

WRITERS GUILD OF AMERICA, WEST, INC.

ANNUAL FINANCIAL REPORT

JUNE 29, 2022



WRITERS GUILD OF AMERICA, WEST, INC.

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EXECUTIVE DIRECTOR

WGAW HEADQUARTERS

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AFFILIATED WITH:

La Guilde Française des Scénaristes

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Writers Guild of America, East

Writers Guild of Canada

Writers' Guild of Great Britain

Writers Guild of Ireland

Writers Guild of South Africa

STATEMENT OF THE MEMBERSHIP AND FINANCE COMMITTEE

June 29, 2022

Dear Fellow Members:

This year's financial report comes as the Guild and the industry begin to emerge from the COVID-19 pandemic. While the pandemic is not over, and its full effect will take years to assess, there are signs of a return to normal. The Guild Theater reopened in March. In May, Guild staff returned to in-person work on a hybrid schedule. And while managing a union during the pandemic certainly posed challenges, the Guild's overall financial condition remains strong as we head into the 2023 MBA negotiations.

In this booklet, you will find the WGAW's financial statements and a summary of industry and employment data for the fiscal year that ended March 31, 2022. Here are some highlights:

- The Guild ended the fiscal year with total net assets of over \$92.2 million. The Guild owns its headquarters located at the corner of Third Street and Fairfax Avenue.
- The Guild had an operating surplus for the fiscal year of \$4.5 million based on total revenues of \$38.9 million, down from \$46.1 million in the last fiscal year. The decline in total revenue is attributable to weak equity markets that resulted in an unrealized investment loss of \$0.2 million, compared to last year's gain of \$8.8 million. Member dues revenue (which includes dues on earnings and residuals as well as initiation fees) of \$33.4 million was higher than FY 2021's total of \$31.4 million.
- Annual expenditures of \$34.4 million were lower than FY 2021's total of \$36.2 million. The decrease in total expenditures was the result of a number of factors: the successful end of the agency campaign, reduced expenses for in-person events limited by COVID restrictions, and a higher than usual number of vacancies in budgeted staff positions.
- The supplemental schedule on page 17 reflects that the Guild's Foreign Levies Program distributed \$15.1 million to writers and heirs during the last fiscal year, bringing the total amount disbursed to \$290.6M since the program began in 1992. The program currently collects royalties in 21 countries in Europe and South America. This annual review is also posted on the Foreign Levies page of the Guild's website, where you will also find other information about the program.

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

Betsy Thomas (chair), Patti Carr, Tony DeSena, Carleton Eastlake, and Peter Murietta

THE MARKETPLACE FOR WRITING

EMPLOYMENT AND EARNINGS

The impact of the COVID-19 pandemic continued into 2021, with writers' reported earnings and employment reflecting disruption to the entertainment industry. In all fields, writers reported declines in both employment and earnings.

TOTAL EARNINGS FOR WGAW WRITERS AND NUMBER OF WRITERS REPORTING EARNINGS

More than 5,900 writers reported employment in all work areas in 2021, a 6.1% decline from 2020. Total writer earnings reported for dues purposes declined 7.7% to \$1.55 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
2016	5,913	5.1%	\$1,415.1	7.8%
2017	6,195	4.8%	\$1,512.3	6.9%
2018	6,316	2.0%	\$1,643.5	8.7%
2019	6,629	5.0%	\$1,772.7	7.9%
2020	6,336	-4.4%	\$1,675.9	-5.5%
2021	5,951	-6.1%	\$1,547.3	-7.7%

Source: WGAW records, prior years updated to include late reporting. At this time last year, for instance, reported earnings showed a 10.5% decline from 2019 to 2020. 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 2021 declined 5.5% to \$1.13 billion. Total employment was down 5.1% from 2020, with 4,934 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
2016	4,841	7.1%	\$996.0	10.0%
2017	4,986	3.0%	\$1,047.9	5.2%
2018	5,040	1.1%	\$1,129.9	7.8%
2019	5,396	7.1%	\$1,252.6	10.9%
2020	5,198	-3.7%	\$1,192.8	-4.8%
2021	4,934	-5.1%	\$1,127.6	-5.5%

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

In the 2020 MBA negotiations, the WGA negotiated improvements to the span provision to protect writers' overscale pay. The negotiated improvements increased 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. Information received from agencies is providing the Guild with a fuller picture of writer compensation, facilitating the release of numerous writer compensation guides.

EARNINGS AND EMPLOYMENT ON THEATRICAL PROJECTS

Screenwriter earnings declined 13.3% in 2021 to \$408.8 million, though this figure is likely to increase with late reporting. Screenwriter employment declined by 6.8% to 1,994 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
2016	1,936	-1.6%	\$406.3	2.6%
2017	2,059	6.4%	\$451.4	11.1%
2018	2,144	4.1%	\$500.2	10.8%
2019	2,299	7.2%	\$504.9	0.9%
2020	2,139	-7.0%	\$471.5	-6.6%
2021	1,994	-6.8%	\$408.8	-13.3%

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

134 writers reported employment in news, promotion, informational and interactive programming, a decline of 21.6% from the prior year. Earnings of \$11.0 million were down 5.2% from 2020.

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
2016	164	-0.6%	\$12.7	6.7%
2017	158	-3.7%	\$13.0	2.4%
2018	160	1.3%	\$13.4	3.1%
2019	175	9.4%	\$15.2	13.4%
2020	171	-2.3%	\$11.6	-23.7%
2021	134	-21.6%	\$11.0	-5.2%

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 2021 increased 5.4% from last year to an all-time high of \$493.6 million. Total television residuals increased 4.7% while screen increased 6.9%. New media, the largest residual category overall, accounted for almost half of the total residuals collected at 45.2%. This is an increase over last year where new media accounted for 36.7% of the total residuals collected.

Television residuals grew to \$323.43 million in receipts, representing 65.5% of the total residuals collected. New media residuals as a whole for television programs are up 31.7% over last year, increasing from \$102.95 to \$135.63 million. Although it dropped 5.5% from last year, foreign television residuals remain the second largest category for television after new media at \$42.95 million. High Budget SVOD residuals, now being tracked separately from all other new media, is now the third largest category of residuals at \$26.8 million. The 5,855.6% increase between 2016 and 2021 is so large due to the very low amount reported in the base year of 2016 as these residuals began to be paid. Note the strong growth in this area in 2019, 2020, and 2021. Further growth can be expected as the improvement in these

payments achieved in the 2020 MBA start to be paid on an increasing number of projects. Non-made-for-basic cable residuals are the next highest category at \$25.77 and is an increase of 5.6% over last year. This category, however, has dropped 7.8% in the past five years. Domestic syndication continued its decline with a 23.5% decrease from last year to \$22.4 million in residuals. Network prime time residuals dropped 18.5% from last year to \$20.23 million.

Total feature film residuals had an increase over last year to \$170.17 million. New media residuals continue to be the highest earning residuals category for the third year running at \$87.53 million for feature films, an increase of 27.1% over last year. Worldwide TV residuals are the second largest dollar category for film, but had a 2.5% drop from last year to \$37.22 million. Pay TV receipts, although our third largest dollar category at \$33.58 million, saw a 15.6% drop from last year. Home video receipts for film continue to decline, with a 35.6% decrease from 2020 to \$6.17 million, and a five-year decrease of 71.1%.

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

	2016	2017	2018	2019	2020	2021	PERCENT CHANGE 2020 – 2021	PERCENT CHANGE 2016 – 2021
TELEVISION RESIDUALS								
Prime Time Network	\$19.53	\$19.70	\$20.20	\$19.87	\$24.82	\$20.23	-18.5%	3.6%
Domestic Synd./CW	27.36	26.03	37.36	37.81	29.27	22.40	-23.5%	-18.1%
Foreign Free TV & Basic Cable	50.39	56.63	59.31	49.40	45.44	42.95	-5.5%	-14.8%
Basic Cable (Non Basic Cable Programs)	27.95	28.74	28.84	27.04	24.40	25.77	5.6%	-7.8%
Basic Cable for Made-for-Basic	35.59	36.52	34.89	31.19	25.78	23.83	-7.6%	-33.0%
Pay TV for Made-for-Pay	8.67	8.84	10.91	11.68	14.98	16.46	9.9%	89.9%
Pay TV (for Non-Pay Programs)	7.63	13.09	10.08	12.37	6.25	6.63	6.1%	-13.1%
Home Video	3.74	3.94	2.99	2.08	1.79	2.44	36.3%	-34.8%
New Media Reuse (HBSVOD)	0.45	1.86	4.16	10.10	18.85	26.80	42.2%	5855.6%
New Media Reuse (Non HBSVOD)	41.47	57.55	69.54	78.66	84.10	108.83	29.4%	162.4%
Network Late Night/Weekend Day	5.05	7.97	10.20	11.18	11.51	11.13	-3.3%	120.4%
TV Creator Royalties	13.56	13.46	14.39	15.48	11.84	10.15	-14.3%	-25.1%
Misc. TV Reuse	5.73	3.67	4.65	5.24	9.90	5.81	-41.3%	1.4%
Total Television Residuals	\$247.12	\$278.00	\$307.52	\$312.10	\$308.93	\$323.43	4.7%	30.9%
THEATRICAL RESIDUALS								
Worldwide Television	\$40.51	\$44.98	\$42.57	\$41.92	\$38.17	\$37.22	-2.5%	-8.1%
Home Video	21.37	19.49	15.02	12.85	9.58	6.17	-35.6%	-71.1%
Pay TV	56.90	58.82	52.44	48.96	39.77	33.58	-15.6%	-41.0%
DVD Script Fee	1.83	2.51	2.99	2.49	1.41	1.70	20.6%	-7.1%
New Media Reuse	16.43	26.36	40.80	52.17	68.84	87.53	27.1%	432.7%
Misc. Theatrical Reuse	1.20	1.04	1.11	0.82	1.49	3.97	166.4%	230.8%
Total Theatrical Residuals	\$138.24	\$153.20	\$154.93	\$159.21	\$159.26	\$170.17	6.9%	23.1%
TOTAL RESIDUALS	\$385.36	\$431.20	\$462.45	\$471.31	\$468.19	\$493.60*	5.4%	28.1%

*Due to deadlines in publishing this report, the 2021 total residuals figure does not include an additional \$886,974 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

	2015	2016	2017	2018	2019	2020	2021	2022 (THRU 5/12/22)
Residuals	\$44,566,668	\$27,580,803	\$33,261,907	\$35,927,386	\$50,738,480	\$51,269,341	\$65,752,169	\$21,298,638
Residuals Interest	1,199,915	668,284	1,176,343	1,235,684	1,510,474	1,341,152	1,649,439	561,153
Total Amounts	\$45,766,583	\$28,249,087	\$34,438,250	\$37,163,070	\$52,248,954	\$52,610,493	\$67,401,608	\$21,859,791
TOTAL OPEN CASES	285	336	414	393	336	372	212	216

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

	2015	2016	2017	2018	2019	2020	2021	2022 (THRU 5/12/22)
Initial Compensation	\$2,983,368	\$3,805,665	\$3,317,650	\$2,511,365	\$2,151,050	\$5,476,379	\$2,063,252	\$2,123,114
Compensation Interest	330,172	237,165	688,595	248,254	106,461	632,359	818,004	292,457
Residuals	6,174,449	4,161,002	537,859	6,530,028	2,368,447	946,697	12,648,314	1,300,075
Residuals Interest	500,343	1,866,141	66,272	366,366	419,648	5,348,833	2,162,581	155,424
P&H	341,796	379,411	856,373	935,734	485,940	509,992	364,124	175,775
P&H Interest	14,062	40,721	135,026	39,118	49,819	4,901	116,736	5,293
Credits Damages	338,139	41,735	20,750	252,129	53,308	25,364	132,439	112,000
TOTAL AMOUNTS	\$10,682,329	\$10,531,840	\$5,622,525	\$10,882,994	\$5,634,673	\$12,944,524	\$18,305,450	\$4,164,138

LEGAL DEPARTMENT TOTAL OPEN CASES

	2015	2016	2017	2018	2019	2020	2021	2022 (THRU 5/12/22)
Compensation	183	148	132	111	198	505	546	492
Credits	59	44	33	30	32	37	27	22
Miscellaneous	20	46	42	90	36	55	43	33
Residuals	223	266	286	239	138	142	224	214
Separation of Rights	21	12	15	18	14	15	16	16
TOTAL CASES	506	516	508	488	418	754	856	777

In 2021, the Legal Department collected more than \$18 million in compensation, residuals, and pension & health contributions, as well as interest on those unpaid amounts. A critical part of that work has been addressing company efforts to undervalue license fees on which residuals are paid when internally licensing content to online platforms the company also owns. Our successful resolution of such claims in 2021 resulted in payment of almost \$10 million in residuals and interest owed to writers. The Legal Department is continuing to pursue additional claims involving undervaluation of imputed license fees, which will result in more money collected for writers in 2022.

In addition to pursuing claims brought to our attention from writers, we are also continuing to use information provided by franchised agencies to help with MBA enforcement, including late pay. As a result of these efforts, in 2021 the Legal Department collected \$156,245 in interest for writers who had been paid late. The ultimate goal of this effort is to change studios' problematic payment practices.

WRITERS GUILD OF AMERICA, WEST, INC.

FINANCIAL STATEMENTS

MARCH 31, 2022

WRITERS GUILD OF AMERICA, WEST, INC.
FINANCIAL STATEMENTS
MARCH 31, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Members of the Board:

Opinion

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, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WGAW as of March 31, 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WGAW and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the WGAW's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 WGAW's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WGAW's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 23, 2022

WRITERS GUILD OF AMERICA, WEST, INC.

STATEMENT OF FINANCIAL POSITION MARCH 31, 2022

	GUILD OPERATIONS FUND	THEATER OPERATIONS FUND	STRIKE FUND	GOOD & WELFARE FUND	YEAR 2000 FUND	TOTAL ALL FUNDS
ASSETS						
Cash and Cash Equivalents	\$16,180,831	\$962	\$243,364	\$116,391	\$40,702	\$16,582,250
Membership Dues Receivable	8,189,040	-	-	-	-	8,189,040
Accounts Receivable, Net	439,170	-	-	-	-	439,170
Notes Receivable, Net	-	-	-	140,000	-	140,000
Prepaid Expenses	677,637	1,318	-	-	-	678,955
Investments, at Market Value	33,381,174	-	19,530,175	7,087,781	1,885,486	61,884,616
Funds Received On Behalf Of						
Members	29,602,125	-	-	-	-	29,602,125
Property and Equipment, Net	7,872,146	226,125	-	-	-	8,098,271
Security Deposits	2,295	23,478	-	-	-	25,773
Inter-Fund Borrowings	2,907,223	(2,907,223)	-	-	-	-
TOTAL ASSETS	<u>\$99,251,641</u>	<u>(\$2,655,340)</u>	<u>\$19,773,539</u>	<u>\$7,344,172</u>	<u>\$1,926,188</u>	<u>\$125,640,200</u>
LIABILITIES AND NET ASSETS						
Accounts Payable and Accrued						
Expenses	\$1,492,976	\$ -	\$ -	\$2,150	\$ -	\$1,495,126
Accrued Salaries, Vacation and						
Related Expenses	2,311,941	-	-	-	-	2,311,941
Deferred Rent	-	38,094	-	-	-	38,094
Due To Members	29,602,125	-	-	-	-	29,602,125
TOTAL LIABILITIES	<u>33,407,042</u>	<u>38,094</u>	<u>-</u>	<u>2,150</u>	<u>-</u>	<u>33,447,286</u>
NET ASSETS WITHOUT RESTRICTIONS						
Undesignated Net Assets (Deficit)	64,451,675	(2,693,434)	-	-	-	61,758,241
Designated Net Assets	1,000,000	-	19,773,539	7,342,022	1,926,188	30,041,749
	<u>65,451,675</u>	<u>(2,693,434)</u>	<u>19,773,539</u>	<u>7,342,022</u>	<u>1,926,188</u>	<u>91,799,990</u>
NET ASSETS WITH RESTRICTIONS	392,924	-	-	-	-	392,924
TOTAL NET ASSETS (DEFICIT)	<u>65,844,599</u>	<u>(2,693,434)</u>	<u>19,773,539</u>	<u>7,342,022</u>	<u>1,926,188</u>	<u>92,192,914</u>
TOTAL LIABILITIES AND NET						
ASSETS	<u>\$99,251,641</u>	<u>(\$2,655,340)</u>	<u>\$19,773,539</u>	<u>\$7,344,172</u>	<u>\$1,926,188</u>	<u>\$125,640,200</u>

WRITERS GUILD OF AMERICA, WEST, INC.

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED MARCH 31, 2022

	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	\$33,374,582	\$ -	\$ -	\$ -	\$ -	\$33,374,582
Administrative Fees	1,617,812	-	-	-	-	1,617,812
Gain on Disposal of Property and Equipment	27,500	-	-	-	-	27,500
Other	1,555,011	-	1,293	-	-	1,556,304
TOTAL REVENUES	36,574,905	-	1,293	-	-	36,576,198
EXPENSES						
Payroll and Related Expenses	22,074,229	5,712	-	-	-	22,079,941
Special Functions	2,640,206	-	-	-	-	2,640,206
Occupancy	4,181,010	402,034	-	-	-	4,583,044
Operating	1,433,932	5,007	(6,683)	(5,399)	-	1,426,857
Professional Fees	3,415,682	2,029	-	-	-	3,417,711
Communications	104,316	-	-	-	-	104,316
TOTAL EXPENSES	33,849,375	414,782	(6,683)	(5,399)	-	34,252,075
NET OPERATING INCREASE (DECREASE)	2,725,530	(414,782)	7,976	5,399	-	2,324,123
INVESTMENT INCOME						
Investment Income	284,692	-	1,403,115	556,118	311	2,244,236
Net Unrealized Appreciation (Depreciation) in Market Value	273,756	-	(314,856)	(124,815)	-	(165,915)
TOTAL INVESTMENT INCOME	558,448	-	1,088,259	431,303	311	2,078,321
CHANGE IN NET ASSETS WITHOUT RESTRICTIONS	3,283,978	(414,782)	1,096,235	436,702	311	4,402,444
CHANGE IN NET ASSETS WITH RESTRICTIONS						
Contributions (Showrunner Program)	250,000	-	-	-	-	250,000
Net Assets Released from Restrictions	(199,099)	-	-	-	-	(199,099)
CHANGE IN NET ASSETS WITH RESTRICTIONS	50,901	-	-	-	-	50,901
CHANGE IN NET ASSETS	3,334,879	(414,782)	1,096,235	436,702	311	4,453,345
NET ASSETS (DEFICIT), BEGINNING OF YEAR	62,509,720	(2,278,652)	18,677,304	6,905,320	1,925,877	87,739,569
NET ASSETS (DEFICIT), END OF YEAR	\$65,844,599	(\$2,693,434)	\$19,773,539	\$7,342,022	\$1,926,188	\$92,192,914

WRITERS GUILD OF AMERICA, WEST, INC.

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED MARCH 31, 2022**

	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	\$3,334,879	(\$414,782)	\$1,096,235	\$436,702	\$311	\$4,453,345
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:						
Depreciation and Amortization	1,390,627	51,291	-	-	-	1,441,918
Gain on Disposal of Property and Equipment	(27,500)		-	-	-	(27,500)
Net Unrealized (Appreciation) Depreciation in Market Value	(273,756)	-	314,856	124,815	-	165,915
(Decrease) In Allowances for Doubtful Accounts	-	-	(6,684)	(5,399)	-	(12,083)
(Increase) in Membership Dues Receivable	(341,626)	-	-	-	-	(341,626)
(Increase) in Accounts Receivable	(53,182)	-	-	-	-	(53,182)
(Increase) Decrease in Prepaid Expenses	(59,299)	89	-	-	-	(59,210)
(Decrease) in Accounts Payable and Accrued Expenses	(122,506)	-	-	-	-	(122,506)
(Decrease) in Accrued Salaries, Vacation and Related Expenses	(193,017)	-	-	-	-	(193,017)
(Decrease) in Deferred Rent	-	(8,020)	-	-	-	(8,020)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	3,654,620	(371,422)	1,404,407	556,118	311	5,244,034
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of Property and Equipment	(854,811)	(20,528)	-	-	-	(875,339)
Issuance of Notes Receivable	-	-	-	(140,000)	-	(140,000)
Payments Received on Notes Receivable	-	-	6,684	12,399	8,573	27,656
Purchases of Investments	(373,747)	-	(2,694,771)	(1,068,155)	(309)	(4,136,982)
Maturities of Investments	91,547	-	1,402,328	655,910	-	2,149,785
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(1,137,011)	(20,528)	(1,285,759)	(539,846)	8,264	(2,974,880)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Increase (Decrease) in Inter-fund Borrowings	(391,350)	391,350	-	-	-	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(391,350)	391,350	-	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,126,259	(600)	118,648	16,272	8,575	2,269,154
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	14,054,572	1,562	124,716	100,119	32,127	14,313,096
CASH AND CASH EQUIVALENTS, END OF YEAR	\$16,180,831	\$962	\$243,364	\$116,391	\$40,702	\$16,582,250

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

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, 2022

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, 2022

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, 2022, the total cost of administering the FLP was \$1,293,088, which was above the total administrative fees and interest income of \$799,953 by \$493,135.

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 \$803,494 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, 2022

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, 2022

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, 2022, 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, 2022 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, 2022

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, 2022:

	Investments				Total Cost
	Level 1	Level 2	Level 3	Market Value	
Bond mutual funds	\$ 2,770,717	\$ -	\$ -	\$ 2,770,717	\$ 2,825,060
Equity mutual funds	29,617,779	-	-	29,617,779	22,355,576
Money market funds	29,496,120	-	-	29,496,120	29,496,120
Total	\$61,884,616	\$ -	\$ -	\$61,884,616	\$54,676,756

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.

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.

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

4. Property and Equipment

Property and equipment consisted of the following at March 31, 2022:

	Total
Land	\$ 700,000
Building and improvements	10,761,897
Furniture and fixtures	5,425,235
Computers and equipment	2,176,782
Tenant improvements	838,434
	19,902,348
Less: Accumulated depreciation and amortization	11,804,077
	\$ 8,098,271

Depreciation and amortization expense was \$1,441,918 for the fiscal year ended March 31, 2022.

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.

Pension Plan. WGAW’s participation in the Pension Plan for the fiscal year ended March 31, 2022 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, 2021. 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 2021	FIP/RP Status	Contributions by WGAW in 2022	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
Producer-Writers Guild of America Pension Plan	95-2216351/ No. 001	Green	No	\$ 1,802,774	No	May 1, 2023
Other				42		
Total				\$ 1,802,816		

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

5. Multiemployer Defined Benefit Plans, continued

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 \$2,018,549 for the fiscal year ended March 31, 2022.

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 \$300,465 in contributions on behalf of participants in the 401(k) Plan for the fiscal year ended March 31, 2022.

7. Commitments and Contingencies

WGAW has entered into operating lease agreements for its office equipment, theater and storage through December 2026. At March 31, 2022, future minimum payments under these non-cancellable obligations were as follows:

	Office Equipment	Theater	Storage	Total
2023	\$40,532	\$ 281,729	\$60,338	\$ 382,599
2024	8,528	281,729	56,827	347,084
2025	5,619	281,729	-	287,348
2026	4,322	281,729	-	286,051
2027	<u>1,512</u>	<u>211,297</u>	<u>-</u>	<u>212,809</u>
Total	<u>\$60,513</u>	<u>\$1,338,213</u>	<u>\$117,165</u>	<u>\$1,515,891</u>

For the fiscal year ended March 31, 2022, rent expense on operating leases was \$451,750.

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.

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

7. Commitments and Contingencies, continued

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, 2023, WGAW has set FCS fees at 10.24% 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	\$19,530,454	\$2,543,775	\$ 5,712	\$ -	\$ -	\$ -	\$22,079,941
Special functions	2,839,305	-	-	-	-	-	2,839,305
Occupancy	3,216,879	964,131	402,034	-	-	-	4,583,044
Operating	1,058,871	375,061	5,007	(6,683)	(5,399)	-	1,426,857
Professional fees	2,912,370	503,312	2,029	-	-	-	3,417,711
Communications	104,316	-	-	-	-	-	104,316
Total	<u>\$29,662,195</u>	<u>\$4,386,279</u>	<u>\$414,782</u>	<u>(\$6,683)</u>	<u>(\$5,399)</u>	<u>\$ -</u>	<u>\$34,451,174</u>

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, 2022, WGAW received funds on behalf of members of \$31,188,098. WGAW made payments from funds received on behalf of members of \$33,316,575 during the fiscal year ended March 31, 2022.

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

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, 2022:

	<u>WGAW PAC</u> <u>(Unaudited)</u>
Assets	<u>\$ 146,006</u>
Liabilities	<u>\$ -</u>
Net assets	<u>\$ 146,006</u>
Revenues	<u>\$ 100,408</u>
Expenses	<u>\$ 47,688</u>
Net increase	<u>\$ 52,720</u>

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

In February 2016, the FASB issued ASU No. 2016-02 Leases, requiring organizations to recognize lease assets and lease liabilities on the statements of financial position and requiring disclosure of key information about leasing arrangements. The guidance is effective for periods beginning after December 15, 2021, with early adoption permitted. The WGAW is currently evaluating the impact of the pending adoption of this new standard on its financial statements.

WRITERS GUILD OF AMERICA, WEST, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

14. Subsequent Events

Management has evaluated subsequent events through May 23, 2022, 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, 2022**

Fiscal Year ^{1,2}	Collected				Distributed				Held
	A	B	C	E	F	G	H	- H	
	Beginning Balance	WGAW Funds Collected Remittances ³	Investment Income/Interest ⁴	Total Funds Collected including Interest	Assessed Administrative Fee ⁶	WGAW Funds Distributed to Writers ⁷	WGAW Funds Distributed to The Actors Fund ⁸	WGAW Funds Held Balance ⁹	
				D = B + C				I = A + D - E - F - G	
FY 1992 - FY 2011	\$ -	\$ 129,235,882	\$ 8,953,324	\$ 138,189,206	\$ 4,989,771	\$ 103,924,891	\$ -	\$ 21,620,093	
FY 2012	21,620,093 ¹¹	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	901,815	17,136,189	1,090,871	19,594,000	
FY 2014	19,594,000	14,389,348	19,253	14,408,601	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	649,345	12,402,005	1,371,779	18,679,094	
FY 2017	18,679,094	16,900,964	52,036	16,953,000	779,900	14,568,410	916,237	19,295,683	
FY 2018	19,295,683	24,540,016	163,581	24,703,597	1,162,790	21,907,424	733,564	20,143,466	
FY 2019	20,143,466	15,743,887	417,487	16,161,374	840,098	16,313,190	702,925	18,340,075	
FY 2020	18,340,075	16,403,365	310,965	16,714,330	812,783	14,858,435	507,160	18,393,867	
FY 2021	18,393,867	31,574,060	3,085	31,577,145	1,560,559	29,131,680	610,884	18,367,988	
FY 2022	18,367,988	16,223,036	1,636	16,224,672	798,318	15,146,275	300,117	18,347,517	
		\$ 330,263,025	\$ 10,480,313	\$ 340,743,338	\$ 14,872,458	\$ 290,577,724	\$ 6,469,461		

Notes:

All values rounded to the nearest dollar.

¹ WGAW initiated its foreign levies collection efforts in 1987. It received the first remittances from foreign Collecting Societies in 1992.

² WGAW's fiscal year ends on March 31.

³ 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.

⁴ Investment Income/Interest on funds held is net of bank and custodial fees. Investment Income/Interest is determined by investment performance.

⁵ Investment Income and Interest are transferred to WGAW general fund to offset the cost of administering the Foreign Levies Program.

⁶ 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.

⁷ Includes payments to writers and their heirs, successors or other lawful payees.

⁸ 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.

⁹ Balance as of the end of WGAW's fiscal year on March 31.

¹⁰ 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").

¹¹ FY 2012 beginning balance is based on the KPMG Review.

¹² 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, 2022 through March 31, 2023**, the WGAW has set the FCS non-membership fee at 10.24% 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, 2021, 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.