KPMG

BRYANT PARK CORPORATION AND
BRYANT PARK MANAGEMENT CORPORATION

Consolidated Financial Statements

June 30, 2019
(with comparative financial information as of June 30, 2018)

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Boards of Directors
Bryant Park Corporation and
Bryant Park Management Corporation:

We have audited the accompanying consolidated financial statements of Bryant Park Corporation and Bryant Park Management Corporation, which comprise the consolidated balance sheet as of June 30, 2019 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bryant Park Corporation and Bryant Park Management Corporation as of June 30, 2019 and the changes in their net assets and their cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 2(m) to the financial statements, in 2019 Bryant Park Corporation and Bryant Park Management Corporation adopted new accounting guidance, Accounting Standards Update No. 2016-14*, Presentation of Financial Statements of Not-for-Profit Entities,* and Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to these matters.

Report on Summarized Comparative Information

We have previously audited Bryant Park Corporation and Bryant Park Management Corporation's 2018 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 31, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

October 31, 2019

BRYANT PARK CORPORATION AND
BRYANT PARK MANAGEMENT CORPORATION

Consolidated Balance Sheet

June 30, 2019
(with comparative financial information as of June 30, 2018)

Assets		**2019**	**2018**
Cash and cash equivalents (note 11)	$	1,053,807	693,164
Accounts receivable and other assets (note 4)		554,583	407,103
Due from related parties (note 10)		652,540	330,639
Restaurant design and construction, net (note 4)		195,495	214,114
Property and equipment, net (note 6)		472,931	686,029
District improvements, net of accumulated amortization of $8,904,365 and $8,352,738 in 2019 and 2018, respectively (note 11)		6,319,501	6,765,412
Total assets	$	9,248,857	9,096,461
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses (note 8)	$	1,333,058	1,129,097
Deferred revenue		1,814,398	1,511,379
Bank loan (note 11)		2,936,389	3,110,833
Total liabilities		6,083,845	5,751,309
Commitments and contingencies (notes 4, 8, and 9)			
Net assets:			
Without donor restrictions		3,165,012	3,345,152
Total net assets		3,165,012	3,345,152
Total liabilities and net assets	$	9,248,857	9,096,461

See accompanying notes to consolidated financial statements.

BRYANT PARK CORPORATION AND
BRYANT PARK MANAGEMENT CORPORATION

Consolidated Statement of Activities

Year ended June 30, 2019
(with comparative financial information for the year ended June 30, 2018)

		2019	2018
Without donor restrictions:			
Revenue and other support:			
Assessments (note 1(b))	$	1,600,000	1,600,000
Winter Village, including sponsorship revenue of $3,170,632 and $3,006,540 in 2019 and 2018, respectively (note 5)		13,066,504	11,394,105
Other sponsorships and contributions, including contributed services of $347,459 and $288,396 in 2019 and 2018, respectively		2,312,282	2,571,055
Restaurant rental income (note 4)		2,093,984	2,239,532
Park usage fees, including bartered services of $167,688 in 2019		1,038,631	534,300
Concessions		1,921,295	1,971,287
Interest		1,222	1,943
Other sources		142,269	115,920
Total revenue and other support		22,176,187	20,428,142
Expenses:			
Program services:			
Capital projects – park		1,436,636	1,625,621
Capital projects – restaurant (note 4)		18,619	18,619
Park maintenance		2,257,658	2,285,085
Security		1,218,742	1,248,569
Design services		924,937	892,819
Retail services and promotion		1,050,842	958,406
Public events		1,909,798	1,830,751
Winter Village (note 5)		8,804,892	8,373,546
Park programs		1,610,750	1,019,059
Carousel		384,958	359,641
Reading room		526,271	475,146
Horticulture		639,724	582,740
Total program services		20,783,827	19,670,002
Supporting services:			
Management and general		1,414,398	1,424,408
Fundraising		158,102	144,746
Total supporting services		1,572,500	1,569,154
Total expenses		22,356,327	21,239,156
Decrease in net assets without donor restrictions		(180,140)	(811,014)
Net assets at beginning of year		3,345,152	4,156,166
Net assets at end of year	$	3,165,012	3,345,152

See accompanying notes to consolidated financial statements.

BRYANT PARK CORPORATION AND
BRYANT PARK MANAGEMENT CORPORATION

Consolidated Statement of Functional Expenses

Year ended June 30, 2019
(with summarized financial information for the year ended June 30, 2018)

	Program services													Supporting services				
	Capital projects – park	Capital projects – restaurant	Park maintenance	Security	Design services	Retail services and promotion	Public events	Winter Village	Park programs	Carousel	Reading room	Horticulture	Total	Management and general	Fundraising	Total	2019 Total	2018 Total
Salaries	$ 349,389	—	1,334,029	778,824	607,648	173,324	482,691	1,231,663	509,702	233,966	244,520	191,412	6,137,168	865,919	88,587	954,506	7,091,674	6,769,656
Payroll taxes and benefits	64,336	—	487,642	255,695	105,156	39,640	108,984	37,178	106,018	56,859	50,078	59,099	1,370,685	113,892	14,885	128,777	1,499,462	1,513,776
Total salaries and related expenses	413,725	—	1,821,671	1,034,519	712,804	212,964	591,675	1,268,841	615,720	290,825	294,598	250,511	7,507,853	979,811	103,472	1,083,283	8,591,136	8,283,432
Contracted services (note 2(o))	133,350	—	337	10,950	1,710	697,226	903,703	4,271,476	454,976	23,437	80,001	339,576	6,916,742	57,595	31,138	88,733	7,005,475	6,562,950
Accounting and legal	—	—	15,007	—	—	32,673	6,062	450	—	—	—	—	54,192	54,475	—	54,475	108,667	144,269
General liability insurance	44,600	—	170,345	113,741	77,597	33,444	61,636	259,377	65,085	29,815	31,213	24,442	911,295	115,410	—	115,410	1,026,705	947,510
Occupancy	52,317	—	46,851	48,245	107,776	52,223	252,915	23,363	113,133	20,271	72,487	19,367	808,948	96,762	22,264	119,026	927,974	785,992
Supplies	24,413	—	143,476	1,565	497	236	10,710	135,733	13,850	10,432	5,154	105	346,171	18,897	101	18,998	365,169	361,339
Telephone	4,816	—	2,759	2,990	4,756	2,643	6,748	6,903	62,806	2,206	4,482	2,282	103,391	8,552	1,127	9,679	113,070	112,344
Equipment	1,264	—	—	1,351	3,179	—	28,466	2,297,878	128,046	36	3,685	—	2,463,905	124	—	124	2,464,029	2,304,534
Repairs and maintenance	74,229	—	629	1,151	287	192	2,185	178,046	61,522	2,108	2,883	52	323,284	7,633	—	7,633	330,917	483,340
Uniforms	55	—	52,740	3,203	—	—	3,440	10,653	1,540	508	328	3,122	75,589	—	—	—	75,589	57,588
Travel and entertainment	624	—	2,062	—	88	4,733	10,311	59,279	418	243	19,350	105	97,213	9,853	—	9,853	107,066	79,232
Depreciation and amortization	551,627	18,619	1,781	—	—	—	13,066	127,201	81,977	1,892	1,698	—	797,861	—	—	—	797,861	808,644
Interest and fees	131,566	—	—	—	—	—	—	—	—	—	—	—	131,566	—	—	—	131,566	139,014
Miscellaneous	4,050	—	—	1,027	16,243	14,508	18,881	165,692	11,677	3,185	10,392	162	245,817	65,286	—	65,286	311,103	168,968
Total, year ended June 30, 2019	$ 1,436,636	18,619	2,257,658	1,218,742	924,937	1,050,842	1,909,798	8,804,892	1,610,750	384,958	526,271	639,724	20,783,827	1,414,398	158,102	1,572,500	22,356,327	
Total, year ended June 30, 2018	$ 1,625,621	18,619	2,285,085	1,248,569	892,819	958,406	1,830,751	8,373,546	1,019,059	359,641	475,146	582,740	19,670,002	1,424,408	144,746	1,569,154	21,239,156	21,239,156

See accompanying notes to consolidated financial statements.

BRYANT PARK CORPORATION AND
BRYANT PARK MANAGEMENT CORPORATION

Consolidated Statement of Cash Flows

Year ended June 30, 2019
(with comparative financial information for the year ended June 30, 2018)

		2019	2018
Cash flows from operating activities:			
Decrease in net assets	$	(180,140)	(811,014)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:			
Depreciation and amortization		797,861	808,644
Changes in operating assets and liabilities:			
Accounts receivable and other assets		(147,480)	(38,640)
Due from related parties		(321,901)	(47,619)
Accounts payable and accrued expenses		203,961	24,199
Deferred revenue		303,019	258,083
Net cash provided by operating activities		655,320	193,653
Cash flows from investing activities:			
Acquisition of property and equipment		(14,517)	(195,281)
Acquisition of district improvements		(105,716)	(219,944)
Net cash used in investing activities		(120,233)	(415,225)
Cash flows from financing activity:			
Repayments on bank loan		(174,444)	(167,019)
Net cash used in financing activity		(174,444)	(167,019)
Increase (decrease) in cash and cash equivalents		360,643	(388,591)
Cash and cash equivalents at beginning of year		693,164	1,081,755
Cash and cash equivalents at end of year	$	1,053,807	693,164
Supplemental cash flow disclosure:			
Interest paid during the year	$	132,188	139,613

See accompanying notes to consolidated financial statements.

(1) Description of Organizations

(a) Bryant Park Corporation (BPC)

BPC is a not-for-profit entity, which was organized as Bryant Park Restoration Corporation to promote the restoration, maintenance, and utilization of Bryant Park in association with The New York Public Library, Astor, Lenox and Tilden Foundations (the Library) and the New York City Department of Parks and Recreation (the City). In November 2006, the name of the corporation was changed to Bryant Park Corporation. BPC provides numerous and varied free public programs, services and capital improvements within Bryant Park and the Bryant Park Business Improvement District (the District).

On July 29, 1985, BPC, the Library, and the City entered into lease and license agreements (the Agreements) under which responsibility for managing Bryant Park was transferred from the City to BPC. Under the Agreements, BPC assumed responsibility for the operation and maintenance of Bryant Park, including improvements, special events and concessions, under the supervision of the City, while obtaining the right to develop commercial restaurant facilities, under a 35-year lease of the terrace, behind the New York Public Library in Bryant Park (note 4). Sponsorships, fees from concession facilities and special events, in addition to contributions from Bryant Park Management Corporation (below), provide additional revenues to BPC. A license agreement, dated June 8, 2018, between BPC and the City extends the operation and maintenance of Bryant Park by BPC for 10 years with the option for two additional 5-year periods, by mutual agreement, commencing July 19, 2018.

(b) Bryant Park Management Corporation (BPMC)

BPMC is a not-for-profit entity organized in 1983, in cooperation with the City, by property owners, tenants, and city officials with an interest in the District. BPMC is a District Management Association organized to promote and support the District and to execute a plan, approved by the Board of Estimate of the City of New York, for providing supplemental services to Bryant Park and to the public spaces surrounding Bryant Park.

The property owners and tenants within the District have agreed to fund the approved activities of BPC through assessments levied against real property located within the District and collected by the City. The maximum assessment and use of the funds are approved annually by BPMC. Such amount shall not exceed 3% of the total general city taxes levied in that year against the taxable real property in the District. Assessments of $1,600,000 were remitted to BPMC, which transferred such funds to BPC, to be used in operations for each of the years ended June 30, 2019 and 2018.

BPC and BPMC (the Organizations) are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3) and, accordingly, are not subject to income taxes except to the extent they have taxable income from activities that are not related to their exempt purposes. However, under Section 512(a)(7) of the Code, enacted as part of the Tax Cut and Jobs Act of 2017, the Organizations are required to increase unrelated business taxable income for any amount expended for certain qualified transportation fringe benefits after December 31, 2017. BPC expended $109,812 and $64,648 for such fringes for the years ended June 30, 2019 and 2018 respectively, resulting in unrelated business tax liabilities of $23,061 and $12,129 respectively. The total tax liability for the two years of $35,190 has been included in management and general miscellaneous expenses in the statement of activities for the year ended June 30, 2019. The Organizations recognize the effect of income tax positions only if those positions are more likely than not of being sustained. No provision for income taxes, other than the tax on qualified travel fringes was required for fiscal 2019 or 2018.

(2) Summary of Significant Accounting Policies

(a) Consolidated Financial Statements

In view of the similarity of their objectives and their close financial and organizational relationships, including common management and overlapping boards of directors, consolidated financial statements for the Organizations are prepared. Intercompany accounts and transactions have been eliminated in the preparation of the consolidated financial statements.

(b) Basis of Accounting

The accompanying consolidated financial statements of the Organizations have been prepared on the accrual basis.

(c) Basis of Presentation

The Organizations' net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as either with or without donor restrictions. Net assets without donor restrictions are those that are not subject to donor-imposed stipulations. The Organizations have received no restricted contributions, therefore, has no net assets with donor restrictions as of and for the years ended June 30, 2019 and 2018.

Revenues are reported as an increase in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets, if any (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed), are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

(d) Cash Equivalents

The Organizations consider money market funds and certificates of deposit with an original maturity of three months or less to be cash equivalents.

Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. BPC had cash balances at June 30, 2019 and 2018 that exceeded the balance insured by the FDIC in the amount of $394,585 and $164,212, respectively.

(e) District Improvements

District improvements are capitalized as costs are incurred on the basis that these improvements provide a future economic benefit to the District and its property owners.

Capitalized district improvements are amortized on a straight-line basis over a 20-year period.

(f) Contributions

Contributions, which include unconditional promises to give, as applicable, are recognized at fair value as revenue in the period received. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets.

(g) Contributed Services

Contributed services are recognized as revenue and expense in the period received at the fair value of those services.

(h) Deferred Revenue

Contracts for use of Bryant Park require payment of park usage fees prior to the actual date of use. Such advance payments are deferred until their recognition in revenue on the date of use.

Sponsorships are considered exchange transactions under which sponsors receive benefits and are, therefore, recorded as revenue when earned. Amounts received in advance are deferred until earned.

(i) Comparative Financial Information

The accompanying consolidated financial statements include certain prior year summarized information. With respect to the consolidated statement of functional expenses, information from the prior year is presented in the aggregate and not presented by function. Accordingly, such information should be read in conjunction with the Organizations' prior year consolidated financial statements from which the summarized information was derived.

(j) Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized by program and supporting services benefited in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Supporting services include the salaries of the Organizations' president/executive director, the administrative office clerical staff, and the finance and accounting staff which includes the information technology, payroll and human resource functions. Costs allocated amongst programs and supporting services include; general liability insurance which is allocated based on payroll, rent, office supplies and equipment and telephone which are allocated based on square footage occupied by each program's or supporting service's employees.

(Continued)

(k) Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
- Level 3: Inputs that are unobservable.

(l) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the allocation of functional expenses, the allocation of payroll, insurance, and occupancy expenses between the Organizations and 34th Street Partnership, Inc. (the Partnership), with which it shares common management and office space, as well as the collectability of accounts receivable and amortization of district improvements.

(m) Recently Adopted Accounting Standards

Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* – This ASU, effective for the Organizations’ fiscal year ending June 30, 2019, which among other things, changes how not-for-profit entities report net asset classes, expenses and liquidity in their financial statements. The Organizations adopted significant requirements of the new ASU which includes the quantitative and qualitative disclosure about the management of liquid resources and availability of financial assets to meet cash needs within one year of the consolidated balance sheet date. The Organizations adopted ASU 2016-14 for the year ended June 30, 2019.

ASU No. 2014-09, *Revenue from Contract with Customers (Topic 606)* – This ASU, effective for the Organizations’ fiscal year ending June 30, 2019, will require the Organizations to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organizations expect to be entitled in exchange for those goods or services. The Organizations adopted ASU 2014-09 which did not have a significant impact on the consolidated financial statements.

(Continued)

(n) Future Accounting Standard

ASU No. 2016-02, *Leases (Topic 842)* – This guidance, effective for the Organizations' fiscal year ending June 30, 2020, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments on the consolidated balance sheet and disclosing key information about leasing arrangements. Management is evaluating the effect ASU 2016-02 will have on its consolidated financial statements.

(o) Revenue Recognition

Assessments, paid by the City to BPMC in equal semi-annual installments, are recognized as revenue ratably throughout the year. Sponsorships, whether received in lump-sum or installments, are recognized as revenue ratably over the duration of the program or programs being sponsored. Contributed services are recognized as revenue when the services are provided. Contributed services, totaling $347,459 and $288,396 are included in contract services, within the benefited program service, on the consolidated statement of functional expenses for the years ended June 30, 2019 and 2018, respectively. Restaurant rent and concession royalties are received and recognized as revenue ratably throughout the year. Park usage fees are recognized as revenue on the date of the related event or activation, however bartered services, in payment for such fees, are recognized as revenue when the services are provided. Bartered services totaling $167,688 are included in contract services, within the benefited program service, on the consolidated statement of functional expenses for the year ended June 30, 2019.

(3) Availability and Liquidity

At June 30, 2019 and 2018, the Organizations' financial assets consisted of the following:

		2019	2018
Cash and cash equivalents	$	1,053,807	693,164
Accounts receivable		129,499	66,307
Due from related parties		652,540	330,639
Financial assets available to meet general expenditures over the next twelve months	$	1,835,846	1,090,110

General expenditures include operating expenses, the cost of district improvements and other capital costs.

Regular and scheduled receipts of $8,500,000 from restaurant rent, concession royalties, Winter Village sponsorship and assessments provide the funds needed for ordinary park operations and the Winter Village start-up costs. Other sponsorship, park use fees and other revenues are less certain, as to amount and timing, and are used to fund free public events and programs in the Park. Winter Village operating revenues, received primarily in December and January, have provided surplus funds, after the costs of production, for the last three fiscal years. Surplus Winter Village revenue is used to fund seasonal repairs and capitalized improvements. Excess cash is invested in short term investments, including money market accounts and certificates of deposit.

(4) The Restaurant at Bryant Park

BPC entered into an indenture of lease with Ark Bryant Park Corporation (Ark), operator of the Restaurant at Bryant Park (the Restaurant). The lease commenced upon completion of the Restaurant in May 1995 for a 20-year term, with a tenant's option to renew for a further period of 10 years (the renewal term). Ark, effective May 1, 2015, exercised their renewal option. The lease provided for annual minimum basic rent of $275,000, as well as for additional rent, if restaurant gross receipts, as defined, exceed $3,437,500 for the calendar year. Rent is determined as follows: 8.0% of the first $5,000,000 of gross receipts, 9.0% of the next $5,000,000, and 10.0% of gross receipts in excess of $10,000,000. The annual minimum basic rent for each year of the renewal term is $1,219,933. Under an amendment of the indenture of lease, Ark constructed, and has operated a related cafe (the Café) in the park for which it agreed to pay additional rent equal to 8.0% of the Café's gross receipts. On February 18, 2005, BPC and Ark entered into a separate indenture of lease for the Café (the cafe lease). Under the cafe lease, as amended by an agreement dated July 2, 2009, Ark had agreed to operate the Café through April 30, 2019. A new café lease, agreed to by the parties, dated June 15, 2018, extends the term to April 30, 2025. The cafe lease provides for annual basic rent of $400,000 plus 16.5% of gross receipts in excess of $2,500,000. Rental revenue from the Restaurant and Café for the years ended June 30, 2019 and 2018 totaled $1,511,304, and $582,680, and $1,549,268, and $690,264, respectively.

Restaurant design and construction is stated at cost less accumulated depreciation. Depreciation is provided over a 20-year period.

At June 30, 2019 and 2018, restaurant design and construction consisted of the following:

		2019	2018
Restaurant design and construction	$	4,690,221	4,690,221
Capitalized interest		155,454	155,454
Restaurant improvements		372,375	372,375
		5,218,050	5,218,050
Accumulated depreciation		(5,022,555)	(5,003,936)
Restaurant design and construction, net	$	195,495	214,114

(Continued)

For the years ended June 30, 2019 and 2018, revenue and expenses recognized by BPC related to the Restaurant were as follows:

		2019	2018
Restaurant rental income	$	2,093,984	2,239,532
Depreciation expense		(18,619)	(18,619)
Increase in net assets from restaurant-related activities	$	2,075,365	2,220,913

The Ark's leases provide for monthly payments of base rent plus additional percentage rent, based on the prior year's additional rent. Payments of any excess percentage rent are calculated and paid on an annual basis. The amount of excess percentage rent included in accounts receivable and other assets at June 30, 2019 and 2018 is $498 and $6,857, respectively.

(5) Winter Village

Since October 2005, the lawn at Bryant Park has been converted into a skating rink during the winter months. The skating rink, skate deck, pavilion and the related restaurant and holiday shops make up the Winter Village (the Village). Village revenues are comprised of: skate pavilion revenue, including skate and locker rentals, skate lessons, party room rental and activations on the skate deck; catering and restaurant/food hall revenue and holiday market royalties. BPC produces the Village, retaining a rink operator and a holiday market producer to operate the three Village components. For the years ended June 30, 2019 and 2018, skate pavilion revenue amounted to $7,377,013 and $5,856,738, catering and restaurant/food hall revenue amounted to $394,240 and $465,722 and holiday market royalties amounted to $2,124,619 and $2,065,105. Sponsorship revenue, to support Winter Village operations, of $3,170,632 and $3,006,540 was received for the years ended June 30, 2019 and 2018, respectively. No admission is charged for skating at the Village. The costs associated with the Village operation are reported as a separate program.

(6) Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is provided on a straight-line basis over an estimated useful life of three to five years. Leasehold improvements are amortized over the estimated useful lives of the improvements or the lease terms, if shorter.

At June 30, 2019 and 2018, property and equipment, net consisted of the following:

		2019	2018
Furniture and equipment	$	2,264,726	2,250,209
Leasehold improvements		231,991	231,991
		2,496,717	2,482,200
Accumulated depreciation and amortization		(2,023,786)	(1,796,171)
Property and equipment, net	$	472,931	686,029

(7) Pension Benefits

BPC has a defined-contribution retirement plan covering all personnel. Pension cost for the years ended June 30, 2019 and 2018 was $132,499 and $126,800, respectively.

(8) Lease Agreements

On April 12, 2017, BPC and the Partnership amended their lease agreement at 5 Bryant Park (1065 Avenue of the Americas), New York, New York, to extend its term for an additional 10 years, commencing March 1, 2018. The original lease commenced on January 1, 2010 and was to expire February 28, 2018. BPC has been allocated its proportionate share, based on utilization, of the straight-line rental expense and deferred rent obligation for this lease. BPC's share of rent expense amounted to $605,093 and $621,037 for the years ended June 30, 2019 and 2018, respectively. Deferred rent obligation of $455,901 and $490,068 at June 30, 2019 and 2018, respectively, is included in accounts payable and accrued expenses.

BPC also leases basement storage space 70 West 40th Street, New York, New York, under a lease that commenced on August 15, 2008 and expires on August 31, 2023 and warehouse space in Warwick, New York, under a lease that commenced on June 15, 2017 and expires, as amended and extended by an agreement dated April 5, 2019, on May 31, 2021. Rent expense for the space at 70 West 40th Street was $49,533 and $45,290 for the years ended June 30, 2019 and 2018, respectively. Rent expense for the Warwick space was $70,065, net of reimbursements of $40,536 and $4,684, received from the Winter Village rink operator and the Partnership, respectively, for storage space used for the year ended June 30, 2019. Rent expense was $64,963 for the year ended June 30, 2018.

The future minimum lease payments, based on current allocation percentages, are as follows:

		40th Street	Warwick	5 Bryant Park	Total
Year ending June 30:					
2020	$	30,000	75,235	637,752	742,987
2021		30,000	70,125	637,752	737,877
2022		30,000	—	637,752	667,752
2023		30,000	—	651,039	681,039
2024		5,000	—	677,612	682,612
Thereafter		—	—	2,484,576	2,484,576
	$	125,000	145,360	5,726,483	5,996,843

As of June 30, 2019, BPC is jointly liable for total lease commitments of $9,160,905 at 5 Bryant Park.

(9) Litigation

The Organizations are defendants in various legal actions arising out of the normal course of their operations. Although the final outcome of such actions cannot currently be determined, management is of the opinion that eventual liability, if any, will not have a material adverse effect on the consolidated financial position of the Organizations.

(10) Related Parties

The Partnership is a business improvement district with which the Organizations share common management and office space. At June 30, 2019 and 2018, the Partnership was indebted to the Organizations for its net proportionate share of certain joint revenues and expenses in the amount of $652,540 and $330,639, respectively.

(11) Bank Loan

On September 27, 2016, the Organizations' term loan agreement with New York Commercial Bank (NYCB) dated September 27, 2011 was amended, extending the maturity date to September 27, 2021. The amended loan, in the principal amount of $3,395,874, bears interest at an annual rate of 4.3% and is payable over five years. The proceeds of the loan were used to finance a new underground power facility in Bryant Park (included in district improvements). Under the loan agreement, NYCB has a security interest in the Organizations' assessments and all funds maintained with NYCB (approximately $613,647 at June 30, 2019).

The term loan is due as follows:

Year ending June 30:		
2020	$	184,569
2021		193,053
2022		2,558,767
	$	2,936,389

Interest expense on the term loan was $131,566 and $139,014 for the years ended June 30, 2019 and 2018, respectively.

At June 30, 2019 and 2018, BPC was not in compliance with certain specific financial covenants contained in its amended term loan agreement and original term loan agreement with NYCB. In letters dated September 13, 2019 and October 30, 2018, NYCB waived the specific instances of noncompliance for the years ended June 30, 2019 and June 30, 2018, through the period ended July 1, 2019 and July 1, 2018, respectively.

(12) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Organizations evaluated subsequent events after the balance sheet date of June 30, 2019 through October 31, 2019, which was the date the consolidated financial statements were available to be issued. The Organizations have determined that there are no subsequent events to disclose.