

Marks Paneth LLP  
685 Third Avenue  
New York, NY 10017  
P 212.503.8800  
F 212.370.3759  
www.markspaneth.com

New York  
New Jersey  
Pennsylvania  
Washington, DC

**M A R K S P A N E T H**  
ACCOUNTANTS & ADVISORS

## Independent Auditors' Report

To the Members of the Joint Audit Committee of the  
New York City Municipal Water Finance Authority and  
New York City Water Board

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combining financial statements of the New York City Municipal Water Finance Authority and the New York City Water Board, which collectively comprise the New York City Water and Sewer System (the "System"), a component unit of The City of New York, as of and for the year ended June 30, 2016 and have issued our report thereon dated October 20, 2016.

In connection with our audit, nothing came to our attention that caused us to believe that the System failed to comply, in all material respects, with the terms, covenants, provisions or conditions of the System's Resolutions and Investment Guidelines, which is the responsibility of the System's management, insofar as they relate to financial and accounting matters. However, the objective of our audit of the combining financial statements was not to provide an opinion on overall compliance with the System's Resolutions and Investment Guidelines referred to above. Accordingly, we do not express such an opinion.

This report is intended solely for the information of the System's Joint Audit Committee, Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties, unless permission is granted.

*Marks Paneth LLP*

October 20, 2016  
New York, NY