

Treasurers Report

1 July 2024 to 30 June 2025

This report provides an update on the financial results and position of Heart of The City Incorporated (“HOTC”) for the year ended 30 June 2025.

The auditor’s report has been completed by RSM Hayes Audit and is included within the Annual Report of HOTC. RSM Hayes Audit have issued an unqualified audit opinion, noting that, in all material respects, the financial statements present a fair and accurate account of the financial position of HOTC.

The June 2025 year-end commenced with accumulated reserves of \$1,707,313 and ended the year with accumulated reserves of \$1,035,619, a decrease of \$671,694. Available equity takes account of HOTC’s reserves policy, retentions and non-current assets. As detailed in note 12 of the financial statements, available equity as of 30 June 2025 totals \$888,128 and is represented by:

- Contingency reserves \$400,000
- Lease guarantee \$89,000
- Funds set aside to support Christmas tree maintenance \$200,000
- Funds set aside for future projects, yet to be tagged specifically \$199,128

Our targeted rate funding receipts amounted to \$5,084,707, a marginal decrease of \$200 on the previous year. We received \$779,824 in funding from Auckland Council, an increase of \$96,799 over last year. This was primarily from the city centre targeted rates but also included \$150,649 from the Proceeds of Crime fund. Other sources of income came from interest income and sundry partnership income. Total income from all sources during the year came to \$6,092,047. This is an increase of \$221,190 in total income compared with the prior year.

Our total expenditure was up on the prior year by \$739,483. In line with our planned initiatives for the 2025 financial year, spending on safety within the central city totaled \$859,433. Spending on events, sponsorship and advertising was up significantly over last year, totaling \$3,609,109.

As noted in last year’s report, there was a clear desire to make use of accumulated funds during the year to 30 June 2025, and this was achieved during the period with a \$671,694 reduction in reserves. In conjunction with funds from partners, much of this was directed into the new Christmas tree, Te Manaaki – a significant and enduring addition to the important festive trading period and a valuable drawcard to the city centre.

Combined with revenue from usual sources and after allowing for contingency reserves, accumulated funds will be largely used during the year to 30 June 2026 to support marketing to re-position and promote the city centre and deliver events and initiatives that support growth, and a vibrant, safe, accessible place. Our budget for the 30 June 2026 financial year projects a deficit of \$163,419, which is funded from reserves.

There is currently no known risk to the income in terms of any anticipated expenses or commitments.

The organisation maintains a conflict-of-interest register and has appropriate accounting policies and procedure documents in place.

Finally, the Statement of Financial Position shows that HOTC is in a sound financial position, is well-managed, and in a strong position to continue to benefit central city business and the central city environment.