

WRITERS GUILD OF AMERICA, WEST, INC.

ANNUAL FINANCIAL REPORT

JUNE 17, 2008



WRITERS GUILD OF AMERICA, WEST, INC.

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AFFILIATED WITH:

Australian Writers Guild

Irish Playwrights & Screenwriters Guild

Writers Guild of America, East

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Société Des Auteurs De Radio, Télévision Et Cinema

Writers Guild of Canada

Writers Guild of New Zealand

Union/Gilde des Scenaristes (France)

Seccion de Autores y Adaptors de Cine, Mexico

STATEMENT OF THE MEMBERSHIP AND FINANCE COMMITTEE

June 17, 2008

Dear Fellow Members,

The fiscal year that ended on March 31, 2008, was among the most eventful in recent Guild history. The first strike in a generation culminated in the ratification of the 2008 MBA, containing significant advances, most notably in the area of writing for new media. In the spring, the Guild also reached agreement on a new CBS newswriter contract, following a negotiation that stretched over more than two years.

It is with both pleasure and satisfaction that we report that your Guild remains in excellent financial condition, despite the significant sacrifices and expenditures associated with the above events. Enclosed with this letter, you will find a complete copy of the Guild's audited financial statement, as required by the WGAW Constitution, along with other explanatory materials relating to your Guild's current financial condition. The highlights of the report are as follows:

- For the fiscal year ending March 31, 2008, the Guild received \$25.5 million in revenues and investment income, while spending a total of \$26.3 million. This resulted in an operating deficit of \$0.8 million.
- Fiscal year 2008 revenues of \$23.5 million from dues and fees were 5.4% percent higher than fiscal year 2007's total of \$22.3 million. TV earnings decreased by 8.8% while screen earnings increased by 15.9%.
- Investment income totaled \$1.7 million. This was down from \$2.8 million for fiscal year 2007, attributable to turmoil in the credit markets, declining short-term interest rates and weak equity markets.
- While the revenues side was strong, Guild expenditures grew from \$23.6 to \$26.3 million due to expenditures related to negotiations and the 100-day strike. In addition, the Guild provided over \$3 million in loans to members who suffered financial hardship due to the strike.
- As a result of the operating deficit, net WGAW assets decreased \$0.8 million from \$32.3 to \$31.5 million. The Guild owns its headquarters and has unused lines of credit totaling \$12 million. The Guild's investments stand at \$15.5 million, including a combined total of \$8.4 million in our Strike and Good & Welfare Funds.

The Membership and Finance Committee is made up of the Guild's Secretary-Treasurer and four members who are appointed by the Board of Directors. Among its duties is to oversee the annual audit performed by the independent accounting firm of Miller, Kaplan, Arase & Co.

We, the members of the Membership and Finance Committee, present this annual statement to keep you informed about the Guild's financial condition. We look forward to reporting our financial performance to you throughout the year, and we appreciate your support.

Sincerely,

The Membership and Finance Committee

John Bowman, Elias Davis (chair), Tony DeSena, Adam Rodman and Steven Schwartz