CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTAL CONSOLIDATING SCHEDULES TOGETHER WITH
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

SESAME WORKSHOP AND SUBSIDIARIES

For the years ended June 30, 2010 and 2009

CONTENTS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Sesame Workshop and Subsidiaries:

We have audited the accompanying consolidated statements of financial position of Sesame Workshop and Subsidiaries (the "Company") as of June 30, 2010 and 2009, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2010 and 2009 and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the Company's basic consolidated financial statements as of and for the years ended June 30, 2010 and 2009 taken as a whole. The supplementary information, included on pages 22 through 25, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Grant Thornton LLP

New York, New York
October 8, 2010

Sesame Workshop and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2010 and 2009
(In Thousands)

ASSETS	2010	2009
Cash and cash equivalents	**$ 50,514**	$ 27,319
Receivables:		
Program, product licenses, and contracts in support of programs, less allowance for doubtful accounts, of $7,271 in 2010 and $4,385 in 2009	**25,589**	32,353
Grants	**15,816**	8,968
Total receivables	**41,405**	41,321
Inventory, net	**1,491**	1,384
Programs in process	**10,307**	11,215
Investments	**92,535**	92,855
Intangible assets, net of accumulated amortization of $65,973 in 2010 and $59,029 in 2009	**71,918**	78,862
Property and equipment, net	**5,872**	8,724
Other assets, net of accumulated amortization of $4,247 in 2010 and $3,891 in 2009	**2,344**	3,966
Total assets	**$ 276,386**	$ 265,646
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 27,056**	$ 26,623
Deferred revenues	**20,294**	17,033
Deferred rent payable	**1,570**	2,355
Debt payable	**-**	768
Total liabilities	**48,920**	46,779
Commitments and contingencies		
Net assets:		
Unrestricted	**211,022**	206,686
Temporarily restricted	**16,444**	12,181
Total net assets	**227,466**	218,867
Total liabilities and net assets	**$ 276,386**	$ 265,646

The accompanying notes are an integral part of these consolidated statements.

Sesame Workshop and Subsidiaries

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended June 30, 2010 and 2009
(In Thousands)

	2010			2009		
	Unrestricted	Temporarily Restricted	**Total**	Unrestricted	Temporarily Restricted	Total
Revenues:						
Program support	$ 31,714	$ 16,650	**$ 48,364**	$ 41,286	$ 8,364	$ 49,650
Distribution fees and royalties	43,018	-	**43,018**	47,006	-	47,006
Licensing	44,984	-	**44,984**	48,303	-	48,303
Net assets released from restrictions	12,387	(12,387)	**-**	7,912	(7,912)	-
Total operating revenues	132,103	4,263	**136,366**	144,507	452	144,959
Expenses:						
Program expenses:						
Education, research and outreach	15,721	-	**15,721**	16,930	-	16,930
Content distribution	41,398	-	**41,398**	43,656	-	43,656
Production and development	37,701	-	**37,701**	45,379	-	45,379
Global product licensing	6,423	-	**6,423**	7,010	-	7,010
Global project management	3,748	-	**3,748**	4,675	-	4,675
Public awareness	3,692	-	**3,692**	4,560	-	4,560
Muppet acquisition	6,944	-	**6,944**	6,945	-	6,945
Total program expenses	115,627	-	**115,627**	129,155	-	129,155
Support expenses:						
Fundraising	5,618	-	**5,618**	5,881	83	5,964
General and administrative	15,251	-	**15,251**	19,553	-	19,553
Total support expenses	20,869	-	**20,869**	25,434	83	25,517
Total operating expenses	136,496	-	**136,496**	154,589	83	154,672
Operating (loss) income	(4,393)	4,263	**(130)**	(10,082)	369	(9,713)
Net investment income (loss)	8,802	-	**8,802**	(26,125)	-	(26,125)
Interest expense	-	-	**-**	(194)	-	(194)
Increase (decrease) in net assets before provision for income taxes	4,409	4,263	**8,672**	(36,401)	369	(36,032)
Provision for income taxes	73	-	**73**	448	-	448
Increase (decrease) in net assets	4,336	4,263	**8,599**	(36,849)	369	(36,480)
Net assets, beginning of year	206,686	12,181	**218,867**	243,535	11,812	255,347
Net assets, end of year	$ 211,022	$ 16,444	**$ 227,466**	$ 206,686	$ 12,181	$ 218,867

The accompanying notes are an integral part of these consolidated statements.

Sesame Workshop and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30, 2010 and 2009
(In Thousands)

	2010	2009
Cash flows from operating activities:		
Increase (decrease) in net assets	**$ 8,599**	$ (36,480)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization of property and equipment	**3,259**	3,117
Amortization of intangible assets	**6,944**	6,945
Amortization of debt issuance costs	**-**	156
Amortization of other assets	**356**	389
Amortization of programs in process	**25,784**	37,875
Decrease in deferred rent payable	**(785)**	(784)
Change in provision for uncollectible receivables	**2,886**	2,979
Net unrealized (appreciation) depreciation on investments	**(8,085)**	26,981
Gain on sales of investments	**(408)**	(205)
Change in provision for inventory obsolescence	**(250)**	118
Changes in operating assets and liabilities:		
(Increase) decrease in gross receivables	**(2,970)**	520
Increase (decrease) in inventories	**143**	(128)
Additions to programs in process	**(24,876)**	(33,988)
Decrease (increase) in other assets	**1,266**	(466)
Increase (decrease) in accounts payable and accrued expenses	**433**	(3,290)
Increase (decrease) in deferred revenues	**3,261**	(10,859)
Net cash provided by (used in) operating activities	**15,557**	(7,120)
Cash flows from investing activities:		
Additions to property and equipment	**(407)**	(927)
Purchases of investments	**(20,136)**	(64,836)
Proceeds from sale of investments	**28,949**	86,696
Net cash provided by investing activities	**8,406**	20,933
Cash flows from financing activities:		
Proceeds from note payable	**-**	768
Payments on note payable	**(768)**	(1,000)
Net cash used in financing activities	**(768)**	(232)
Increase in cash and cash equivalents	**23,195**	13,581
Cash and cash equivalents, beginning of year	**27,319**	13,738
Cash and cash equivalents, end of year	**$ 50,514**	$ 27,319
Supplemental cash flow disclosures:		
Interest paid	$ -	$ 37
Cash paid for income taxes	$ -	$ 370

The accompanying notes are an integral part of these consolidated statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2010 and 2009

NOTE A - ORGANIZATION

Sesame Workshop (the "Company") is a nonprofit 501(c)(3) corporation that develops innovative and entertaining educational content for children that is distributed across multiple platforms including television, interactive media, outreach, radio, books, magazines and live entertainment. Sesame Street, the Company's flagship preschool series, premiered in the United States in 1969 and is currently broadcasting its 41st season on PBS. Sesame Street has been seen in over 120 countries, including 30 Sesame Street international co-productions developed in partnership with local experts who develop educational goals tailored to the needs of children in their own countries.

Taking advantage of all forms of media and using those that are best suited to delivering a particular curriculum, the Company effectively and efficiently reaches millions of children, parents, caregivers and educators. The Company also creates needs-driven public service initiatives and outreach programs that provide age appropriate materials around such issues as health, military deployment, global citizenship, school readiness and emergency preparedness.

The Company's primary sources of revenue are derived through the production and distribution of educational media including television, video, interactive media, publishing, educational research and outreach and through the licensing of the Sesame Street characters and brand, both domestically and internationally.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Presentation*

Sesame Workshop's wholly-owned, not-for-profit subsidiaries (SW Financing, Inc. ("SW Financing"), Sesame Street, Inc., Electric Company, Inc., Sesame Workshop India, The Joan Ganz Cooney Center for Educational Media and Research) and its for-profit subsidiary, CTW Communications, Inc. ("CTW/C"), and CTW/C's subsidiary, Distinguished Productions, Inc. ("DPI"), are consolidated in the Company's financial statements. All significant intercompany accounts and transactions have been eliminated in consolidation.

In June 2009, the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 105 was issued, which established the FASB Accounting Standards Codification as the source of authoritative U.S. generally accepted accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. The Company has applied this guidance in the preparation of the Company's consolidated financial statements as of June 30, 2010.

NOTE B (continued)

The classification of the Company's net assets, support and revenue is based on the existence or absence of donor-imposed restrictions. Amounts for each of the three classes of net assets (unrestricted, temporarily restricted and permanently restricted) are displayed in the accompanying consolidated statements of financial position and changes in each of those classes of net assets are displayed in the accompanying consolidated statements of activities. At June 30, 2010 and 2009, the Company did not possess any permanently restricted net assets.

These net asset classes are defined as follows:

Unrestricted net assets

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Company are considered unrestricted.

Temporarily restricted net assets

Net assets which include resources that have been limited by donor-imposed stipulations that either expire with the passage of time and/or can be fulfilled and removed by the actions of the Company pursuant to those stipulations are considered temporarily restricted. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Permanently restricted net assets

Net assets which include funds whereby the donors have stipulated that the principal contributed be invested and maintained in perpetuity. Income earned from these investments is available for expenditures according to restrictions, if any, imposed by donors. At June 30, 2010 and 2009, the Company did not possess any permanently restricted net assets.

2. *Measure of Operations*

Operations include all revenues and expenses other than interest expense not specifically incurred for financing operations, investment income and losses generated by the Company's investments and income taxes.

NOTE B (continued)

3. *Program Support*

Program support revenues include unrestricted and temporarily restricted contributions from individuals and foundations, corporate sponsorships, and grants and contracts from governments and government agencies to support the development and production of educational content. Contributions from individuals and foundations are recognized upon receipt of verifiable documentation of a promise to give. Corporate sponsorship revenue is recognized pro rata over the corresponding term of the agreement. Grant revenues from governments or government agencies are recognized when the programs have been completed and delivered.

4. *Distribution Fees and Royalties*

Distribution fees and royalties are generated from the distribution and licensing of the Company's content across various media distribution platforms including television, home video and audio, print, online, and themed entertainment. Home video revenues are recognized upon shipment. Television sales revenues are recognized when there is evidence of a sale or licensing arrangement, the program is complete and has been delivered or is available for delivery, the license period has begun and the arrangement fee is determinable and deemed collectible. Other distribution revenues including audio, print, online and themed entertainment are recognized as income as it is earned over the related license periods. Included within distribution fees and royalties in the accompanying consolidated statements of activities is approximately $16.9 million from three distribution partners for the year ended June 30, 2010 and $19.0 million from one distribution partner for the year ended June 30, 2009.

5. *Licensing*

The Company's share of revenues from the licensing of its characters and brands for use in consumer products, including, toys, games, clothing and food, is recognized as income as it is earned over the related license periods, which generally range from one to five years. Included within licensing revenue in the accompanying consolidated statements of activities are $13.0 million and $13.9 million from one licensee of the Company, for the years ended June 30, 2010 and 2009, respectively.

6. *Cash and Cash Equivalents*

Cash equivalents, with original maturity of less than three months, consist principally of money market funds which are recorded at cost, which approximates fair value.

NOTE B (continued)

7. *Investments*

Investments in publicly traded debt and equity securities are recorded at fair market value generally determined on the basis of quoted market values. In September 2009, the FASB issued FASB Accounting Standards Update No. 2009-12, Investment in Certain Entities That Calculate Net Asset Value per Share ("ASU 2009-12"). ASU 2009-12 (formerly FAS 157-g) amends FASB Statement No. 157, Fair Value Measurements, adds disclosures, and provides guidance for estimating the fair value of investments in investment companies that calculate net asset value per share, allowing the Net Asset Value per Share ("NAV") to be used as a practical expedient for fair value where investment companies follow the American Institute of Certified Public Accountants ("AICPA") Guide in arriving at their reported NAV. The Company adopted ASU 2009-12 effective July 1, 2009.

In January 2010, the FASB issued ASU No. 2010-16, Improving Disclosures about Fair Value Measurements. This amends ASC 820 (formerly FAS 157-4) to require additional disclosures. The guidance requires entities to disclose transfers of assets in and out of Levels 1 and 2 of the fair value hierarchy, and the reasons for those transfers. The Company adopted ASU 2010-6 effective July 1, 2009. In addition, the guidance requires separate presentation of purchases and sales in the Level 3 assets reconciliation; this is effective for the Company in fiscal year 2011.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the consolidated statements of activities in the period in which the securities are sold. Dividends and interest are recognized as earned.

8. *Inventory*

Inventories consist of DVDs available for sale at June 30, 2010 and 2009, and are carried at the lower of cost or market. Inventories are reviewed for estimated obsolescence or unusable items and, if appropriate, are written down to the net realizable value based upon assumptions about future demand and market conditions. If actual future demand or market conditions are less favorable than those the Company projects, additional inventory write-downs may be required. These are considered permanent adjustments to the cost basis of the inventory. Reserves for inventory obsolescence were $0.4 million and $0.7 million at June 30, 2010 and 2009.

NOTE B (continued)

9. *Programs in Process*

Programs in Process include costs that relate to programs that will be broadcast principally in the next three fiscal years. These costs are amortized generally on an individual production basis in the ratio that current year gross revenue bears to estimated future gross revenues. If the capitalized costs for an individual production are greater than the estimated future gross revenues, such costs are written down to net realizable value. Costs incurred in the development of new programs are expensed as incurred.

10. *Long-Lived Assets and Intangible Assets*

Recoverability of long-lived assets and definite-lived intangible assets is assessed periodically and impairments, if any, are recognized in operating results if a permanent diminution in value were to occur when the carrying value of the asset exceeds its fair value, calculated using an undiscounted cash flow analysis. No impairment charges were incurred for the years ended June 30, 2010 and 2009.

11. *Depreciation and Amortization*

Property and equipment are depreciated on a straight-line basis over their estimated useful lives, which range from three to ten years. Leasehold improvements are amortized over their useful lives or the remaining term of the lease, whichever is shorter. Intangible assets consist of the assets acquired as part of the Muppet Acquisition (Note C). These assets are being amortized on a straight-line basis over their estimated useful lives, ranging from ten to twenty years.

12. *Taxes*

The Company is a Section 501(c)(3) organization incorporated in the State of New York and is exempt from Federal and New York State income taxes under Section 501(a) of the Internal Revenue Code and similar provisions of the New York State tax code.

On July 1, 2009, the Company adopted Accounting Standards Codification ("ASC") 740 "Income Taxes.". ASC 740 requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The adoption of this guidance did not have an impact on the Company's consolidated financial statements, as management believes that there are no uncertain tax positions within its consolidated financial statements.

NOTE B (continued)

13. *Fair Value Measurements*

Effective July 1, 2008, the Company adopted ASC 820 "Fair Value Measurements and Disclosures" which establishes a framework for measuring fair value and expands disclosures about fair value measurements. This standard did not require any new 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 the liability in an orderly transaction between market participants on the measurement date. These standards also establish a fair value hierarchy, which require an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs which may be used to measure fair value:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. The type of investments in Level 1 include listed equities held in the name of the Company, and exclude listed equities and other securities held indirectly through commingled funds.

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the assets or liabilities and include situations where there is little, if any, market activity for these assets or liabilities. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

14. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B (continued)

15. Reclassifications

Certain 2009 balances have been reclassed to conform to the 2010 presentation.

NOTE C - ACQUISITION OF INTELLECTUAL PROPERTY AND BANK FINANCING

On December 28, 2000, the Company acquired the copyrights and trademark rights relating to the Sesame Street Muppet puppet characters ("Sesame Street Muppets") from the Jim Henson Company, Inc. and EM.TV & Merchandising (collectively, the "Henson Companies"). In addition to the acquisition of the copyrights and trademark rights, the Company acquired the right and license to use the term Muppet(s), as defined. The agreement effectively terminated all existing agreements between the Company and the Henson Companies. The purchase price of $180.0 million included an upfront cash payment of $110.0 million and 40 quarterly installments of $1.75 million, which commenced on April 1, 2001. The Company recorded intangible assets based on the net present value of the cash payments totaling $162.9 million. The Company recorded the net present value of the future quarterly payments as debt. On January 17, 2003, the Company entered into an agreement with the Henson Companies to prepay the 32 remaining quarterly installments for $36.75 million.

These assets are being amortized over their estimated useful lives as follows (in thousands):

Asset	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization
June 30, 2010:			
Copyrights and Trademarks	20 Years	**$ 133,761**	$ 63,536
Transaction costs	20 Years	**3,130**	1,487
License fees	10 Years	**1,000**	950
		$ 137,891	$ 65,973
June 30, 2009:			
Copyrights and Trademarks	20 Years	$ 133,761	$ 56,849
Transaction costs	20 Years	3,130	1,330
License fees	10 Years	1,000	850
		$ 137,891	$ 59,029

Amortization expense of $6.9 million has been recorded on these assets in each of the years ended June 30, 2010 and 2009.

NOTE C (continued)

The Company entered into a credit agreement during fiscal year 2001 with Summit Bank (the "Summit Credit Agreement"), whereby the Company borrowed $100.0 million to fund the acquisition of the rights to the Sesame Street Muppets. Under the terms of the Summit Credit Agreement, the loan would have matured on December 31, 2002.

On May 14, 2002, the Summit Credit Agreement was extinguished and the Company and its wholly-owned subsidiary, SW Financing, entered into a Credit Agreement with Bank of America ("BOA"), whereby SW Financing borrowed $60.0 million (the "BOA Credit Agreement"). Concurrent with the BOA Credit Agreement, the Company and SW Financing entered into a Sale and Contribution Agreement ("Sale Agreement"), whereby SW Financing purchased, for $161.2 million, all future revenues and cash collections due to the Company from a defined group of its existing and future licensing agreements. The $161.2 million purchase price included the $60.0 million proceeds from the BOA Credit Agreement, $10.0 million in capital stock and a $91.2 million note payable. The Company used the $60.0 million cash proceeds from the Sale Agreement to pay down the $100.0 million Summit Credit Agreement. The $40.0 million balance remaining under the Summit Credit Agreement was repaid using proceeds from the sale of a portion of the Company's investments. Scheduled principal payments on the loan commenced in November 2004. In January 2005, the Company prepaid its next 11 scheduled monthly principal payments totaling $11.0 million. In June 2006, the Company prepaid its next 35 scheduled monthly principal payments totaling $35.0 million, reducing the outstanding loan balance to $1.0 million, which was paid in May 2009. Interest on the loan was payable monthly based on the 30-day commercial paper rate plus 70 basis points (1.3% in May 2009). In connection with the BOA Credit Agreement, the Company incurred financing fees of $1.2 million, which were capitalized and included in other assets. Amortization expense on these deferred financing fees in the year ended June 30, 2009 was $0.2 million. Deferred financing costs were amortized straight-line, which approximates the effective interest method, over a seven-year period.

Other Bank Financing

On August 11, 2008, Sesame Workshop India entered into an overdraft facility with JP Morgan Chase Bank (the "Bank") in the amount of Indian Rupees ("INR") 20,000,000 or approximately $0.4 million. On April 17, 2009, Sesame Workshop India amended the overdraft facility with the Bank, increasing the amount by an additional INR 25,000,000 or approximately $0.5 million. As of November 30, 2009, Sesame Workshop India had borrowed approximately $0.9 million, all of which was repaid on December 3, 2009. Interest on any amounts outstanding was payable monthly based on the Bank's INR prime lending rate plus 0.5% (1.2% in November, 2009).

NOTE D - GRANTS RECEIVABLE

Amounts related to productions, campaigns and/or education programs are receivable in less than one year or within one to five years as follows at June 30, 2010 and 2009 (in thousands):

	2010	2009
Within one year	**$ 10,042**	$ 5,816
1 to 5 years	**5,774**	3,152
	$ 15,816	$ 8,968

NOTE E - INVESTMENTS

The Company has established an investment objectives and guidelines policy, approved by the Board of Trustees, which states that the investment objectives are to maintain purchasing power and appreciate capital with an emphasis on minimizing overall portfolio volatility. The Company's strategy to achieve these objectives is to allocate its investments across multiple asset classes including fixed income, domestic and international equities and a variety of other investments. These other investments include a diverse range of funds that pursue a variety of strategies including consistency of performance, low volatility and low correlation to the broader markets.

The following table presents the Company's fair value hierarchy for its investments, measured at fair value, as of June 30, 2010 and 2009. At June 30, 2010 and 2009, Level 3 investments comprised approximately 40% and 51% of the Company's total investments at fair value (in thousands), respectively.

	# of	Cost	Fair Value			
2010	Funds	Basis	Level 1	Level 2	Level 3	**Total**
Fixed income	2	$ 25,198	$ 26,506	$ -	$ -	**$ 26,506**
Domestic equities	2	13,645	15,341	-	-	**15,341**
International equities	3	12,456	6,968	2,862	-	**9,830**
Other investments:						
Absolute return (a)	4	13,429	-	4,177	9,962	**14,139**
Equity hedge (b)	3	4,976	-	-	3,033	**3,033**
Fund of funds (c)	2	2,240	-	-	18,097	**18,097**
Private equity (d)	2	6,563	-	-	5,589	**5,589**
Total other investments	11	27,208	-	4,177	36,681	**40,858**
Total investments	18	$ 78,507	$ 48,815	$ 7,039	$ 36,681	**$ 92,535**

NOTE E (continued)

2009	# of Funds	Cost Basis	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Total
Fixed income	1	$ 24,934	$ 25,055	$ -	$ -	$ 25,055
Domestic equities	1	3,603	4,673	-	-	4,673
International equities	3	12,383	6,341	2,439	-	8,780
Other investments:						
Absolute return	4	21,240	-	6,774	11,964	18,738
Equity hedge	3	20,000	-	-	15,592	15,592
Fund of funds	2	2,240	-	-	16,553	16,553
Private equity	2	4,687	-	-	3,464	3,464
Total other investments	11	48,167	-	6,774	47,573	54,347
Total investments	16	$ 89,087	$ 36,069	$ 9,213	$ 47,573	$ 92,855

(a) This category includes investments in hedge funds that employ event driven investment strategies to invest in diversified portfolios focused on the securities of distressed companies, special situations and related capital structure opportunities. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(b) This category includes investments in hedge funds that seek to take advantage of discrepancies between fundamental value and price. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(c) This category includes investments in offshore and U.S. managed funds. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(d) This category includes private equity funds that invest in privately held corporations and domestic and international venture capital and private funds. The nature of the investments in this category is that the distributions are received through the liquidation of the underlying assets of the fund. As of June 30, 2010, it is probable that all of the investments in this category will be sold at an amount different from the net asset value of the Company's ownership interest in partners' capital.

NOTE E (continued)

Investments valued at net asset value or its equivalent as of June 30, 2010, consisted of the following:

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Absolute return	**$ 14,139**	$ -	Quarterly/Annually	60 days/90 days
Equity hedge	**3,033**	-	Annual	90 Days
Fund of funds	**18,097**	-	Annual	90 Days
Private equity	**5,589**	8,250	N/A	N/A
	$ 40,858	$ 8,250		

Investments valued at net asset value or its equivalent as of June 30, 2009, consisted of the following:

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Absolute return	$ 18,738	$ -	Quarterly/Annually	60 days/90 days
Equity hedge	15,592	-	Quarterly/Annually	90 Days
Fund of funds	16,553	-	Annual	90 Days
Private equity	3,464	10,313	N/A	N/A
	$ 54,347	$ 10,313		

The following table presents a rollforward for Level 3 investments measured at fair value for the period from July 1, 2009 to June 30, 2010 (in thousands):

Beginning balance at July 1, 2009	$ 47,573
Additions	2,193
Redemptions	(18,139)
Unrealized appreciation/(depreciation) net of realized gains/(losses)	5,119
Investment expenses	(65)
Ending balance at June 30, 2010	**$ 36,681**

NOTE E (continued)

The following table presents a rollforward for Level 3 investments measured at fair value for the period from July 1, 2008 to June 30, 2009 (in thousands):

Beginning balance at July 1, 2008	$ 83,671
Additions	2,235
Redemptions	(24,215)
Unrealized appreciation/(depreciation) net of realized gains/(losses)	(14,060)
Investment expenses	(58)
Ending balance at June 30, 2009	$ 47,573

During the year ended June 30, 2010, the Company transferred approximately $21.4 million, net from its Level 2 and Level 3 assets to Level 1. The reason for the change was the Company's decision to maintain investments with more observable inputs.

Included in net investment income for the years ended June 30, 2010 and 2009, are the following amounts related to the investment activities of the Company (in thousands):

	2010	2009
Interest and dividend income	**$ 575**	$ 1,074
Unrealized appreciation/(depreciation) net of realized gains/(losses)	**8,493**	(26,776)
Investment expenses	**(266)**	(423)
	$ 8,802	$ (26,125)

The Company's investment portfolio is exposed to various risks, such as interest rate risk, market risk, and credit risk. Because of the level of risk associated with such investments, it is possible that changes in their values will occur and that such changes could materially affect the Company's consolidated financial statements.

NOTE F - PROPERTY AND EQUIPMENT

At June 30, 2010 and 2009, property and equipment consisted of (in thousands):

	Useful Life In Years	**2010**	2009
Computer and office equipment	3-4	**$ 6,544**	$ 7,215
Furniture and fixtures	4-10	**1,292**	1,653
Leasehold improvements	5-15	**12,834**	12,890
Assets not yet placed into service	N/A	**314**	100
		20,984	21,858
Less: accumulated depreciation and amortization		**(15,112)**	(13,134)
		$ 5,872	$ 8,724

Depreciation and amortization expense was $3.3 million and $3.1 million for the years ended June 30, 2010 and 2009, respectively. During the years ended June 30, 2010 and 2009, $1.3 million and $1.7 million, respectively, of fully depreciated assets were written off by the Company.

NOTE G - NET ASSETS

Temporarily restricted net assets which were available for educational programs as of June 30, 2010 and 2009, are as follows (in thousands):

	Temporarily Restricted Net Assets as of June 30, 2009	Temporarily Restricted Contributions in Fiscal 2010	Net Assets Released from Restrictions in Fiscal 2010	**Temporarily Restricted Net Assets as of June 30, 2010**
Israel Coproduction	$ 5,135	$ 1,085	$ (2,214)	**$ 4,006**
West Bank/Gaza Coproduction	150	-	(150)	**-**
Sesame Mosaic	70	-	(70)	**-**
Colombia Coproduction	44	1,497	(255)	**1,286**
Northern Ireland Coproduction	111	1,508	(60)	**1,559**
South Africa Coproduction	109	51	(93)	**67**
Jordan Coproduction	51	-	(51)	**-**
India Outreach	1,575	11	(413)	**1,173**
Talk, Listen, Connect	3,868	1,300	(4,325)	**843**

NOTE G (continued)

	Temporarily Restricted Net Assets as of June 30, 2009	Temporarily Restricted Contributions in Fiscal 2010	Net Assets Released from Restrictions in Fiscal 2010	**Temporarily Restricted Net Assets as of June 30, 2010**
Global Citizenship	$ 356	$ -	$ (310)	**$ 46**
Healthy Habits for Life	151	4,607	(1,353)	**3,405**
Emergency Preparedness	54	-	(20)	**34**
Joan Ganz Cooney Center for Educational Media and Research	181	863	(536)	**508**
Planetarium	211	-	(19)	**192**
Research for Sub-Saharan Africa	79	-	(79)	**-**
Tanzania – Malaria Prevention	-	134	(47)	**87**
Financial Education	-	1,000	(121)	**879**
School Readiness - Math	-	4,494	(2,139)	**2,355**
Other Initiatives	36	100	(132)	**4**
	$ 12,181	$ 16,650	$ (12,387)	**$ 16,444**

Temporarily restricted net assets which were available for educational programs as of June 30, 2009 and 2008, are as follows (in thousands):

	Temporarily Restricted Net Assets as of June 30, 2008	Temporarily Restricted Contributions in Fiscal 2009	Temporarily Restricted Bad Debt Expense in Fiscal 2009	Net Assets Released from Restrictions in Fiscal 2009	Temporarily Restricted Net Assets as of June 30, 2009
Israel Coproduction	$ 713	$ 4,422	$ -	$ -	$ 5,135
West Bank/Gaza Coproduction	150	-	-	-	150
Sesame Mosaic	675	-	-	(605)	70
Colombia Coproduction	463	-	-	(419)	44
Northern Ireland Coproduction	566	8	(83)	(380)	111
South Africa Coproduction	144	-	-	(35)	109
Jordan Coproduction	51	-	-	-	51
India Outreach	1,628	793	-	(846)	1,575
Talk, Listen, Connect	5,484	1,799	-	(3,415)	3,868
Global Citizenship	797	34	-	(475)	356
Healthy Habits for Life	-	375	-	(224)	151
Emergency Preparedness	585	-	-	(531)	54
Joan Ganz Cooney Center for Educational Media and Research	-	330	-	(149)	181
Planetarium	300	550	-	(639)	211
Research for Sub-Saharan Africa	196	3	-	(120)	79
Other Initiatives	60	50	-	(74)	36
	$ 11,812	$ 8,364	$ (83)	$ (7,912)	$ 12,181

NOTE H - RETIREMENT PLANS

Sesame Workshop sponsors a defined contribution pension plan and a 403(b) savings plan (the "Plans"). Substantially, all full-time employees of the Company are covered under the Plans. The Company's contributions to the pension plan are based upon years of employee service, and participants are fully vested after five years of service. The Company's matching contributions to the savings plan vest immediately. Total Company contributions to the Plans were $2.8 million in fiscal 2010 and $3.9 million in fiscal 2009.

NOTE I - INCOME TAXES

At June 30, 2010 and 2009, CTW/C had net loss carryforwards of $8.3 million, representing approximately $2.8 million of tax benefits. Deferred tax assets are periodically evaluated to determine their recoverability, and where recovery is not likely, a valuation allowance is established. Valuation allowances of $2.8 million have been recorded at June 30, 2010 and 2009, respectively, due to the uncertainty of realizing these tax benefits.

Net operating loss carryforwards were available at June 30, 2010, and will expire, if unused, in the following years (in thousands):

2018	$ 7,419
2019	668
2020	131
2022	36
2023 and thereafter	8
	$ 8,262

Tax expenses were $0.1 million and $0.4 million in fiscal 2010 and fiscal 2009, respectively, including taxes on unrelated business income generated from certain alternative investments held by the Company and foreign income taxes.

NOTE J - PROGRAMS IN PROCESS

Programs in process are stated at the lower of unamortized cost or estimated fair value on an individual production basis. Revenue forecasts are continually reviewed by management and revised when warranted by changing conditions. When estimates of total revenues indicate that a production has a fair value that is less than its unamortized cost, a loss is recognized currently for the amount by which the unamortized cost exceeds the production's fair value. For the year ended June 30, 2010, the Company recognized losses of approximately $1.9 million, including $0.8 million in production and development and $1.1 million in content distribution, and for the year ended June 30, 2009, the Company recognized losses of approximately $0.7 million in content distribution, for programs where the unamortized cost exceeded the production's fair value. For the years ended June 30, 2010 and 2009, exploitation costs of approximately $1.5 million and $2.7 million, respectively, were expensed as incurred.

Programs in process, net of amortization, as of June 30, 2010 and 2009, are as follows (in thousands):

	June 30, 2009	Prior Year Productions Released	Fiscal 2010 Additions	Fiscal 2010 Amortization	**June 30, 2010**
Television productions:					
Released	$ 6,816	$ 2,021	$ 19,263	$ (22,692)	**$ 5,408**
In production	4,399	(2,021)	5,613	(3,092)	**4,899**
	$ 11,215	$ -	$ 24,876	$ (25,784)	**$ 10,307**

	June 30, 2008	Prior Year Productions Released	Fiscal 2009 Additions	Fiscal 2009 Amortization	June 30, 2009
Television productions:					
Released	$ 9,473	$ 3,329	$ 29,030	$ (35,016)	$ 6,816
In production	5,629	(3,329)	4,958	(2,859)	4,399
	$ 15,102	$ -	$ 33,988	$ (37,875)	$ 11,215

As of June 30, 2010, the Company estimated that approximately 68% of unamortized production costs from released productions are expected to be amortized in fiscal 2011 and approximately 98% of unamortized production costs from released productions are expected to be amortized within the next three years.

NOTE K - COMMITMENTS AND CONTINGENCIES

On July 1, 1997, the Company commenced a new lease for its main office space, which expires on June 30, 2012. The lease contains provisions for both rent abatements and periodic rent escalations that were realized in prior periods. The Company recognizes rent expense related to this lease on a straight-line basis over the 15-year term of the lease.

Total future commitments under this lease are as follows (in thousands) at June 30, 2010:

2011	$ 4,627
2012	4,627
	$ 9,254

Total rent expense was $3.4 million for each of the years ended June 30, 2010 and 2009, respectively.

In addition, the Company leases computer and printing equipment under several operating leases. The future commitments under these leases are as follows (in thousands):

2011	$ 685
2012	479
2013	360
2014	219
	$ 1,743

Total rent expense under these equipment leases was $1.4 million and $1.3 million for the years ended June 30, 2010 and 2009, respectively.

The Company may be involved in various legal actions from time to time arising in the normal course of business. In the opinion of management, there are no matters outstanding that would have a material adverse effect on the consolidated financial statements of the Company.

NOTE L - SUBSEQUENT EVENTS

The Company evaluated its June 30, 2010 consolidated financial statements for subsequent events through October 8, 2010, the date the consolidated financial statements were available to be issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

SUPPLEMENTAL CONSOLIDATING SCHEDULES

Sesame Workshop and Subsidiaries

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

As of June 30, 2010
(In Thousands)

ASSETS	Sesame Workshop	Electric Company, Inc.	Sesame Street, Inc.	CTW Communications, Inc.	SW Financing, Inc.	Sesame Workshop India	Joan Ganz Cooney Center	Elimination Entries	**Consolidated**
Cash and cash equivalents	$ 48,664	$ -	$ 73	$ 11	$ 34	$ 240	$ 1,492	$ -	**$ 50,514**
Receivables:									
Programs, product licenses, and contracts in support of programs, less allowance for doubtful accounts of $7,271 in 2010 and $4,385 in 2009	25,566	20	1	-	-	2	-	-	**25,589**
Grants	15,730	-	-	-	-	78	8	-	**15,816**
Total receivables	41,296	20	1	-	-	80	8	-	**41,405**
Intercompany receivables	135,401	2,546	8,636	-	-	-	-	(146,583)	**-**
Inventory, net	1,491	-	-	-	-	-	-	-	**1,491**
Programs in process	9,910	-	-	31	-	366	-	-	**10,307**
Investments	82,193	-	-	-	-	-	10,342	-	**92,535**
Intangible assets, net of accumulated amortization of $65,973 in 2010 and $59,029 in 2009	71,918	-	-	-	-	-	-	-	**71,918**
Property and equipment, net	5,872	-	-	-	-	-	-	-	**5,872**
Other assets, net of accumulated amortization of $4,247 in 2010 and $3,891 in 2009	2,329	-	15	-	-	-	-	-	**2,344**
Total assets	$ 399,074	$ 2,566	$ 8,725	$ 42	$ 34	$ 686	$ 11,842	$ (146,583)	**$ 276,386**
LIABILITIES AND NET ASSETS									
Liabilities:									
Accounts payable and accrued expenses	$ 26,106	$ 200	$ 607	$ 13	$ -	$ 9	$ 121	$ -	**$ 27,056**
Deferred revenues	20,267	-	-	-	-	-	27	-	**20,294**
Deferred rent payable	1,570	-	-	-	-	-	-	-	**1,570**
Debt payable	-	-	-	-	-	-	-	-	**-**
Intercompany payable	-	-	-	12,461	131,097	2,201	824	(146,583)	**-**
Total liabilities	47,943	200	607	12,474	131,097	2,210	972	(146,583)	**48,920**
Net assets:									
Unrestricted	335,194	2,366	8,118	(12,432)	(131,063)	(1,524)	9,626	737	**211,022**
Temporarily restricted	15,937	-	-	-	-	-	1,244	(737)	**16,444**
Total net assets	351,131	2,366	8,118	(12,432)	(131,063)	(1,524)	10,870	-	**227,466**
Total liabilities and net assets	$ 399,074	$ 2,566	$ 8,725	$ 42	$ 34	$ 686	$ 11,842	$ (146,583)	**$ 276,386**

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Sesame Workshop and Subsidiaries

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the year ended June 30, 2010
(In Thousands)

	Unrestricted									Temporarily Restricted					
	Sesame Workshop	Electric Company, Inc.	Sesame Street, Inc.	CTW Communications, Inc.	SW Financing, Inc.	Sesame Workshop India	Joan Ganz Cooney Center	Elimination Entries	Total Unrestricted	Sesame Workshop	Sesame Workshop India	Joan Ganz Cooney Center	Elimination Entries	Total Temporarily Restricted	**Consolidated**
Revenues:															
Program support	$ 30,280	$ -	$ -	$ -	$ -	$ 1,221	$ 1,311	$ (1,098)	$ 31,714	$ 15,777	$ 10	$ 863	$ -	$ 16,650	**$ 48,364**
Distribution fees and royalties	42,478	146	394	-	-	-	-	-	43,018	-	-	-	-	-	**43,018**
Licensing	44,984	-	-	-	-	-	-	-	44,984	-	-	-	-	-	**44,984**
Net assets released from restrictions	11,841	-	-	-	-	10	1,179	(643)	12,387	(11,841)	(10)	(1,179)	643	(12,387)	**-**
Total operating revenues	129,583	146	394	-	-	1,231	2,490	(1,741)	132,103	3,936	-	(316)	643	4,263	**136,366**
Expenses:															
Program expenses:															
Education, research and outreach	13,207	-	-	-	-	-	2,588	(74)	15,721	-	-	-	-	-	**15,721**
Content distribution	41,139	23	232	-	-	4	-	-	41,398	-	-	-	-	-	**41,398**
Production and development	37,701	-	-	-	-	-	-	-	37,701	-	-	-	-	-	**37,701**
Global product licensing	6,423	-	-	-	-	-	-	-	6,423	-	-	-	-	-	**6,423**
Global project management	3,578	-	-	-	-	1,194	-	(1,024)	3,748	-	-	-	-	-	**3,748**
Public awareness	3,691	-	-	-	-	1	-	-	3,692	-	-	-	-	-	**3,692**
Muppet acquisition	6,944	-	-	-	-	-	-	-	6,944	-	-	-	-	-	**6,944**
Total program expenses	112,683	23	232	-	-	1,199	2,588	(1,098)	115,627	-	-	-	-	-	**115,627**
Support expenses:															
Fundraising	5,618	-	-	-	-	-	-	-	5,618	-		-	-	-	**5,618**
General and administrative	15,250	-	-	2	(1)	-	-	-	15,251	-	-	-	-	-	**15,251**
Total support expenses	20,868	-	-	2	(1)	-	-	-	20,869	-	-	-	-	-	**20,869**
Total operating expenses	133,551	23	232	2	(1)	1,199	2,588	(1,098)	136,496	-	-	-	-	-	**136,496**
Operating (loss) income	(3,968)	123	162	(2)	1	32	(98)	(643)	(4,393)	3,936	-	(316)	643	4,263	**(130)**
Net investment income	8,485	-	-	-	-	-	317	-	8,802	-	-	-	-	-	**8,802**
Increase (decrease) in net assets before provision for income taxes	4,517	123	162	(2)	1	32	219	(643)	4,409	3,936	-	(316)	643	4,263	**8,672**
Provision for income taxes	73	-	-	-	-	-	-	-	73	-	-	-	-	-	**73**
Increase (decrease) in net assets	4,444	123	162	(2)	1	32	219	(643)	4,336	3,936	-	(316)	643	4,263	**8,599**
Net assets, beginning of year	330,750	2,243	7,956	(12,430)	(131,064)	(1,556)	9,407	1,380	206,686	12,001	-	1,560	(1,380)	12,181	**218,867**
Net assets, end of year	$ 335,194	$ 2,366	$ 8,118	$ (12,432)	$ (131,063)	$ (1,524)	$ 9,626	$ 737	$ 211,022	$ 15,937	$ -	$ 1,244	$ (737)	$ 16,444	**$ 227,466**

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Sesame Workshop and Subsidiaries

CONSOLIDATING SCHEDULE OF CASH FLOWS

For the year ended June 30, 2010
(In Thousands)

	Sesame Workshop	Electric Company, Inc.	Sesame Street, Inc.	CTW Communications, Inc.	SW Financing, Inc.	Sesame Workshop India	Joan Ganz Cooney Center	Elimination Entries	**Consolidated**
Cash flows from operating activities:									
Increase (decrease) in net assets	$ 8,380	$ 123	$ 162	$ (2)	$ 1	$ 32	$ (97)	$ -	**$ 8,599**
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:									
Depreciation and amortization of property and equipment	3,259	-	-	-	-	-	-	-	**3,259**
Amortization of intangible assets	6,944	-	-	-	-	-	-	-	**6,944**
Amortization of debt issuance costs	-	-	-	-	-	-	-	-	**-**
Amortization of other assets	356	-	-	-	-	-	-	-	**356**
Amortization of programs in process	25,784	-	-	-	-	-	-	-	**25,784**
Decrease in deferred rent payable	(785)	-	-	-	-	-	-	-	**(785)**
Change in provision for uncollectible receivables	2,886	-	-	-	-	-	-	-	**2,886**
Net unrealized appreciation on investments	(7,772)	-	-	-	-	-	(313)	-	**(8,085)**
Gain on sale of investments	(408)	-	-	-	-	-	-	-	**(408)**
Change in provision for inventory obsolescence	(250)	-	-	-	-	-	-	-	**(250)**
Intercompany notes	(731)	(120)	(377)	3	(171)	1,199	197	-	**-**
Change in operating assets and liabilities:									
(Increase) decrease in gross receivables	(3,969)	(20)	(1)	-	(1)	(80)	2,101	(1,000)	**(2,970)**
Increase in inventories	143	-	-	-	-	-	-	-	**143**
Additions to programs in process	(24,710)	-	-	-	-	(166)	-	-	**(24,876)**
Decrease (increase) in other assets	1,269	-	(3)	-	-	-	-	-	**1,266**
Increase (decrease) in accounts payable and accrued expenses	(692)	17	51	-	-	(3)	60	1,000	**433**
Increase (decrease) in deferred revenues	3,593	-	(358)	(1)	-	-	27	-	**3,261**
Net cash provided by (used in) operating activities	13,297	-	(526)	-	(171)	982	1,975	-	**15,557**
Cash flows from investing activities:									
Additions to property and equipment	(407)	-	-	-	-	-	-	-	**(407)**
Purchase of investments	(14,555)	-	-	-	-	-	(5,581)	-	**(20,136)**
Proceeds from sale of investments	28,949	-	-	-	-	-	-	-	**28,949**
Net cash provided by (used in) investing activities	13,987	-	-	-	-	-	(5,581)	-	**8,406**
Cash flows from financing activities:									
Proceeds from note payable	-	-	-	-	-	-	-	-	**-**
Payments on note payable	-	-	-	-	-	(768)	-	-	**(768)**
Net cash used in financing activities	-	-	-	-	-	(768)	-	-	**(768)**
Net increase (decrease) in cash and cash equivalents	27,284	-	(526)	-	(171)	214	(3,606)	-	**23,195**
Cash and cash equivalents, beginning of year	21,380	-	599	11	205	26	5,098	-	**27,319**
Cash and cash equivalents, end of year	$ 48,664	$ -	$ 73	$ 11	$ 34	$ 240	$ 1,492	$ -	**$ 50,514**

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Sesame Workshop and Subsidiaries

CONSOLIDATED SCHEDULE OF OPERATING EXPENSES

For the year ended June 30, 2010
(In Thousands)

	Education, Research and Outreach	Content Distribution	Production and Development	Global Product Licensing	Global Project Management	Public Awareness	Muppet Acquisition	Fundraising	General and Administrative	**Total Operating Expenses**
People costs	$ 4,748	$ 8,009	$ 13,999	$ 2,216	$ 1,436	$ 1,102	$ -	$ 2,138	$ 10,758	**$ 44,406**
Benefits	76	154	512	22	19	17	-	11	8,650	**9,461**
Guild payments	7	2,027	5,687	324	-	56	-	1	-	**8,102**
Travel and entertainment	700	390	665	230	84	250	-	150	337	**2,806**
Outside services	3,608	2,848	13,985	560	1,142	974	-	723	1,387	**25,227**
Advertising and promotion	230	1,284	65	864	44	80	-	51	30	**2,648**
Bad debt expense	834	3,397	-	189	-	-	-	(92)	-	**4,328**
Materials and supplies	33	5,960	457	36	9	63	-	35	272	**6,865**
Machinery and equipment	27	111	233	-	24	-	-	171	2,787	**3,353**
Participations and commissions	154	1,299	21	(4)	220	-	-	703	-	**2,393**
Administrative expenses	2,914	238	886	72	341	199	-	123	1,043	**5,816**
Occupancy expenses	84	113	2,729	48	43	38	-	48	6,516	**9,619**
Depreciation and amortization	-	1,411	62	-	-	-	6,944	61	1,726	**10,204**
Allocated expenses	2,872	4,040	5,496	1,874	1,037	835	-	1,595	(17,749)	**-**
Staff Allocations	76	462	(8)	(8)	(4)	(13)	-	(9)	(496)	**-**
Amounts capitalized as Programs in Process, net of amortization	(642)	9,655	(7,088)	-	(647)	91	-	(91)	(10)	**1,268**
Total operating expenses	$ 15,721	$ 41,398	$ 37,701	$ 6,423	$ 3,748	$ 3,692	$ 6,944	$ 5,618	$ 15,251	**$ 136,496**

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.