

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 6 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 6. This responsibility includes establishing and maintaining internal control relevant to the preparation and presentation of the Income and Expenditure Statement of Cell 6 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 6 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 11th day of December 2023

City of Wanneroo

EAST WANNEROO - CELL 6

Cell 6 includes the suburbs of Madeley and Darch and is generally bounded by Gnangara Road, Wanneroo Road, Mirrabooka Avenue and Hepburn Avenue. Over \$56 million worth of infrastructure works have been completed in this Cell. The Cell is predominately developed (89% of developable land) and remaining costs primarily relate to the finalisation of the Gnangara Road upgrade/realignment and POS acquisitions.

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

	2023	2022
	Actual	Actual
	\$	\$
Operating Income		
Avonlight Enterprises Pty Ltd		172,746
Parcel Darch Pty Ltd		444,204
Macbrusa Pty Ltd	345,492	
AGEM PG 48 Pty Ltd	24,678	
Interest received	710,161	130,952
	1,080,331	747,902
Operating Expense		
Advertising	(203)	(240)
Consulting Fees	-	-
Administration Allocation	(48,831)	(46,283)
Audit Fees	(5,616)	(5,018)
Valuation Fees	(1,067)	(1,078)
Historic POS compensation payments	(276,918)	(1,787,031)
Gnangara Road - Wanneroo Road to Hartman Drive	(6,152)	(144)
Gnangara Road widening compensation		(44,000)
Construction - Internal Transactional Review		
Developer Prefunded Cell Works	(24,150)	
Hepburn Avenue Dual Carriageway		(11,670)
Interest Expense	(24,656)	(3,693)
	(387,593)	(1,899,157)
Current Year Surplus/(Deficit)	692,738	(1,151,255)
Previous Year Balance Brought Forward	21,104,754	22,148,940
Previous Year Adjustment		
Provision for Headworks Levy	(997,932)	107,070
Balance as at 30th June 2023	20,799,560	21,104,754

*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 \$997,932 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 \$2,856,443.

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

As at 30 June 2023, the City has identified \$48,806 related to prior years from the Cells Internal Transactional Review for the financial year 2022/2023.