
WRITERS GUILD OF AMERICA, WEST, INC.

FINANCIAL STATEMENTS

MARCH 31, 2004

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Writers Guild of America, west, Inc.
7000 West Third Street
Los Angeles, California 90048-4324

Members of the Board:

We have audited the accompanying statement of financial position of Writers Guild of America, west, Inc. (the "Guild") as of March 31, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Guild's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Guild as of March 31, 2004 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


MILLER, KAPLAN, ARASE & CO., LLP

May 13, 2004

WRITERS GUILD OF AMERICA, west, INC.

STATEMENT OF FINANCIAL POSITION MARCH 31, 2004

	GUILD OPERATIONS FUND	THEATER OPERATIONS FUND	STRIKE FUND	GOOD & WELFARE FUND	YEAR 2000 FUND	Total ALL FUNDS
ASSETS						
Cash and Cash Equivalents	\$2,529,270	\$4,358	\$128,030	\$8,881	\$504,590	\$3,175,129
Member Dues Receivable	3,917,000					3,917,000
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$278,337	433,817	21,935	21,232	6,241	16,463	499,688
Notes Receivable, Net of Allowance for Doubtful Accounts of \$643,249				31,070		31,070
Prepaid Expenses and Other Assets	167,590	240		32,341		200,171
Investments	5,186,833		8,078,593	2,461,607	1,553,757	17,280,790
Funds Held In Trust For Members	21,700,775					21,700,775
Undeliverable Funds	4,836,301					4,836,301
Property and Equipment, Net	7,414,306	85,404				7,499,710
Inter-Fund Borrowings	(75,110)	75,110				
TOTAL ASSETS	<u>\$46,110,782</u>	<u>\$187,047</u>	<u>\$8,227,855</u>	<u>\$2,590,140</u>	<u>\$2,074,810</u>	<u>\$59,190,634</u>
LIABILITIES AND NET ASSETS						
Accounts Payable and Accrued Expenses	\$993,158	\$5,150	\$3,525	\$906		\$1,002,739
Accrued Salaries, Vacation and Severance	1,332,845					1,332,845
Deferred Rent		247,900				247,900
Due To Members	21,700,775					21,700,775
Undeliverable Funds	4,836,301					4,836,301
TOTAL LIABILITIES	<u>28,863,079</u>	<u>253,050</u>	<u>3,525</u>	<u>906</u>		<u>29,120,560</u>
NET ASSETS						
UNRESTRICTED:						
Undesignated Net Assets (Deficit)	16,024,488	(66,003)				15,958,485
Designated Net Assets	1,000,000		8,224,330	2,589,234	2,074,810	13,888,374
	<u>17,024,488</u>	<u>(66,003)</u>	<u>8,224,330</u>	<u>2,589,234</u>	<u>2,074,810</u>	<u>29,846,859</u>
TEMPORARILY RESTRICTED	<u>223,215</u>					<u>223,215</u>
TOTAL NET ASSETS (DEFICIT)	<u>17,247,703</u>	<u>(66,003)</u>	<u>8,224,330</u>	<u>2,589,234</u>	<u>2,074,810</u>	<u>30,070,074</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$46,110,782</u>	<u>\$187,047</u>	<u>\$8,227,855</u>	<u>\$2,590,140</u>	<u>\$2,074,810</u>	<u>\$59,190,634</u>

The accompanying notes are an integral part of the Financial Statements.

WRITERS GUILD OF AMERICA, west, INC.

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	GUILD OPERATIONS FUND	THEATER OPERATIONS FUND	STRIKE FUND	GOOD & WELFARE FUND	YEAR 2000 FUND	TOTAL ALL FUNDS
Change in Unrestricted						
Net Assets:						
Revenues						
Member Dues	\$17,490,085					\$17,490,085
Other	2,087,289	\$651,465	\$6,561			2,745,315
Total Revenues	<u>19,577,374</u>	<u>651,465</u>	<u>6,561</u>			<u>20,235,400</u>
Expenses						
Payroll and Related	12,496,331	177,051		\$2,660		12,676,042
Special Functions	2,307,906					2,307,906
Occupancy	1,947,243	355,120				2,302,363
Operating	1,044,572	65,417		38,150		1,148,139
Professional Fees	1,533,518	676	32,686	9,787	\$1,163	1,577,830
Communications	528,335					528,335
Total Expenses	<u>19,857,905</u>	<u>598,264</u>	<u>32,686</u>	<u>50,597</u>	<u>1,163</u>	<u>20,540,615</u>
Net Operating Increase (Decrease)	<u>(280,531)</u>	<u>53,201</u>	<u>(26,125)</u>	<u>(50,597)</u>	<u>(1,163)</u>	<u>(305,215)</u>
Investment Income						
Investment Income	587,245		245,511	67,902	22,866	923,524
Net Realized Gains of Sales of Investments	15,340		44,349	3,677		63,366
Net Unrealized Appreciation in Market Value	13,827		538,149	226,085	3,020	781,081
Amortization of Premiums	(83,176)		(33,977)	(9,509)	(198)	(126,860)
Total Investment Income	<u>533,236</u>		<u>794,032</u>	<u>288,155</u>	<u>25,688</u>	<u>1,641,111</u>
Change in Unrestricted Net Assets	<u>252,705</u>	<u>53,201</u>	<u>767,907</u>	<u>237,558</u>	<u>24,525</u>	<u>1,335,896</u>
Change in Temporarily Restricted Net Assets:						
Interest Income	1,300					1,300
Change in Temporarily Restricted Net Assets	<u>1,300</u>					<u>1,300</u>
Change in Net Assets	<u>254,005</u>	<u>53,201</u>	<u>767,907</u>	<u>237,558</u>	<u>24,525</u>	<u>1,337,196</u>
Net Assets (Deficit), Beginning of Year						
	16,993,698	(119,204)	7,592,894	2,351,676	1,913,814	28,732,878
Mandatory Transfer To Year 2000 Fund						
			(136,471)		136,471	
Net Assets (Deficit), End of Year	<u>\$17,247,703</u>	<u>(\$66,003)</u>	<u>\$8,224,330</u>	<u>\$2,589,234</u>	<u>\$2,074,810</u>	<u>\$30,070,074</u>

The accompanying notes are an integral part of the Financial Statements.

WRITERS GUILD OF AMERICA, west, INC.

STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	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	\$254,005	\$53,201	\$767,907	\$237,558	\$24,525	\$1,337,196
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:						
Depreciation and Amortization	651,685	57,482				709,167
Net Realized Gain on Sale of Investments	(15,340)		(44,349)	(3,677)		(63,366)
Unrealized (Appreciation) in Market Value	(13,827)		(538,149)	(226,085)	(3,020)	(781,081)
Amortizations of Premiums	83,176		33,977	9,509	198	126,860
Provision for Doubtful Accounts	7,328		(18,162)	25,150		14,316
(Increase) in Member Dues Receivable	(177,000)					(177,000)
(Increase)/Decrease in Accounts Receivable, Net	49,779	23,365	26,807	5,918	(16,463)	89,406
(Increase)/Decrease in Notes Receivable, Net			18,162	(38,945)		(20,783)
(Increase) in Prepaid Expenses and Other Assets	(16,585)	(240)		(32,340)		(49,165)
Increase/(Decrease) in Accounts Payable and Accrued Expenses	117,064	(3,832)	1,712	906		115,850
Increase in Accrued Salaries, Vacation and Severance	173,670					173,670
(Decrease) in Deferred Rent		(8,200)				(8,200)
Net Cash Provided by (Used in) Operating Activities	1,113,955	121,776	247,905	(22,006)	5,240	1,466,870
Cash Flows from Investing Activities:						
Purchase of Property and Equipment	(1,082,797)					(1,082,797)
Purchases of Investments	(28,614,707)		(21,790,391)	(5,691,749)	(1,403,652)	(57,500,499)
Maturities of Investments	28,293,269		21,523,017	5,710,128	403,002	55,929,416
Net Cash Provided by (Used in) Investing Activities	(1,404,235)		(267,374)	18,379	(1,000,650)	(2,653,880)
Cash Flows from Financing Activities:						
Increase (Decrease) in Inter-Fund Borrowing	(1,382,204)	(117,796)	136,471		1,363,529	
Inter-Fund Transfers			(136,471)		136,471	
Net Cash Provided by (Used in) Financing Activities	(1,382,204)	(117,796)			1,500,000	
Net Increase (Decrease) in Cash and Cash Equivalents	(1,672,484)	3,980	(19,469)	(3,627)	504,590	(1,187,010)
Cash and Cash Equivalents, Beginning of Year	4,201,754	378	147,499	12,508		4,362,139
Cash and Cash Equivalents, End of Year	\$2,529,270	\$4,358	\$128,030	\$8,881	\$504,590	\$3,175,129

The accompanying notes are an integral part of the Financial Statements.