank <bobi@bfranklaw.com>

Cc: Bowie, Emily V <BowieEV@cityofgainesville.org>; mclendon@law.ufl.edu

Subject: Palm Breeze Youth Services - Financial Information Request

Ms. Bobi J. Frank,

We are in receipt of a letter from Palm Breeze Youth Services Chair Louis Kalivoda and Vice Chair Ken Van Nortwick (dated March 4, 2019) in which they pledged full cooperation and that yourself and attorney Timothy Mc Lendon would assist with our needs.

We have performed a cursory review of the information that your assistant delivered in person on February 22, 2019. Although our request is for the below listed items, we have received only statements related to transactions of December 2017 through February 2019. Many lack supporting documentation and I have not yet verified the completeness of the bank records (but have noted that many do not have copies of the back of the checks).

Please advise as to when we will receive the remainder of the items for all accounts that are connected to Reichert House Youth Academy or Reichert House Inc.

Requested items

- 1) All bank statements of October 1, 2015, to present for accounts that Palm Breeze Youth Services, Inc. was a party to.
- 2) A copy of all checks (front and back) from the accounts requested in item 1 for the same period.
- 3) A copy of all withdrawal slips for the same accounts for the same period.
- 4) Any and all supporting documentation for checks and deposits for the same accounts and the same period.
- 5) A copy of any other financial transactions that are related to City of Gainesville employees, Reichert House Youth Academy, Reichert House Inc., or Community Foundation – Friends of Reichert House.

Sincerely,

Carlos L. Holt, CPA, CFF, CFE, CIA, CGAP

City Auditor, City of Gainesville, FL

THE LAW OFFICES OF



(O) 352-639-4117 · (F) 352-639-4118 | bobi@bfranklaw.com | bfranklaw.com

Gainesville Office
2631 NW 41st Street, Suite A-2
Gainesville, Florida 32606

Daytona Beach Office
1112 Riverside Drive
Holly Hill, Florida 32117

March 15, 2019

Mr. Carlos Holt
City of Gainesville Auditor
200 East University Avenue
Gainesville, Florida 32601

Re: City of Gainesville's follow-up request to Palm Breeze Youth Services, Inc., for documents to complete audit of Reichert House Youth Program

Delivery via electronic mail: holtcl@cityofgainesville.org

Dear Mr. Holt:

We have received your recent request for additional documents from Palm Breeze Youth Services, Inc. ("PBYS") to help facilitate the City's audit of Reichert House Youth Academy. We welcome the opportunity to assist the City in this important endeavor.

Timothy McLendon and I, on behalf of PBYS, want to clarify a few relevant issues surrounding the City's audit.

I received the below e-mail from you on March 12, 2019, at 6:06 p.m.:

We are in receipt of a letter from Palm Breeze Youth Services Chair Louis Kalivoda and Vice Chair Ken Van Nortwick (dated March 4, 2019) in which they pledged full cooperation and that yourself and attorney Timothy Mc Lendon would assist with our needs.

We have performed a cursory review of the information that your assistant delivered in person on February 22, 2019. Although our request is for the below listed items, we have received only statements related to transactions of December 2017 through February 2019. Many lack supporting documentation and I have not yet verified the completeness of the bank records (but have noted that many do not have copies of the back of the checks).

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- 4) Any and all supporting documentation for checks and deposits for the same accounts and the same period.
- 5) A copy of any other financial transactions that are related to City of Gainesville employees, Reichert House Youth Academy, Reichert House Inc., or Community Foundation – Friends of Reichert House.

First, Mr. McLendon and I, as a PBYS Board Member, were asked by the PBYS Board to help facilitate the production of relevant documents to the City, to identify which documents are germane and appropriate for release, as well as to determine which documents are outside the purview of the City's audit. We want to emphasize that the prudent approach that PBYS is taking in this matter is solely for the purposes of preserving the integrity of unrelated support matters between PBYS and community recipients and to preserve the anonymity of donors.

PBYS'S Mission Statement makes clear its purpose and mission:

Mission of Palm Breeze Youth Services, Inc.: The mission of the Corporation is to support and serve the youth of Alachua County through the provision of academic and vocational education, and through the provision of training in life skills and civic responsibility.

As you can discern from the Mission statement, PBYS has adopted a broad set of goals that do not exclusively encompass Reichert House Youth Program, or any other City governed program. Relevantly, Mr. McLendon and I have been advised that PBYS has not entered into any Memorandums of Understanding with Reichert House Youth Program, or any other entity, City-governed or otherwise.

Importantly, PBYS does not have any affiliation with, or control over, either Reichert House, Inc., or the Community Foundation-Friends of Reichert House. We respectfully request that you direct any further inquiries pertaining to those entities to those entities specifically, or to the Director of Reichert House Youth Program, Mr. John Alexander.

Second, Mr. McLendon and I have been advised that the PBYS bank account that you received statements for beginning in December, 2017 was opened in November, 2017; therefore, you have the first statement available from that account. We were also advised that the aforementioned bank account is the only PBYS bank account that contained money specifically received or appropriated for Reichert House Youth Program.

Importantly, during the conversation between Ms. Emily Bowie, you, and myself on February 7, 2019, I advised you that PBYS fully intended to produce any, and all, relevant materials upon request, and that we looked forward to the completion of the audit, and the City's findings. I also asked you to be specific with any follow-up requests for documents to ensure that we could respond with the appropriate materials in a timely manner.

In order to comply with your follow-up request in a timely manner, Mr. McLendon and I again request that you explicitly identify the documents that you believe are still needed to complete the City's audit, rather than the broad requests contained in your email correspondence included above. We want to help bring this matter to a close, but we are unable to do so without your assistance.

Should you have any questions or concerns regarding the contents of this correspondence, please reach out to my office and my assistant will set-up a conference call between your office, Mr. McLendon, and myself.

Sincerely,

Bobi J. Frank

Bobi J. Frank
Attorney at Law

cc: Timothy McLendon
PBYS Board of Directors