

**NEW YORK SERVICE
FOR THE HANDICAPPED
MANAGEMENT LETTER
DECEMBER 31, 2015**

**Board of Directors
New York Service
for the Handicapped**

In planning and performing our audit of the financial statements of New York Service for the Handicapped as of and for the year ended December 31, 2015 in accordance with auditing standards generally accepted in the United States of America, we considered New York Service for the Handicapped's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New York Service for the Handicapped's internal control. Accordingly, we do not express an opinion on the effectiveness of New York Service for the Handicapped's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph, and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We wish to make the following observations and recommendations for consideration by management:

Revenues

New York Service for the Handicapped currently records some of its revenue on the cash basis, which is converted at year end to the accrual basis. The revenue should be adjusted to the accrual basis every month. Revenue for the next period should be examined and those items that pertain to the prior period should be accrued into the current month and subsequently reversed in the next month.

Segregation of Duties

The size of the business office staff does not always allow for the proper segregation of duties to ensure adequate internal control. This is not unusual; however management should be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in management's knowledge of matters relating to the operation of the accounting department and other matters relating to the organization's operations.

This communication is intended solely for the information and use of management, the Board of Directors and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Loeb & Troper LLP

September 6, 2016