

## Independent auditor's report

### To the City of Wanneroo ("the City")

#### Report on the Statement of Income and Expenditure

We have audited the accompanying Statement of Income and Expenditure for the City of Wanneroo in relation to Cell 5 for the year ending 30 June 2023.

#### Responsibility for the Statement of Income and Expenditure

The City is responsible for the preparation of the Statement of Income and Expenditure for Cell 5. This responsibility includes establishing and maintaining internal control relevant to the preparation and presentation of the Income and Expenditure Statement of Cell 5 in accordance with the District Planning Scheme No. 2 ("DPS 2").

#### Auditor's responsibility

Our responsibility is to express an opinion on the Statement of Income and Expenditure for Cell 5 based on our audit. We conducted our audit in accordance with Australian Auditing Standards and the requirements of DPS 2. These Auditing Standards require that we comply with relevant ethical requirements relating to the audit engagement and plan and perform the audit in order to express an opinion on the preparation and presentation of the Statement of Income and Expenditure to the City.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Income and Expenditure. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement of Income and Expenditure, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the Statement of Income and Expenditure in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

These procedures have been undertaken to form an opinion whether, in all material respects, the Statement of Income and Expenditure is presented fairly in accordance with the DPS 2. We disclaim any assumption of responsibility for any reliance on this report to any person other than the City, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

## Auditor's opinion

In our opinion:

- i. the Statement of Income and Expenditure above is based on proper accounts and records;
- ii. the Statement of Income and Expenditure above is in agreement with the accounts and records;
- iii. the amount reported as expended during the year was used solely for expenditure on activities permitted under the requirements of DPS 2.

*William Buck*

William Buck Audit (WA) Pty Ltd  
ABN 67 125 012 124

*CM*

Conley Manifis  
Director

Dated on this 11<sup>th</sup> day of December 2023

## City of Wanneroo

### EAST WANNEROO - CELL 5

Cell 5 Includes the suburb of Landsdale and is generally bounded by Ocean Reef Road, Mirrabooka Avenue and Hepburn Avenue. Over \$40 million worth of infrastructure works have been completed in this Cell. The Cell is predominately developed (95% of developable land) and remaining costs primarily relate to POS acquisition.

#### Statement of Income and Expenditure for the year ended 30 June 2023

	2023 Actual	2022 Actual
	\$	\$
Operating Income		
The Trustee for V V Investment		587,271
Steven and Sam Filippou	16,635	
Gideon Eli & Myra Marcus	61,818	
ADM Central Maintenance Pty Ltd	123,636	
Stoneridge Nominees Pty Ltd and Mr L and Mrs F Vinci	123,636	
Interest received	127,308	25,833
	<b>453,033</b>	<b>613,104</b>
Operating Expense		
Advertising	(203)	(240)
Consulting Fees	-	-
Administration Allocation	(33,364)	(44,790)
Audit Fees	(4,416)	(4,318)
Legal Fees	-	-
Valuation Fees	(1,067)	(1,078)
Summerbreeze Developments Pty Ltd - Public Open Space		
Public Open Space acquisition		(873,626)
Historic POS compensation payments	(215,047)	(615,261)
Construction - Pathway - Gnangara Road	-	
Construction - Internal Transactional Review		
Hepburn Avenue Dual Carriageway		(5,826)
Interest Expense		(1,844)
	<b>(254,097)</b>	<b>(1,546,982)</b>
<b>Current Year Surplus/(Deficit)</b>	<b>198,936</b>	<b>(933,878)</b>
<b>Previous Year Balance Brought Forward</b>	<b>954,549</b>	<b>2,431,298</b>
<b>Previous Year Adjustment</b>		
<b>Provision for Headworks Levy</b>	<b>(637,640)</b>	<b>(542,872)</b>
<b>Balance as at 30th June 2023</b>	<b>515,845</b>	<b>954,549</b>

\*As part of the 2022/2023 Annual Review of cell costs as per the requirement of DPS2, the City's internal experts have estimated a increase of \$637,640 in the future excess funds for Cell 6 at full development. The total future excess funds (at full development) estimated at the end of the 2022/2023 financial year is \$3,727,816.

AASB 1058 has not been applied in preparation of the above income and expenditure statement.