



County of Los Angeles  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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June 18, 2026

To: Supervisor Hilda L. Solis, Chair  
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Supervisor Kathryn Barger

 for  
From: Brandon T. Nichols  
Director

**FIRST PLACE FOR YOUTH FISCAL DESK REVIEW REPORT**

The Department of Children and Family Services (DCFS) Contract Compliance Division (CCD) conducted a Fiscal Desk Review of First Place for Youth Transitional Housing Placement Program for Non-Minor Dependents (THPP-NMD) in May 2026. The Contractor has one licensed site located in the Second Supervisorial District. The site provides services to the County of Los Angeles DCFS and Probation NMDs between the ages of 18-21 and their children. The Contractor has five additional service sites located in Contra Costa County, San Francisco County, Santa Clara County, Solano County, and Jackson, Mississippi, that provide services to NMDs in their designated counties.

**Key Outcomes**

NUMBER OF PRIORITY FINDINGS
PRIORITY 1 1
PRIORITY 2 1
PRIORITY 3 0

*"To Enrich Lives Through Effective and Caring Service"*

The CCD conducted a Fiscal Desk Review which consisted of reviewing the following: Financial Statements, Internal Revenue Service Tax Transcripts, Board of Directors Listing, Board Meeting Minutes, and 501c3 Letter.

The CCD identified potential internal control weaknesses in the following areas:

**Priority 1**

- The Contractor had a Significant Deficiency disclosure in their Audited Financial Statement and Single Audit Report for their Fiscal Year ending June 30, 2025.

**Priority 2**

- Late submission of the Audited Financial Statements and Single Audit Report for the Fiscal Year ending June 30, 2024, to the California Department of Social Services.

On May 5, 2026, DCFS' CCD Financial Specialist IV held an exit conference with the Contractor's Chief Financial Officer and Director of Finance. The Contractor's representatives agreed with the review findings and recommendations and were receptive to implementing systemic changes to improve compliance with regulatory standards. The Contractor agreed to address the noted potential internal control weakness in a Fiscal Corrective Action Plan (FCAP).

The Contractor provided the attached approved FCAP addressing the recommendations noted in this report.

If you have any questions, your staff may contact me or Aldo Marin, Board Relations Manager, at (213) 371-6052.

BTN:LEM:RT  
KR:DF:ai

Attachments

c:





May 5, 2026

[REDACTED]

Re: Action Plan and Responses to the Los Angeles County Department of Children and Family Services to provide Transitional Housing Placement - Program for Non-Minor Dependents (THPP-NMD) and Transitional Housing Program - Plus (THP-Plus) Programs.

Dear [REDACTED]

First Place for Youth appreciates the opportunity to respond to the audit findings identified for fiscal 2024 and 2025. We take these finds seriously and are committed to strengthening our internal controls and compliances practices. Below, please find our formal responses to each finding.

Finding priority #2: Late submission to CDSS of the Audited Financial Statements for the Fiscal Year Ending June 30, 2024.

In 2024, First Place for Youth experienced Finance leadership transitions, and this compliance obligation was inadvertently overlooked during that period of change.

#### Corrective Actions Taken

- We have created an annual compliance checklist to ensure all required information and reports are submitted to the respective agencies in a timely manner.
- Moving forward, we request that CDSS update the contact list for fiscal compliance with the Finance leadership personnel below to ensure full coverage for timely response:

[REDACTED]

Finding priority #1: Significant Deficiency was identified in the Single Audit for the Fiscal Year Ending June 30, 2025.

Although there were no actual instances of questioned costs and all eligibility documentation had been collected and reviewed, First Place for Youth values the opportunity to improve our processes to ensure full program and fiscal compliance and to mitigate any future potential risks. The finding stemmed from untimely review of the file documents by the supervisor and/ or lack of tracking of this task.

#### Corrective Actions Taken

1) **Re-training County Program Managers**

Multiple group training meetings were held in December 2024, followed by a larger training session in March 2025.

2) **Expanding the Scope of Internal Audits**

Previously, the internal file audit review by the compliance team involved a randomized pull of 25% of newly enrolled youth. Since the Novagradac audit results, 100% of eligible files are now pulled for compliance review.

3) **Automating Checklist Tracking Within the Case Management System**

An automated system was created within the case management software in July 2025, with technical refinements completed in September 2025. The electronic file audit review form improves efficiency and alerts managers for documentation review via email. Additionally, the compliance team will run weekly reports to track outstanding manager review and sign-off.

Please let me know if you have any questions or other concerns. I can be reached via email at

[REDACTED]

