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Report of Factual Findings

Dear Narelle,

To the City of Kwinana (the City),

We have performed the procedures agreed with you and report factual findings for the purpose of assisting you in verifying, in combination with other information obtained by you, the cost per dwelling for Developer Contribution Areas 8 - 15. The procedures performed are detailed in the engagement letter dated 20 January 2015 and described below.

Management's Responsibility for the Procedures Agreed

Management is responsible for the adequacy or otherwise of the procedures agreed to be performed by us. You are responsible for determining whether the factual findings provided by us, in combination with any other information obtained, provide a reasonable basis for any conclusions which you or other intended users wish to draw on the subject matter.

Assurance Practitioner's Responsibility

Our responsibility is to report factual findings obtained from conducting the procedures agreed. We conducted the engagement in accordance with Standard on Related Services ASRS 4400 Agreed-Upon Procedures Engagements to Report Factual Findings. We have complied with ethical requirements equivalent to those applicable to Other Assurance Engagements under APES 110 *Code of ethics for professional accountants*.

Because the agreed-upon procedures do not constitute either a reasonable or limited assurance engagement in accordance with AUASB standards, we do not express any conclusion and provide no assurance on the cost per dwelling for Developer Contribution Area 8 - 15. Had we performed additional procedures or had we performed an audit or a review of the cost per dwelling for Developer Contribution Area 8 - 15 in accordance with AUASB standards, other matters might have come to our attention that would have been reported to you.

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Factual Findings

The procedures were performed solely to assist you in verifying the accuracy of the cost per dwelling for Developer Contribution Area 8 - 15. The procedures performed and the factual findings obtained are as follows:

Procedures Performed	Factual Findings	Matters identified and recommendations
Obtain Cost Apportionment Schedule as prepared by the City for the purposes of verifying the calculation of the cost per dwelling for Developer Contribution Area's 8 to 15.	No issues identified.	N/A
Verify mathematical accuracy of calculations utilised within the schedule.	No issues identified.	N/A
Agree the cost of each infrastructure item utilised within the schedule to external consultant reports, where required.	No issues identified.	N/A
Agree the Local Government Cost Index percentage utilised within the schedule to supporting documentation.	No issues identified.	N/A
Agree the cost of each infrastructure item utilised within the schedule to audited grant acquittal statements.	<ul style="list-style-type: none"> Grant Thornton reviewed expenditure for the Wellard Community Centre after 30 June 2012. As per our testing, undertaken on a sample basis, we did not note any issues. The City utilised a third party consultant reports from 2010 and 2014 to determine the cost of a number of infrastructure items. 	<ul style="list-style-type: none"> We would recommend a grant acquittal be performed on the completed Wellard Community Centre Project once available. Whilst, we understand that the Local Government Cost Index was utilised to inflate the cost figure from the third party report, we would recommend that a third party is engaged to ensure that the figures utilised within the schedule reflect any new circumstances that may have arisen since 2010 which may have an impact on the calculation of cost per dwelling.
Agree the grant revenue received for each infrastructure item utilised within the schedule to audited grant acquittal statements.	No issues identified.	N/A
Agree the actual accumulated contributions and interest received amounts utilised within the schedule to audited financial statements as at 30 June 2014.	No issues identified.	N/A
Agree actual interest expense utilised within the schedule to audited financial statements as at 30 June 2014.	No issues identified.	N/A
Agree total expected dwellings utilised within the schedule to external consultant report.	No issues identified.	N/A
Obtain listing of lots developed per Developer Contribution Area prepared by City.	No issues identified.	N/A
Agree number of lots developed to internally generated invoices and plans from third party.	Grant Thornton identified errors in the total number of lots developed. However, we understand that these errors have now been amended prior	Whilst these errors were identified during our fieldwork, we recommend that where possible the City confirms the number of lots to be developed with the Developer

	to the presentation of the final Cost Apportionment Schedule.	prior to issuing an invoice. In addition, we recommend that the City retains a copy of correspondence between the City and the Developer to create an appropriate audit trail.
Agree the City's existing population dwelling yields utilised within the cost apportionment schedule to external statistics.	No issues identified.	N/A

Restriction on Distribution and Use of Report

This report is intended solely for the use of the City for the purpose set out above. As the intended user of our report, it is for you and other intended users to assess both the procedures and our factual findings to determine whether they provide, in combination with any other information you have obtained, a reasonable basis for any conclusions which you wish to draw on the subject matter. As required by ASRS 4400, distribution of this report is restricted to those parties that have agreed the procedures to be performed with us and other intended users identified in the terms of the engagement (since others, unaware of the reasons for the procedures, may misinterpret the results). Accordingly, we expressly disclaim and do not accept any responsibility or liability to any party other than the Management of the City of Kwinana for any consequences of reliance on this report for any purpose.

GRANT THORNTON

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

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M A Petricevic
Partner – Audit & Assurance

Perth, 3 February 2015