

WRITERS GUILD OF AMERICA, WEST, INC.

ANNUAL FINANCIAL REPORT

JUNE 29, 2021



WRITERS GUILD OF AMERICA, WEST, INC.

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EXECUTIVE DIRECTOR

WGAW HEADQUARTERS

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AFFILIATED WITH:

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STATEMENT OF THE MEMBERSHIP AND FINANCE COMMITTEE

June 29, 2021

Dear Fellow Members:

We are presenting the Guild's annual financial report at the end of an extraordinary year. COVID-19 shut down much of our industry; writers and Guild staff learned to work remotely; and in spite of these obstacles, the Guild renegotiated the MBA and concluded its successful talent agency campaign.

The effect of the economic disruption caused by the COVID-19 pandemic is still being felt. Next year's report will give us a more complete picture of the full impact of the pandemic on member employment and the Guild's finances. For now, however, members should feel confident that the Guild remains on a strong financial footing with significant reserves that will enable us to face the current uncertainties.

In this booklet, you will find the WGAW's financial statements and a summary of employment and residuals data for the fiscal year that ended on March 31, 2021. These are some highlights:

- The effect of the pandemic was reflected in a decline in member dues to \$31.4M, lower than FY 2020's total of \$36M. This decline was offset by unrealized investment gains resulting from the continuing strong equity market, which produced an overall increase in income (including unrealized gains) to \$46.1 million, up from \$38.5 million in the last fiscal year.
- Dues revenue reflects employment. Early in the pandemic, writer employment remained steady. More recently, we have seen a measurable decline in employment as the industry produces scripts previously written. The full dimension of this employment trend will be visible over the course of the coming year.
- Annual expenditures of \$36.2 million were lower than FY 2020's total of \$38.2 million. The decrease was the result of a number of factors: reduced operating costs attributable to remote work, the curtailment of most in-person member functions, including at the Guild Theater; and the production of a virtual WGA Awards ceremony.
- The Guild ended the fiscal year with total net assets of over \$87.7 million. The Guild owns its headquarters located at the corner of Third Street and Fairfax Avenue, where a multi-year renovation project was completed with upgrades to the main entrance and streetscape.
- The supplemental schedule on page 17 reflects that the Guild's Foreign Levies Program distributed \$29.1 million to writers and heirs during the last fiscal year. This is the highest annual disbursement in the program's 30-year history, bringing the total amount distributed to writers over the life of the program to \$275M.

We publish this financial information each year in the interest of transparency and a fully informed membership. The Membership and Finance Committee is a constitutional body, made up of five members appointed by the Board of Directors. The Committee oversees the annual audit conducted by the independent accounting firm of Miller Kaplan Arase LLP, whose report is contained in this booklet.

Sincerely,

The Membership and Finance Committee

Michele Mulroney (chair), Patti Carr, Tony DeSena, Carleton Eastlake and Adele Lim

THE MARKETPLACE FOR WRITING

EMPLOYMENT AND EARNINGS

While the COVID-19 pandemic brought film and television production to a standstill in early 2020, many writers were able to continue working remotely through the year. Still, writers' reported earnings and employment reflect the pandemic's widespread disruption to the entertainment industry. In all fields, writers reported declines in both employment and earnings, reflecting a truncated 2019 – 2020 television season, delayed 2020 – 2021 season and months of theater closures. As COVID-19 restrictions continue to ease in 2021, the industry should be able to fully resume production of television and film content.

TOTAL EARNINGS FOR WGAW WRITERS AND NUMBER OF WRITERS REPORTING EARNINGS

More than 6,100 writers reported employment in all work areas in 2020, a 6.6% decline from 2019. Total writer earnings reported for dues purposes declined 10.5% to \$1.6 billion.

WGAW EMPLOYMENT AND EARNINGS

YEAR	NUMBER OF WRITERS REPORTING EARNINGS	PERCENT CHANGE VS. PRIOR YEAR	TOTAL EARNINGS REPORTED (IN \$ MILLIONS)	PERCENT CHANGE VS. PRIOR YEAR
2015	5,628	4.6%	\$ 1,313.1	7.6%
2016	5,906	4.9%	\$ 1,413.7	7.7%
2017	6,178	4.6%	\$ 1,509.6	6.8%
2018	6,274	1.6%	\$ 1,634.5	8.3%
2019	6,541	4.3%	\$ 1,756.0	7.4%
2020	6,108	-6.6%	\$ 1,571.2	-10.5%

Source: WGAW records, prior years updated to include late reporting; current year figures can be expected to rise similarly.

EARNINGS AND EMPLOYMENT ON TELEVISION AND DIGITAL PLATFORMS

Earnings of television and digital platform writers reported to the WGAW for 2020 declined 9.5% to \$1.11 billion. Total employment was down 5.7% from 2019, with 5,013 writers reporting income from television and digital platforms, though this figure is likely to increase with late reporting.

WGAW TELEVISION AND DIGITAL PLATFORMS EMPLOYMENT AND EARNINGS

YEAR	NUMBER OF WRITERS REPORTING EARNINGS	PERCENT CHANGE VS. PRIOR YEAR	TOTAL EARNINGS REPORTED (IN \$ MILLIONS)	PERCENT CHANGE VS. PRIOR YEAR
2015	4,521	6.0%	\$ 905.3	6.7%
2016	4,835	6.9%	\$ 994.8	9.9%
2017	4,970	2.8%	\$ 1,045.4	5.1%
2018	5,004	0.7%	\$ 1,123.1	7.4%
2019	5,315	6.2%	\$ 1,230.8	9.6%
2020	5,013	-5.7%	\$ 1,113.6	-9.5%

Source: WGAW records, prior years updated to include late reporting; current year figures can be expected to rise similarly.

Writer-producers report their weekly salary to the Guild at Article 14 minimum, meaning the Guild's data regarding television and digital platform earnings is generally based on MBA minimums and does not capture changes in TV overscale income. To protect overscale pay, the WGA negotiated improvements to the span provision in the 2020

MBA, increasing the earnings threshold to qualify for span protection from \$350,000 to \$400,000 for writer-producers working on broadcast, pay or HBSVOD short-order series, or \$375,000 for basic cable short-order series. In addition, the Guild's agency campaign has realigned agency incentives with those of their writer-clients, giving writers access to representatives who will work to maximize overscale pay.

EARNINGS AND EMPLOYMENT ON THEATRICAL PROJECTS

Screenwriter earnings declined 12% in 2020 to \$449.0 million, though this figure is likely to increase with late reporting. Screenwriter employment declined by 9.6% to 2,055 writers reporting screen earnings.

WGAW SCREEN EMPLOYMENT AND EARNINGS

YEAR	NUMBER OF WRITERS REPORTING EARNINGS	PERCENT CHANGE VS. PRIOR YEAR	TOTAL EARNINGS REPORTED (IN \$ MILLIONS)	PERCENT CHANGE VS. PRIOR YEAR
2015	1,968	10.3%	\$ 395.9	10.1%
2016	1,934	-1.7%	\$ 406.1	2.6%
2017	2,056	6.3%	\$ 451.1	11.1%
2018	2,131	3.6%	\$ 498.1	10.4%
2019	2,274	6.7%	\$ 510.3	2.4%
2020	2,055	-9.6%	\$ 449.0	-12.0%

Source: WGAW records, prior years updated to include late reporting; current year figures can be expected to rise similarly.

EARNINGS AND EMPLOYMENT ON TELEVISION & RADIO NEWS & PROMOTION, INFORMATIONAL AND INTERACTIVE PROGRAMS

162 writers reported employment in news, promotion, informational and interactive programming, with earnings of \$8.7 million, down 41.6% from 2019. This substantial decline in earnings was due in part to layoffs and COVID-19 changes at ViacomCBS, impacting news and promotional writers.

WGAW NEWS & PROMOTION, INFORMATIONAL AND INTERACTIVE EMPLOYMENT AND EARNINGS

YEAR	NUMBER OF WRITERS REPORTING EARNINGS	PERCENT CHANGE VS. PRIOR YEAR	TOTAL EARNINGS REPORTED (IN \$ MILLIONS)	PERCENT CHANGE VS. PRIOR YEAR
2015	165	3.1%	\$ 11.9	-7.0%
2016	164	-0.6%	\$ 12.7	6.7%
2017	158	-3.7%	\$ 13.0	2.4%
2018	159	0.6%	\$ 13.3	2.3%
2019	172	8.2%	\$ 14.9	12.0%
2020	162	-5.8%	\$ 8.7	-41.6%

Source: WGAW records, prior years updated to include late reporting; current year figures can be expected to rise similarly.

RESIDUALS

Residuals collected by the WGA in 2020 decreased 0.9% from last year to \$466.94 million. In spite of this decline, the \$466.94 million in receipts represents the second highest total collected of all time. Total television residuals decreased 1.4% and stayed mostly flat in screen with a less than 1% increase. Unsurprisingly, new media is the largest residual category overall, accounting for more than a third of the total residuals collected at 36.8%. This is an increase over last year where new media accounted for 30.4% of the total residuals collected.

Television's trend of being the stronger area continued in 2020 with \$307.69 million in receipts, representing 65.9% of the total residuals collected. New media residuals for television programs are up 16% over last year, increasing from \$88.76 to \$102.95 million. While foreign television residuals dropped 8.9% from last year, it remains the second largest area for television after new media at \$45.01 million. Domestic syndication decreased 22.6% from 2019, but is our third largest market at \$29.27 million. Network prime time had a significant increase of 23.6% over last year with \$24.56 million in receipts which is no doubt attributed to more repeats due to the pandemic. Home video residuals continue their decline with \$1.8 million, a decrease of 13.5% from last year and a 66.2% decrease over the last five years.

Total feature film residuals had a slight increase over last year to \$159.25 million. As expected, new media residuals are the highest earning residuals category at \$68.92 million for feature films, an increase of 26.8% over last year. Pay TV residuals are the second largest dollar category for film, with a 15.3% drop from last year at \$39.62 million. Worldwide television receipts, although our third largest dollar category at \$38.17 million, stalled internationally, resulting in an 8.9% drop from last year. As with television, home video receipts for film continue to decline, with a 25.4% decrease from 2019 to \$9.58 million, and a five-year decrease of 58.3%.

TOTAL RESIDUALS RECEIVED 2015 THROUGH 2020
(INCLUDES COLLECTIONS AND AFFIRMATIVE POLICING TOTALS / IN MILLIONS OF DOLLARS)

	2015	2016	2017	2018	2019	2020	PERCENT CHANGE 2019 – 2020	PERCENT CHANGE 2015 – 2020
TELEVISION RESIDUALS								
Prime Time Network	\$19.43	\$19.53	\$19.56	\$20.20	\$19.87	\$24.56	23.6%	26.4%
Domestic Synd./CW	36.37	27.36	26.03	37.36	37.81	29.27	-22.6%	-19.5%
Foreign Free TV & Basic Cable	57.32	50.39	56.63	59.31	49.40	45.01	-8.9%	-21.5%
Basic Cable (Non Basic Cable Programs)	32.28	27.95	28.74	28.84	27.10	24.37	-10.1%	-24.5%
Basic Cable for Made-for-Basic	35.92	35.59	36.52	34.88	31.14	25.42	-18.4%	-29.2%
Pay TV for Made-for-Pay	8.30	8.67	8.84	10.91	11.68	14.98	28.3%	80.5%
Pay TV (for Non-Pay Programs)	9.52	7.63	13.09	10.08	12.37	6.25	-49.5%	-34.3%
Home Video	5.32	3.74	3.94	2.99	2.08	1.80	-13.5%	-66.2%
New Media Reuse	34.20	41.92	59.41	73.70	88.76	102.95	16.0%	201.0%
Network Late Night/Weekend Day	5.19	5.05	8.11	10.20	11.18	11.35	1.5%	118.7%
TV Creator Royalties	16.44	13.56	13.46	14.39	15.46	11.78	-23.8%	-28.3%
Misc. TV Reuse	5.57	5.73	3.67	4.66	5.22	9.95	90.6%	78.6%
Total Television Residuals	\$265.86	\$247.12	\$278.00	\$307.52	\$312.07	\$307.69	-1.4%	15.7%
THEATRICAL RESIDUALS								
Worldwide Television	\$44.84	\$40.51	\$44.98	\$42.57	\$41.92	\$38.17	-8.9%	-14.9%
Home Video	22.99	21.37	19.49	15.02	12.85	9.58	-25.4%	-58.3%
Pay TV	50.32	53.68	53.87	49.03	46.78	39.62	-15.3%	-21.3%
DVD Script Fee	1.62	1.83	2.51	2.99	2.49	1.41	-43.4%	-13.0%
New Media Reuse	18.11	19.65	31.31	44.21	54.35	68.92	26.8%	280.6%
Misc. Theatrical Reuse	1.15	1.20	1.04	1.11	0.82	1.55	89.0%	34.8%
Total Theatrical Residuals	\$139.03	\$138.24	\$153.20	\$154.93	\$159.21	\$159.25	0.0%	14.5%
TOTAL RESIDUALS	\$404.89	\$385.36	\$431.20	\$462.45	\$471.28	\$466.94*	-0.9%	15.3%

*Due to deadlines in publishing this report, the 2020 total residuals figure does not include an additional \$622,774 that was sent to members but not allocated to specific markets. This amount will be allocated to the appropriate markets and reflected in next year's report.

CONTRACT ENFORCEMENT

The Guild’s Residuals Department enforces residuals provisions of the contract by investigating and policing potential under-payment or non-payment, and referring cases not resolved during the investigation to the Legal Services Department. Amounts collected and total open case by year are as follows:

RESIDUALS DEPARTMENT TOTAL AMOUNTS COLLECTED

	2014	2015	2016	2017	2018	2019	2020	2021 (THRU 5/15/21)
Residuals	\$24,731,072	\$44,566,668	\$27,580,803	\$33,261,907	\$35,927,386	\$50,738,480	\$51,269,341	\$32,213,299
Residuals Interest	509,476	1,199,915	668,284	1,176,343	1,235,684	1,510,474	1,341,152	880,466
Total Amounts	\$25,240,548	\$45,766,583	\$28,249,087	\$34,438,250	\$37,163,070	\$52,248,954	\$52,610,493	\$33,093,765
TOTAL OPEN CASES	303	285	336	414	393	336	372	325

The primary function of the Guild’s Legal Services Department is to enforce employer obligations under the WGA’s collective bargaining agreements, normally through the filing of grievances and arbitration claims. The chart below reflects total annual collections, broken down by type of damages collected:

LEGAL DEPARTMENT TOTAL AMOUNTS COLLECTED

	2014	2015	2016	2017	2018	2019	2020	2021 (THRU 5/15/21)
Initial Compensation	\$2,179,145	\$2,983,368	\$3,805,665	\$3,317,650	\$2,511,365	\$2,151,050	\$5,476,379	\$339,902
Compensation Interest	\$294,332	\$330,172	\$237,165	\$688,595	\$248,254	\$106,461	\$632,359	\$441,042
Residuals	\$11,444,135	\$6,174,449	\$4,161,002	\$537,859	\$6,530,028	\$2,368,447	\$946,697	\$6,779,330
Residuals Interest	\$1,269,681	\$500,343	\$1,866,141	\$66,272	\$366,366	\$419,648	\$5,348,832	\$1,093,969
P&H	\$903,668	\$341,796	\$379,411	\$856,373	\$935,734	\$485,940	\$509,992	\$54,380
P&H Interest	\$31,373	\$14,062	\$40,721	\$135,026	\$39,118	\$49,819	\$4,901	\$14,038
Credits Damages	\$88,511	\$338,139	\$41,735	\$20,750	\$259,129	\$53,308	\$25,364	\$0
TOTAL AMOUNTS	\$16,210,845	\$10,682,329	\$10,531,840	\$5,622,525	\$10,882,994	\$5,634,673	\$12,944,524	\$8,722,661

LEGAL DEPARTMENT TOTAL OPEN CASES

	2014	2015	2016	2017	2018	2019	2020	2021 (THRU 5/15/21)
Compensation	221	183	148	132	111	198	505	602
Credits	38	59	44	33	30	32	37	37
Miscellaneous	13	20	46	42	90	36	55	101
Residuals	229	223	266	286	239	138	142	425
Separation of Rights	24	21	12	15	18	14	15	19
TOTAL CASES	525	506	516	508	488	418	754	1184

Over the past year, in addition to pursuing claims brought to our attention from writers and other sources, the Legal Department has continued to use information provided by franchised agencies to help with MBA enforcement and address late pay, in particular. Since April 2019, Legal has pursued more than 200 additional cases resulting from information sharing with agencies. Because of this additional information, we anticipate that we will continue to successfully collect interest on behalf of writers, and ultimately improve studios’ problematic payment practices, as well. Our case counts have increased not only because of these additional late pay cases and our aggressive enforcement during the pandemic, but also because we have changed how we report cases, now listing each title within a claim as a separate matter.

WRITERS GUILD OF AMERICA, WEST, INC.

FINANCIAL STATEMENTS

MARCH 31, 2021

WRITERS GUILD OF AMERICA, WEST, INC.
FINANCIAL STATEMENTS
MARCH 31, 2021

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6-16
Supplemental Schedule	
Foreign Levies Funds Collected, Distributed and Held by WGAW	17



INDEPENDENT AUDITORS' REPORT

Board of Directors
Writers Guild of America, West, Inc.
7000 West Third Street
Los Angeles, California 90048

Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of Writers Guild of America, West, Inc. ("WGAW"), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

WGAW's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to entity's preparation and fair presentation of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of WGAW as of March 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

As described in Note 11 to the financial statements, WGAW formed a political action committee (the "WGAW PAC"). The financial statements referred to above do not include the financial information of the WGAW PAC.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Foreign Levies Funds Collected, Distributed to Writers and Held by WGAW is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of WGAW's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



MILLER KAPLAN ARASE LLP
North Hollywood, California
May 20, 2021

WRITERS GUILD OF AMERICA, WEST, INC.

**STATEMENT OF FINANCIAL POSITION
MARCH 31, 2021**

	GUILD OPERATIONS FUND	THEATER OPERATIONS FUND	STRIKE FUND	GOOD & WELFARE FUND	YEAR 2000 FUND	TOTAL ALL FUNDS
ASSETS						
Cash and Cash Equivalents	\$14,054,572	\$1,562	\$124,716	\$100,119	\$32,127	\$14,313,096
Membership Dues Receivable	7,847,414	-	-	-	-	7,847,414
Accounts Receivable, Net	385,988	-	-	-	-	385,988
Notes Receivable, Net	-	-	-	7,000	8,573	15,573
Prepaid Expenses	618,338	1,407	-	-	-	619,745
Investments, at Market Value	32,825,218	-	18,552,588	6,800,351	1,885,177	60,063,334
Funds Received On Behalf Of						
Members	31,730,602	-	-	-	-	31,730,602
Property and Equipment, Net	8,380,462	256,888	-	-	-	8,637,350
Security Deposits	2,295	23,478	-	-	-	25,773
Inter-Fund Borrowings	2,515,873	(2,515,873)	-	-	-	-
TOTAL ASSETS	\$98,360,762	(\$2,232,538)	\$18,677,304	\$6,907,470	\$1,925,877	\$123,638,875
LIABILITIES AND NET ASSETS						
Accounts Payable and Accrued						
Expenses	\$1,615,482	\$ -	\$ -	\$2,150	\$ -	\$1,617,632
Accrued Salaries, Vacation and						
Severance	2,504,958	-	-	-	-	2,504,958
Deferred Rent	-	46,114	-	-	-	46,114
Due To Members	31,730,602	-	-	-	-	31,730,602
TOTAL LIABILITIES	35,851,042	46,114	-	2,150	-	35,899,306
NET ASSETS WITHOUT RESTRICTIONS						
Undesignated Net Assets	61,167,697	(2,278,652)	-	-	-	58,889,045
Designated Net Assets	1,000,000	-	18,677,304	6,905,320	1,925,877	28,508,501
	62,167,697	(2,278,652)	18,677,304	6,905,320	1,925,877	87,397,546
NET ASSETS WITH RESTRICTIONS	342,023	-	-	-	-	342,023
TOTAL NET ASSETS (DEFICIT)	62,509,720	(2,278,652)	18,677,304	6,905,320	1,925,877	87,739,569
TOTAL LIABILITIES AND NET ASSETS						
ASSETS	\$98,360,762	(\$2,232,538)	\$18,677,304	\$6,907,470	\$1,925,877	\$123,638,875

WRITERS GUILD OF AMERICA, WEST, INC.

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

	GUILD OPERATIONS FUND	THEATER OPERATIONS FUND	STRIKE FUND	GOOD & WELFARE FUND	YEAR 2000 FUND	TOTAL ALL FUNDS
CHANGE IN NET ASSETS WITHOUT RESTRICTIONS REVENUES						
Member Dues	\$31,885,601	\$ -	\$ -	\$ -	\$ -	\$31,885,601
Administrative Fees	2,286,965	-	-	-	-	2,286,965
Other	1,838,006	(21,292)	1,116	-	-	1,817,830
TOTAL REVENUES	35,510,572	(21,292)	1,116	-	-	35,490,396
EXPENSES						
Payroll and Related Expenses	21,881,903	82,462	233	183	-	21,964,781
Special Functions	4,331,883	-	-	-	-	4,331,883
Occupancy	4,449,569	333,481	-	-	-	4,783,050
Operating	1,144,679	7,448	(6,104)	11,073	-	1,157,096
Professional Fees	3,545,741	4,036	-	2,750	-	3,552,527
Communications	269,952	-	-	-	-	269,952
TOTAL EXPENSES	35,623,727	427,427	(5,871)	14,006	-	36,059,289
NET OPERATING INCREASE (DECREASE)	(113,155)	(448,719)	6,987	(14,006)	-	(568,893)
INVESTMENT INCOME						
Investment Income	296,939	-	930,924	366,437	6,728	1,601,028
Net Unrealized Appreciation (Depreciation) in Market Value	3,477,163	-	3,790,361	1,504,684	(4,937)	8,767,271
TOTAL INVESTMENT INCOME	3,774,102	-	4,721,285	1,871,121	1,791	10,368,299
CHANGE IN NET ASSETS WITHOUT RESTRICTIONS	3,660,947	(448,719)	4,728,272	1,857,115	1,791	9,799,406
CHANGE IN NET ASSETS WITH RESTRICTIONS						
Contributions (Showrunner Program)	250,000	-	-	-	-	250,000
Net Assets Released from Restrictions	(149,656)	-	-	-	-	(149,656)
CHANGE IN NET ASSETS WITH RESTRICTIONS	100,344	-	-	-	-	100,344
CHANGE IN NET ASSETS	3,761,291	(448,719)	4,728,272	1,857,115	1,791	9,899,750
NET ASSETS (DEFICIT), BEGINNING OF YEAR	58,748,429	(1,829,933)	13,949,032	5,048,205	1,924,086	77,839,819
NET ASSETS (DEFICIT), END OF YEAR	\$62,509,720	(\$2,278,652)	\$18,677,304	\$6,905,320	\$1,925,877	\$87,739,569

WRITERS GUILD OF AMERICA, WEST, INC.

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

	GUILD OPERATIONS FUND	THEATER OPERATIONS FUND	STRIKE FUND	GOOD & WELFARE FUND	YEAR 2000 FUND	TOTAL ALL FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:						
Change in Net Assets	\$3,761,291	(\$448,719)	\$4,728,272	\$1,857,115	\$1,791	\$9,899,750
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:						
Depreciation and Amortization	1,307,137	50,576	-	-	-	1,357,713
Loss on Disposal of Property and Equipment	-	4,278	-	-	-	4,278
Net Unrealized (Appreciation) Depreciation in Market Value	(3,477,163)	-	(3,790,361)	(1,504,684)	4,937	(8,767,271)
Write-off of Notes Receivable	-	-	-	7,472	-	7,472
(Decrease) Increase in Allowances for Doubtful Accounts	-	-	(11,180)	3,601	-	(7,579)
Decrease in Membership Dues Receivable	506,031	-	-	-	-	506,031
Decrease in Accounts Receivable	324,575	124,700	-	-	-	449,275
Decrease in Prepaid Expenses	27,039	63	-	-	-	27,102
(Increase) in Security Deposit	-	(1)	-	-	-	(1)
Increase in Accounts Payable and Accrued Expenses	353,364	-	-	2,150	-	355,514
Increase in Accrued Salaries, Vacation and Severance	58,106	-	-	-	-	58,106
(Decrease) in Deferred Rent	-	(8,020)	-	-	-	(8,020)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	2,860,380	(277,123)	926,731	365,654	6,728	3,882,370
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of Property and Equipment	(1,081,279)	(12,388)	-	-	-	(1,093,667)
Issuance of Notes Receivable	-	-	-	(7,000)	-	(7,000)
Payments Received on Notes Receivable	-	-	11,180	6,427	189	17,796
Purchases of Investments	(3,431,396)	-	(3,904,930)	(1,317,287)	(895,271)	(9,548,884)
Maturities of Investments	3,139,154	-	2,974,006	950,865	888,549	7,952,574
NET CASH (USED IN) INVESTING ACTIVITIES	(1,373,521)	(12,388)	(919,744)	(366,995)	(6,533)	(2,679,181)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Increase (Decrease) in Inter-fund Borrowings	(273,164)	279,189	-	-	(6,025)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(273,164)	279,189	-	-	(6,025)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,213,695	(10,322)	6,987	(1,341)	(5,830)	1,203,189
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12,840,877	11,884	117,729	101,460	37,957	13,109,907
CASH AND CASH EQUIVALENTS, END OF YEAR	\$14,054,572	\$1,562	\$124,716	\$100,119	\$32,127	\$14,313,096

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

1. Summary of Significant Accounting Policies

Organization

Writers Guild of America, West, Inc. (“WGAW”) is a labor union incorporated in the state of California, which exists for the purpose of negotiating the terms and conditions of employment of writers in the motion picture, television and new media industries. WGAW represents writers with respect to the collection and distribution of residuals, foreign levies or other payments attributable to the exploitation of their work. WGAW is affiliated with Writers Guild of America, East, Inc. (“WGAE”), as well as with international writers’ organizations throughout the world. WGAW’s headquarters is located at 7000 West Third Street, Los Angeles, California 90048.

Description of Funds

To ensure observance of limitations and restrictions placed on the use of resources available to WGAW, the accounts of WGAW are maintained on the accrual basis. Fund accounting provides that resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to their nature and purposes.

The assets, liabilities, and net assets of WGAW are reported in five self-balancing fund groups as follows:

- The Guild Operations Fund includes undesignated and designated resources and represents the portion of the funds that are available for WGAW operations and member services.
- The Theater Operations Fund contains funds intended for use in connection with the Film Society and other theater operations.
- The Strike Fund was created in 1986 to provide loans or grants as determined by the Board of Directors to members adversely affected by a strike.
- The Year 2000 and Good & Welfare Funds were created in October 1992 to provide special purpose funds for WGAW operations as described more fully below.

Net Assets

Net assets without restrictions are assets that are not restricted by donor-imposed stipulations. Net assets with restrictions are assets whose use has been restricted by donors for a specific period or purpose. When a donor restriction expires (a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified as net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

1. Summary of Significant Accounting Policies, continued

Designated Net Assets

The Board of Directors has designated \$1,000,000 of WGAW's operating net assets as a reserve for emergency situations in accordance with the WGAW Constitution.

The Strike Fund's net assets have been designated in accordance with the WGAW Constitution to provide loans or grants to members who are adversely affected by a strike.

The Good & Welfare Fund was established to provide interest-free, short-term loans for current members in good standing who are experiencing acute financial distress in emergency situations. Loans to members are financed from the interest and investment income generated by the principal of the fund.

The Year 2000 Fund was established to provide WGAW with resources to more effectively meet the challenges and address the issues raised by the significant changes in the domestic and international marketplace; to ensure that writers' future participation in revenues generated by the exploitation of their literary materials is better protected and guaranteed; and to further the creative, artistic and professional standing of screen and television writers. Expenditures from this fund are approved by the Board of Directors.

Funds Received on Behalf Of Members

WGAW receives funds on behalf of members and other payees in the following segregated accounts: (1) member payments; (2) client trust; (3) foreign levies; (4) undeliverable funds; and (5) small residuals.

- Member payments include monies received from production companies and payable to writers as a result of the use of excerpts of WGAW-covered programs.
- The client trust account contains funds received by WGAW and payable to writers as damages as the result of legal proceedings to enforce WGAW's collective bargaining agreements.
- Foreign levies are monies paid under foreign laws to authors of copyrighted works. These monies are paid to WGAW by foreign collection societies for private copying, video rental and cable retransmission of audio-visual works copyrighted in the U.S. WGAW collects and distributes these levies to WGAW and WGAE members, non-members and beneficiaries. WGAW holds in trust funds from 23 countries in Europe, Latin America, and Asia for the benefit of the lawful payees.

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

1. Summary of Significant Accounting Policies, continued

Funds Received on Behalf Of Members, continued

WGAW supports the Foreign Levies Program (“FLP”) by retaining interest on funds held in trust and charging an administrative fee (currently 5%) on all funds distributed. For the fiscal year ended March 31, 2021, the total cost of administering the FLP was \$1,556,403, which was below the total administrative fees and interest income of \$1,563,644 by \$7,241.

As part of a legal settlement, WGAW has agreed to prepare an annual analysis of the FLP finances in connection with its regular audit process. The analysis will validate: (1) the amount collected by the FLP during the fiscal year, including interest earned on funds held in trust; (2) the amount distributed to writers or their heirs; and (3) the amount of undistributed funds held by WGAW at the end of the fiscal year. The results of this year’s annual analysis appear on page 17 of these financial statements.

- Undeliverable funds include checks and other monies due to writers that are returned by the post office because the writer is unknown at the address indicated or the writer has moved without leaving a forwarding address. The funds are held in trust while WGAW makes further efforts to locate the payee.
- The small residuals trust is a repository for residuals checks with a gross amount of less than \$100 payable to writers who have enrolled in a program under which WGAW aggregates small payments for disbursement in a larger sum.

Revenues

Membership dues and assessments are recognized as revenue over the period of time in which the members perform the services upon which the dues income is based. Membership dues are payable on a quarterly basis.

WGAW administers a residuals distribution program and performs other services on behalf of writers represented by WGAE. WGAE pays to WGAW as compensation for these services 13.25% of screenwriter and certain television writer dues revenue WGAE collects each calendar quarter. Such fees totaling \$726,406 are included in the statement of activities as “administrative fees.”

Income Taxes

WGAW is a not-for-profit organization and is exempt from federal and state income taxes under Section 501(c)(5) of the Internal Revenue Code (the “Code”) and state of California Revenue and Taxation Code Section 23701a. Accordingly, no federal or state income taxes have been paid or accrued. The Code provides that WGAW’s net advertising income is subject to unrelated business income tax.

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

1. Summary of Significant Accounting Policies, continued

Income Taxes, continued

Accounting principles generally accepted in the United States of America (“GAAP”) require management to evaluate tax positions taken by the WGAW and recognize a tax liability if the WGAW has taken a tax position that more likely than not would not be sustained upon examination by a tax authority. The WGAW is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Statement of Cash Flows

For purposes of the statement of cash flows, WGAW considers money market accounts and other highly liquid investments, purchased with an initial maturity of three months or less, to be cash equivalents, with the exception of those classified as investments.

Property and Equipment

As required by GAAP, property and equipment are stated at cost (not fair market value). Depreciation and amortization are provided for using the straight-line method over the estimated useful lives of assets as follows:

Building	39.5 years
Building improvements	7 years
Computers and equipment	3 years
Vehicles	5 years
Furniture and fixtures	7 years
Tenant improvements	Life of lease

Repairs and maintenance are charged to expense as incurred; significant improvements, which materially increase values or extend useful lives, are capitalized and depreciated over the estimated useful lives of the related assets.

The cost of assets retired or otherwise disposed of, and the related accumulated depreciation and amortization, are eliminated from the accounts in the year of disposal. Gains or losses resulting from the disposal of assets are charged to income and expense currently.

Software Development Costs

WGAW capitalizes production costs of computer software developed for internal use and amortizes such costs over a three-year estimated useful life. Cumulative costs capitalized totaling \$577,681 are included in “property and equipment, net” in the accompanying statement of financial position.

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

1. Summary of Significant Accounting Policies, continued

Severance

WGAW's severance pay policies, affecting certain WGAW employees, provide for severance payments in the event of specified terminations of employment. The severance liability is accrued in accordance with the terms of the severance pay policies.

Concentration of Credit Risk

WGAW holds investments primarily in the form of marketable debt securities, mutual funds and money market funds. WGAW is exposed to credit risk for the amount of the investments in the event of nonperformance by other parties to the investment transactions. To date, WGAW has not incurred losses related to these investments and does not anticipate nonperformance by other parties.

WGAW places its cash with various financial institutions. From time to time and as of March 31, 2021, WGAW has bank deposits that exceed the general Federal Deposit Insurance Corporation's ("FDIC") insured limits of \$250,000. To date, WGAW has not incurred losses related to these deposits.

The composition of the investment portfolio as of March 31, 2021 is diversified, with holdings primarily in mutual funds.

Estimates

The preparation of financial statements in conformity with GAAP 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 financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Liquidity

Management of the WGAW believes that existing cash and investment resources, and expected membership and other revenues will be sufficient to meet cash needs for general expenditures within one year of the date of the statement of financial position.

2. Investments

GAAP establishes a fair value hierarchy which prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

2. Investments, continued

Level 1 – Quoted prices in active markets.

Level 2 – Inputs based on quoted prices for similar instruments and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

Level 3 – Inputs are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability.

The following table represents the WGAW’s fair value hierarchy for its financial assets measured at fair value on a recurring basis as of March 31, 2021:

	Investments				Total Cost
	Level 1	Level 2	Level 3	Market Value	
Bond mutual funds	\$ 2,952,447	\$ -	\$ -	\$ 2,952,447	\$ 2,810,728
Equity mutual funds	29,433,069	-	-	29,433,069	22,201,012
Money market funds	27,677,818	-	-	27,677,818	27,677,818
Total	\$60,063,334	\$ -	\$ -	\$60,063,334	\$52,689,558

Level 1 investments consist of mutual funds and money market funds. All investments are recorded at fair value based on the securities’ year end closing value, as reported by the investment manager, based on valuations by Interactive Data Pricing and Reference Data, Inc. Purchases and sales of securities are recorded on the trade date basis. Dividends are recorded on the ex-dividend date and interest income is recorded on the accrual basis.

Net realized and unrealized gains and losses are computed using the investments’ cost for financial statement purposes and are included in the statement of activities.

WGAW intends to reinvest all investments maturing in fiscal year 2022 into money market funds or equity mutual funds.

The investments return is detailed as follows:

	<u>Total</u>
Interest, dividend and capital gains income	\$ 1,596,330
Net unrealized appreciation in market value	<u>8,767,271</u>
Return on investments	<u>\$10,363,601</u>

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

3. Notes Receivable

Strike loans were made to members in good standing who suffered direct financial hardship due to the strike that commenced on November 5, 2007 and ended on February 13, 2008, as well as due to an earlier 1988 strike. The loans are evidenced by promissory notes and are secured by written assignments of a portion of the member's future residuals income.

Good & Welfare and Year 2000 loans were made to members experiencing acute financial hardship. These non-interest bearing promissory notes have no due dates but include an assignment of residual payments in the event the loan becomes delinquent.

An allowance has been provided for estimated uncollectible amounts.

4. Property and Equipment

Property and equipment consisted of the following at March 31, 2021:

	<u>Total</u>
Land	\$ 700,000
Building and improvements	10,451,478
Furniture and fixtures	4,994,590
Computers and equipment	2,104,292
Tenant improvements	<u>838,434</u>
	19,088,794
Less: Accumulated depreciation and amortization	<u>10,451,444</u>
	<u>\$ 8,637,350</u>

Depreciation and amortization expense was \$1,357,713 for the fiscal year ended March 31, 2021.

5. Multiemployer Defined Benefit Plans

WGAW employees participate in the Producer-Writers Guild of America Pension Plan (the "Pension Plan") and the Writers Guild-Industry Health Fund (the "Health Fund"), multiemployer plans existing primarily for the benefit of writers represented by WGAW.

The risks of participating in multiemployer defined benefit pension plans are different from single-employer defined benefit pension plans in the following respects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the Pension Plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If an employer elects to end its participation in the Pension Plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

5. Multiemployer Defined Benefit Plans, continued

Pension Plan. WGAW’s participation in the Pension Plan for the fiscal year ended March 31, 2021 is summarized in the table below. The most recent Pension Protection Act zone status available is for the Pension Plan’s year-end at December 31, 2020. The zone status is based on information that WGAW received from the Pension Plan and is certified by the Pension Plan’s actuary.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status 2020	FIP/RP Status	Contributions by WGAW in 2020	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
Producer-Writers Guild of America Pension Plan	95-2216351/ No. 001	Green	No	\$ 1,709,745	No	May 1, 2023
Other				<u>1,696</u>		
Total				<u>\$ 1,711,441</u>		

Among other factors, plans in the red zone are generally less than 65 percent funded; plans in the orange and yellow zones are less than 80 percent funded; and plans in the green zone are at least 80 percent funded. The “FIP/RP Status” column indicates plans for which a funding improvement plan (FIP) or rehabilitation plan (RP) is either pending or has been implemented. The last column listed the expiration dates of the collective bargaining agreement pursuant to which the Pension Plan exists.

Health Fund. WGAW’s contributions to the Health Fund, which provides medical benefits to active employees and retirees, was \$1,995,266 for the fiscal year ended March 31, 2021.

6. Defined Contribution Plan

WGAW maintains a qualified contribution retirement or thrift plan (“401(k) Plan”) in which substantially all employees are eligible to participate. The 401(k) Plan provides for voluntary tax-deferred retirement contributions from employees under Section 401(k) of the Code.

WGAW contributions are required as defined in the 401(k) Plan document, subject to the limitations imposed by the Code and the Employee Retirement Income Security Act of 1974.

WGAW made \$282,092 in contributions on behalf of participants in the 401(k) Plan for the fiscal year ended March 31, 2021.

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

7. Commitments and Contingencies

WGAW has entered into operating lease agreements for its office equipment, theater and storage through December 2026. At March 31, 2021, future minimum payments under these non-cancellable obligations were as follows:

	Office Equipment	Theater	Storage	Total
2022	\$37,106	\$ 262,520	\$55,080	\$ 354,706
2023	31,618	281,729	55,080	368,427
2024	297	281,729	50,490	332,516
2025	-	281,729	-	281,729
2026	-	281,729	-	281,729
Thereafter	-	211,295	-	211,295
Total	<u>\$69,021</u>	<u>\$1,600,731</u>	<u>\$160,650</u>	<u>\$1,830,402</u>

For the fiscal year ended March 31, 2021, rent expense on operating leases was \$368,868.

WGAW is a labor organization whose primary function is to negotiate collective bargaining agreements with employers in the motion picture, television and new media industries.

WGAW may from time to time be involved in various ongoing litigation matters. Management does not expect that the monetary exposure in these matters will materially exceed the amounts recoverable through WGAW's insurance carriers. Management believes that the disposition of any such litigation will not materially affect WGAW's financial condition or earnings.

8. Financial Core Status ("FCS") Non-Membership Fee Obligations

The law permits WGAW to assess FCS non-members fees at a different rate than regular fees. For the fiscal year ending March 31, 2022, WGAW has set FCS fees at 6.85% less than the regular dues. This reflects WGAW's estimate of the dollar amount that will correspond to its nonchargeable expenditures. Upon review of the chargeable and nonchargeable expenditures after this fiscal year end, a FCS non-member may be entitled to an adjustment of his or her FCS non-member fee.

9. Summary of Expenses by Natural and Functional Classifications

Expenses incurred by natural and functional categories were as follows:

	Member Services	Management and General	Theater	Strike Fund	Good & Welfare Fund	Year 2000 Fund	Total
Payroll and related expenses	\$19,193,355	\$2,688,548	\$ 82,462	\$ 233	\$ 183	\$ -	\$21,964,781
Special functions	4,481,539	-	-	-	-	-	4,481,539
Occupancy expenses	3,422,179	1,027,390	333,481	-	-	-	4,783,050
Operating expenses	921,017	223,662	7,448	(6,104)	11,073	-	1,157,096
Professional fees	3,109,080	436,661	4,036	-	2,750	-	3,552,527
Communications	<u>269,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,952</u>
Total	<u>\$31,397,122</u>	<u>\$4,376,261</u>	<u>\$427,427</u>	<u>(\$5,871)</u>	<u>\$14,006</u>	<u>\$ -</u>	<u>\$36,208,945</u>

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

9. Summary of Expenses by Natural and Functional Classifications, continued

The financial statements report certain categories of expenses that are attributable to one or more functional classification of the WGAW.

- Payroll and related expenses are allocated based on estimates of the time spent by personnel on these activities.
- Special functions and communications costs are allocated based on the nature of the special function activities.
- Occupancy, operating, and professional fees are allocated based on the ratio of payroll and related expenses related to these activities.

10. Supplemental Disclosure of Cash Flow Information

During the fiscal year ended March 31, 2021, WGAW received funds on behalf of members of \$51,156,474. WGAW made payments from funds received on behalf of members of \$45,921,288 during the fiscal year ended March 31, 2021.

11. Related Party

During fiscal year 2009, the WGAW formed a political action committee (the "WGAW PAC").

Consistent with federal election law, WGAW assets will not be used to fund contributions to the WGAW PAC. WGAW PAC will solicit and raise voluntary contributions from the WGAW members, which will be used to support political activities on behalf of writers.

WGAW PAC is administered by a 11 member committee that includes WGAW's elected officers and executive director. Day-to-day operations have been delegated to a firm of experienced election law attorneys, who are responsible for compliance with recordkeeping and reporting requirements. Accordingly, WGAW's financial statements do not reflect the activities of the WGAW PAC.

The following is selected unaudited data as to assets, liabilities, net assets, revenues and expenses pertaining to the WGAW PAC as of and for the fiscal year ended March 31, 2021:

	<u>WGAW PAC</u> <u>(Unaudited)</u>
Assets	<u>\$ 93,286</u>
Liabilities	<u>\$ -</u>
Net assets	<u>\$ 93,286</u>
Revenues	<u>\$226,450</u>
Expenses	<u>\$244,768</u>
Net decrease	<u>(\$ 18,318)</u>

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

11. Related Party, continued

The WGAW PAC is subject to taxation under Internal Revenue Code Section 527 and Revenue and Taxation Code Section 23701r on investment income in excess of \$100.

12. COVID-19

In March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak in the United States has resulted in government mandated closures of nonessential businesses and directives aimed at restricting movement for residents of many states. WGAW management is unable to quantify the potential effects of the pandemic on the financial status of WGAW.

13. New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) recently issued ASU 2016-18, Statement of Cash Flows. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents will be included with cash and cash equivalents when reconciling the beginning and ending amounts shown on the statement of cash flows. ASU 2016-18 is effective for annual financial statements issued for fiscal years beginning after December 15, 2018. Earlier application is permitted. The WGAW adopted ASU 2016-18 for the year ended March 31, 2021.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), (“ASC 606”). The underlying principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers at the amount expected to be collected. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contract(s), which include (1) identifying the contract or agreement with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. The WGAW adopted ASC 606 effective April 1, 2020, and adoption of such standard had no effect on previously reported balances.

14. Subsequent Events

Management has evaluated subsequent events through May 20, 2021, the date on which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

SUPPLEMENTAL SCHEDULE

**WRITERS GUILD OF AMERICA, WEST, INC.
FOREIGN LEVIES FUNDS COLLECTED, DISTRIBUTED TO WRITERS AND HELD BY WGAW
MARCH 31, 2021**

Fiscal Year ^{1,2}	Collected				Distributed				Held
	A	B	C	D = B + C	E	F	G	H	
	Beginning Balance	WGAW Funds Collected Remittances ³	Investment Income/Interest ⁴	WGAW Total Funds Collected including Interest	Investment Income/Interest Transferred ⁵	Assessed Administrative Fee ⁶	WGAW Funds Distributed to Writers ⁷	WGAW Funds Distributed to The Actors Fund ⁸	WGAW Funds Held Balance ⁹
FY 1992 - FY 2011	\$ -	\$ 129,235,882	\$ 8,953,324	\$ 138,189,206	\$ 7,654,451	\$ 4,989,771	\$ 103,924,891	\$ -	\$ 21,620,093
FY 2012	21,620,093	18,294,675	203,687	18,498,362	-	847,107	17,321,468	-	21,949,880
FY 2013	21,949,880	17,281,607	173,094	17,454,701	681,706 ¹²	901,815	17,136,189	1,090,871	19,594,000
FY 2014	19,594,000	14,389,348	19,253	14,408,601	612,360	759,411	13,273,994	-	19,356,836
FY 2015	19,356,836	15,914,522	110,301	16,024,823	-	770,561	14,593,763	235,924	19,781,411
FY 2016	19,781,411	13,761,663	71,864	13,833,527	512,715	649,345	12,402,005	1,371,779	18,679,094
FY 2017	18,679,094	16,900,964	52,036	16,953,000	71,864	779,900	14,568,410	916,237	19,295,683
FY 2018	19,295,683	24,540,016	163,581	24,703,597	52,036	1,162,790	21,907,424	733,564	20,143,466
FY 2019	20,143,466	15,743,887	417,487	16,161,374	108,552	840,098	16,313,190	702,925	18,340,075
FY 2020	18,340,075	16,403,365	310,965	16,714,330	482,160	812,783	14,858,435	507,160	18,393,867
FY 2021	18,393,867	31,574,060	3,085	31,577,145	299,901	1,560,559	29,131,680	610,884	18,367,988
		\$ 314,039,989	\$ 10,478,677	\$ 324,518,666	\$ 10,475,745	\$ 14,074,140	\$ 275,431,449	\$ 6,169,344	

Notes:

- 1 All values rounded to the nearest dollar.
- 2 WGAW initiated its foreign levies collection efforts in 1987. It received the first remittances from foreign Collecting Societies in 1992.
- 3 WGAW's fiscal year ends on March 31.
- 4 Remittances from foreign collection societies to WGAW on behalf of writers, net of transfers to other foreign levies payors (e.g. the DGA) and refunds to foreign collecting societies of improperly transmitted funds.
- 5 Investment Income/Interest on funds held is net of bank and custodial fees. Investment Income/Interest is determined by investment performance.
- 6 Investment Income and Interest are transferred to WGAW general fund to offset the cost of administering the Foreign Levies Program.
- 7 WGAW began charging an administrative fee in 2004 to offset the cost of administering the Foreign Levies Program. The fee is assessed when funds are distributed to writers.
- 8 Includes payments to writers and their heirs, successors or other lawful payees.
- 9 WGAW transfers certain undeliverable foreign levies to The Actors Fund, a 501(c)(3) charitable organization, which provides emergency assistance to writers and other entertainment industry professionals.
- 10 Balance as of the end of WGAW's fiscal year on March 31.
- 11 FY 1992 - FY 2011 data are based on the February 29, 2012 *One-Time Review of the Foreign Levies Program*, prepared by the accounting firm KPMG LLP (the "KPMG Review").
- 12 FY 2012 beginning balance is based on the KPMG Review.
- 13 Retained Investment Income and Interest transferred to offset operating costs in excess of administrative fees and interest collected.

NOTICE TO WRITERS GUILD OF AMERICA, WEST, INC. FEE PAYERS

This notice is provided to all employees working under collective bargaining agreements between the Writers Guild of America, West, Inc. ("WGAW") and production companies. This notice provides you with information and sets forth procedures concerning implementation of your legal rights regarding "Financial Core Status" ("FCS") non-membership fee.

FINANCIAL CORE STATUS ("FCS") NON-MEMBERSHIP FEE OBLIGATIONS

The law permits the WGAW to assess FCS non-member fee up to an amount equal to its regular dues. During this coming fiscal year, **April 1, 2021 through March 31, 2022**, the WGAW has set the FCS non-membership fee at 6.85% less than the regular dues. This reflects the WGAW's estimate of the dollar amount that will correspond to its nonchargeable expenditures.

Expenses germane to the collective bargaining process are chargeable. These include, but are not limited to, expenses for negotiations, contract administration, grievance adjustment, organizing, economic actions, internal union governance and administration, and litigation related to these activities. Expenses for political purposes, general community services and members-only benefits are non-chargeable. In order to reduce the fee they pay to the WGAW, FCS non-members must follow the procedure described below.

PROCEDURE FOR FILING NOTICE OF OBJECTION AND NOTICE OF CHALLENGE

A procedure has been established allowing any person to (1) elect FCS non-member status by filing a "Notice of Objection" or (2) to challenge the FCS fee percentage by filing a "Notice of Challenge." A Notice of Objection may be filed without filing a Notice of Challenge. A person filing only a Notice of Challenge, however, will automatically be considered to have also filed a Notice of Objection.

A. Notice of Objection and/or Notice of Challenge:

1. The Notice of Objection may be filed separately or along with a Notice of Challenge. The postmark deadline for submitting either document is as follows:
 - (a) For members, on or before **July 31** for the upcoming fiscal year.
 - (b) For non-members, during the thirty (30) day period following receipt of the "NOTICE TO WRITERS GUILD OF AMERICA, WEST, INC. FEE PAYERS."
2. A Notice of Objection, when perfected, is irrevocable.
3. In order to be valid, a Notice of Challenge must be filed annually in writing and postmarked on or before the date set forth above.
4. The Notice of Objection or Challenge must include the following:
 - (a) Objector/Challenger name
 - (b) Objector/Challenger address
 - (c) Objector/Challenger telephone number
 - (d) Objector/Challenger social security number

- B. Address for filing objections and challenges:** The Notice of Objection or Challenge shall be filed with the person designated at the address set forth below. While not required, it is recommended that all challenges and objections be sent by certified mail, return receipt requested.

Patrick Cannon, Membership Administrator
 Writers Guild of America, West, Inc.
 7000 West Third Street
 Los Angeles, CA 90048

- C. Arbitration Procedure for Notice of Challenges:** The WGAW has established an arbitration procedure for challenging the amount of the FCS fee adjustment. The procedure will result in a prompt resolution of the challenge by an impartial arbitrator. Challengers will receive complete information concerning the arbitration procedure upon receipt of a timely and properly written challenge. All challenges filed within the prescribed time period will be consolidated into a single proceeding and conducted in accordance with the American Arbitration Association's (AAA) Rules for Impartial Determination of Union Fees. The AAA will select an arbitrator, whose fees will be paid by the WGAW.
- D. Post-Arbitration Procedures:** The final recalculated FCS non-member fee rate (percentage) will apply to challengers as of March 31, 2020, and appropriate adjustments will be made in accordance with the arbitration decision. No FCS non-member fee challenges will be accepted after the challenge period specified above for the period established by the notice.

PROCEDURE WHEN AN OBJECTOR AND/OR CHALLENGER FAILS TO RECEIVE A REDUCTION

Should the fee payments of any objector and/or challenger not be reduced by the WGAW in the amount set forth in this notice, the objector and/or challenger must write to the WGAW within thirty (30) days after he or she receives the fee notice to explain the situation. The WGAW will then take immediate action to remedy the situation as warranted by the facts.

FCS FEE PAYERS' REPRESENTATION RIGHTS

As long as the FCS non-member fee payer continues to pay his or her financial obligations to the WGAW, he or she shall have the right to continue employment and to be represented by the WGAW under applicable collective bargaining agreements in the same manner as a WGAW member.

However, a FCS fee payer is not entitled to membership rights in the Guild, such as the right to:

1. Compete for and receive Writers Guild Awards
2. Attend membership meetings or any other WGAW events for professional writers
3. Vote on changes in the credits system
4. Run for WGAW office
5. Vote in WGAW elections
6. Participate in the formation of WGAW bargaining proposals
7. Vote to ratify or not to ratify WGA collective bargaining agreements
8. Access the members-only section of the WGAW website
9. Use the Guild script registration service at the member's rate
10. Serve on WGAW committees
11. Exercise or enjoy any other rights or privileges of WGAW membership unrelated to the negotiation and administration of collective bargaining agreements (i.e., Strike Loan, Good & Welfare Loan, and other WGAW assistance programs)

All questions concerning this notice and requests for copies of the WGAW Financial Core Status Policy Statement must be in writing and addressed or delivered to the WGAW at the address set forth above.