

WGE
FEDERAL CREDIT UNION
You've Got Connections!

2009 Annual Report

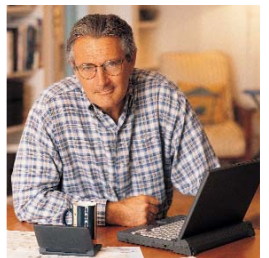


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2010 Business Meeting Agenda

Call to Order----- *Johnny Reason, Board Chairman*

Establishment of Quorum

Introduction of Directors

Reports to Membership

All reports are available in this Annual Report

Chairman's Report ----- *Johnny Reason*

Minutes – 73rd Annual Meeting----- *George McKibben, Secretary*

Treasurer's Report ----- *Linda Mann, Treasurer*

Loan Committee ----- *Dana Baker, Senior VP of Operations*

Supervisory Committee ----- *Steve Rose, Supervisory Chairman*

Motion to approve the above reports

Unfinished Business

None for this meeting ----- *Johnny Reason*

New Business

Board of Directors Election Results ----- *Johnny Reason*

William H. Yohler Memorial Scholarship Award ----- *Johnny Reason*

Special Recognition Award - *John McKenzie, President of Indiana Credit Union League*

President's Comments----- *Jeffrey E. Sikora, President/CEO*

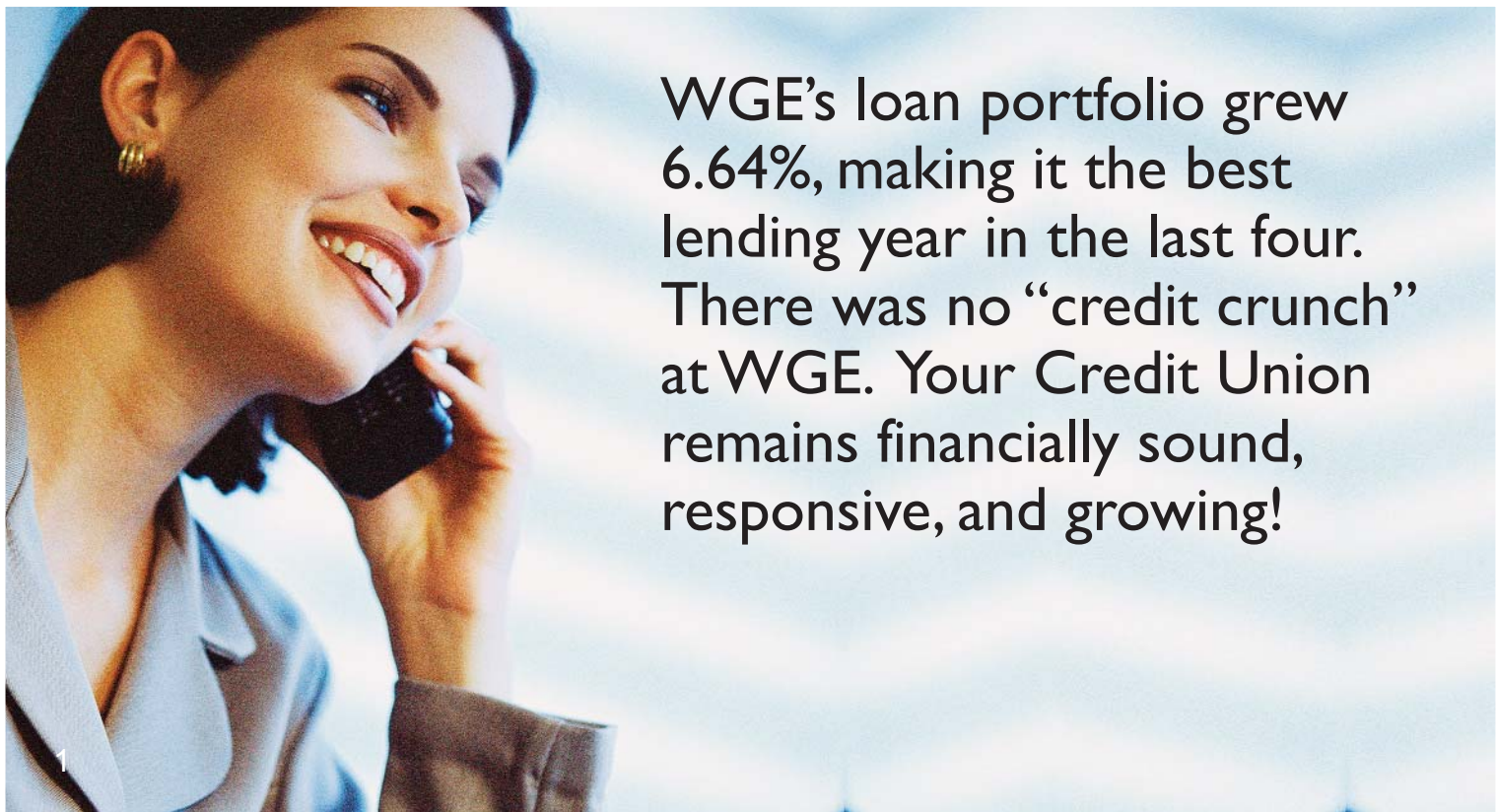
Recognition of Staff ----- *Jeffrey E. Sikora*

Questions and Answers----- *General Board*

Adjournment ----- *Johnny Reason*

Motion to adjourn this 74th Annual Meeting of WGE Federal Credit Union

Door Prize Drawing



WGE's loan portfolio grew 6.64%, making it the best lending year in the last four. There was no "credit crunch" at WGE. Your Credit Union remains financially sound, responsive, and growing!

Chairman's Report for 2009

The year 2009 was one for the books! No one could have foreseen all the unprecedented events or the magnitude of their impact. No one could have foreseen how widespread the fallout would be, or how long the results would stay with us. It was quite a year...

WGE Federal Credit Union, like all federally insured credit unions, was called upon to replenish the National Credit Union Share Insurance Fund (NCUSIF) after two corporate credit unions were placed into receivership early in the year. As further evidence of the upset in the marketplace, our own Corporate Credit Union was hit with investment losses, losses that were passed on to WGE. Credit unions are cooperative financial institutions, and they share both the good and the bad. Despite conservative operations and sound management, forces far beyond our marketplace and control affected us. Yet we absorbed these hits and remain well-capitalized and dynamic!

On a brighter note, the Credit Union's vital signs reflected strong performance. Assets and deposits grew significantly, as did our loan portfolio. In a time known for a "credit crunch," and decreased loan availability, WGE increased its loan production by over 11% from 2008. Character still counts at WGE, and our focus is on serving our members.

Another positive that came out of 2009 was a new vision and direction for the Credit Union. This direction calls for diversification of our products and services to include business deposits and loans. Driven by our members and community, we feel this is an area that offers financial benefits for the entire membership. There are numerous opportunities to grow our Credit Union, and growth means survival!

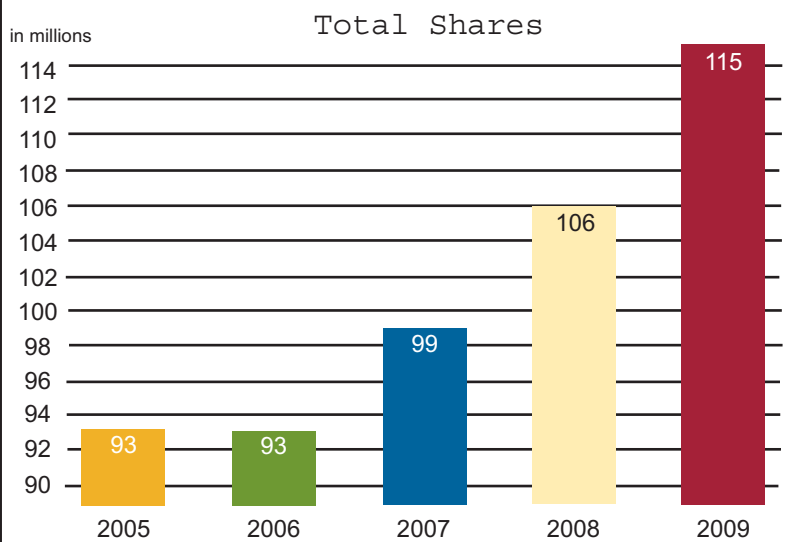
On behalf of the other directors, I want to state that WGE is moving forward to serve our members, our membership, and our community. Our intent is to be your financial services provider, no matter what service you need or want. We are safe and sound and growing...to serve you!



Johnny Reason,
Board Chairman



Johnny Reason
Chairman
WGE Board of Directors



Total shares rose from \$105,516,734.91 in 2008 to \$115,218,432.93 in 2009, creating an 8.5% increase in one year.

Meeting Minutes from 2009

The 73rd Annual Meeting was held at the Horizon Convention Center in Muncie, Indiana on April 25, 2009.

Call to Order: Chairman Johnny Reason called the annual meeting of WGE Federal Credit Union to order at 7:35 p.m.

Board of Directors Roll Call: Johnny Reason, Madlyn Clevenger, Marilyn Smith, George McKibben, Larue Cross, Jim Butler, and Linda Mann. Motion to accept the roll call as read was made by McKibben and properly seconded by Mann. Motion carried. McKibben recognized a quorum was present.

Board Introductions: Reason introduced the Board of Directors and Supervisory Committee and thanked them for their service.

Annual Report: Reason identified the list of reports that are included within the 2008 Annual Report.

- Chairman's Report
- Treasurer's Report
- 2008 Financial Statement
- President's Report
- 2008 Annual Meeting Minutes
- Loan Committee Report
- Supervisory Committee Report

Motion to accept the reports as printed in the 2008 Annual Report was made by McKibben and properly seconded by Smith. Motion carried.

Unfinished Business: Reason stated there is no unfinished business.

Election Report: Reason presented the Election Report. There were two nominations from the nominating committee, both incumbents; George McKibben and Jim Butler. There were no petitions submitted for office. The incumbents will maintain office due to acclamation. Motion to accept the Election Results by acclamation as read was made by McKibben and properly seconded by Smith. Motion carried.

New Business: Reason introduced President/CEO Jeff Sikora. Sikora introduced the Yohler Scholarship selection committee: Lissa Campbell, daughter of William H. Yohler, and Dorothy McGraw. Campbell thanked the Board of Directors and announced Kristi Kay Murray as the recipient of the 2009 William H. Yohler Memorial Scholarship.

Sikora commented that WGE is "safe, sound, and growing." WGE has experienced good increases in deposits, loans outstanding, and total assets. Sikora mentioned that the staff and official family are a primary component of the success WGE has experienced. WGE does not look like the credit union of three years ago and we will not look like the credit union of 2009 three years from now. No matter where we go, what we do, the credit union will always be driven by the credit union philosophy - *people helping people. Not for profit, not for charity, but for service.*

Questions and Answers: Reason asked for questions from the floor. Seeing none, asked for a motion to adjourn.

Motion to Adjourn: Motion to adjourn the meeting was made by McKibben at 7:45 p.m. and properly seconded by Clevenger. Motion carried.

George McKibben,
Secretary



Treasurer's Report for 2009

WGE FCU's financial performance for 2009 exemplifies the uncertainty and far-reaching impact of the general financial services industry last year. While the Credit Union did well within its own market environment, forces far beyond Muncie made their mark on the Credit Union's financial statements.

The year 2009 will always be known for the meltdown of the mortgage industry and its overall impact on the local, national, and worldwide economies. Recognizing the losses in market values of investments secured by mortgages caused losses and write-downs of investments in all financial institutions. These losses strained the insurance funds that protected depositors. It was this combination that led to WGE's recognized losses for the year. Between write-downs at our Corporate Credit Union and the Credit Union's assessment to replenish the National Credit Union Share Insurance Fund, we took unanticipated expenses of \$975,885. These unanticipated expenses resulted in the Credit Union showing a loss for the year of \$693,653. Fortunately, WGE had a strong capital position to withstand these unusual expenses. At year-end, our capital ratio exceeded 12%; almost double the level the National Credit Union Association (NCUA) defines as well-capitalized.

Due to the unusual nature of these expenses, we evaluate the Credit Union's performance independent of their impact. By looking at its net income before the application of these expenses, we see that WGE had a before-impact bottom line of \$282,232, well beyond what our budget called for. Had these extraordinary expenses not been applicable, WGE would have enjoyed better-than-anticipated yearly earnings.

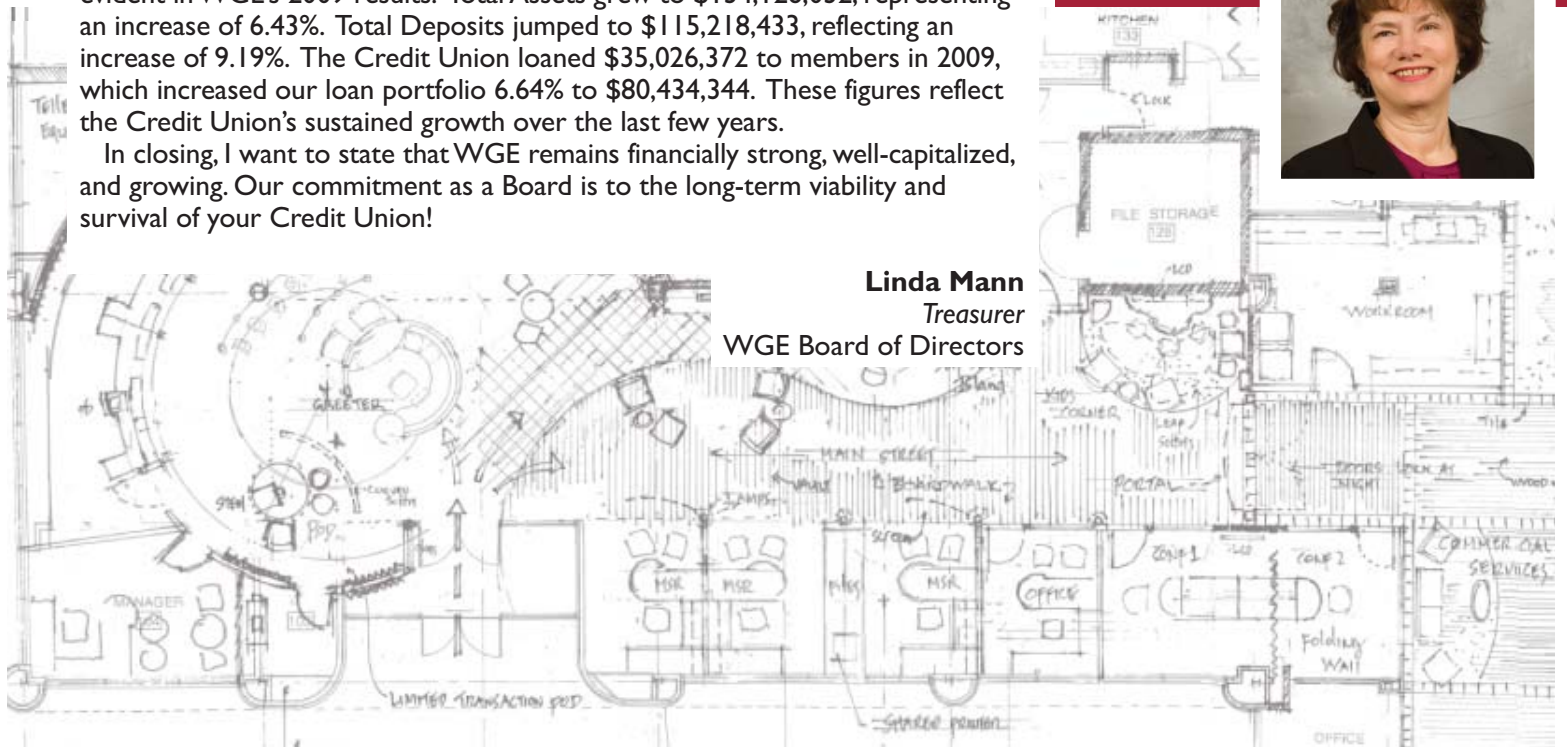
Looking beyond the Credit Union's earnings, several very positive trends were evident in WGE's 2009 results. Total Assets grew to \$134,126,032, representing an increase of 6.43%. Total Deposits jumped to \$115,218,433, reflecting an increase of 9.19%. The Credit Union loaned \$35,026,372 to members in 2009, which increased our loan portfolio 6.64% to \$80,434,344. These figures reflect the Credit Union's sustained growth over the last few years.

In closing, I want to state that WGE remains financially strong, well-capitalized, and growing. Our commitment as a Board is to the long-term viability and survival of your Credit Union!

Linda Mann
Treasurer
WGE Board of Directors



Linda Mann,
Treasurer





Loan Committee Report for 2009

WGE's Loan Officers and Loan Committee were very busy during 2009. For the year, WGE made loans to members totaling \$35,026,372. That dollar figure represents an 11.47% increase from the previous year's total of \$31,421,161. A breakdown and comparison of the year's activity is below:

Type	2008 Amount	2009 Amount
Consumer	\$25,801,260	\$26,853,348
Mortgage	\$ 3,575,350	\$ 5,131,425
Visa®	\$ 2,044,550	\$ 3,041,372
Total	\$31,421,160	\$ 35,026,372

As a result of the 2009 loan activity, WGE's loan portfolio totaled \$80,434,344, or up 6.64% from the 2008 year-end total of \$75,423,682 (totals net of Allowance for Loan Loss [ALLL]). The breakdown of the portfolio (before ALLL) is as follows:

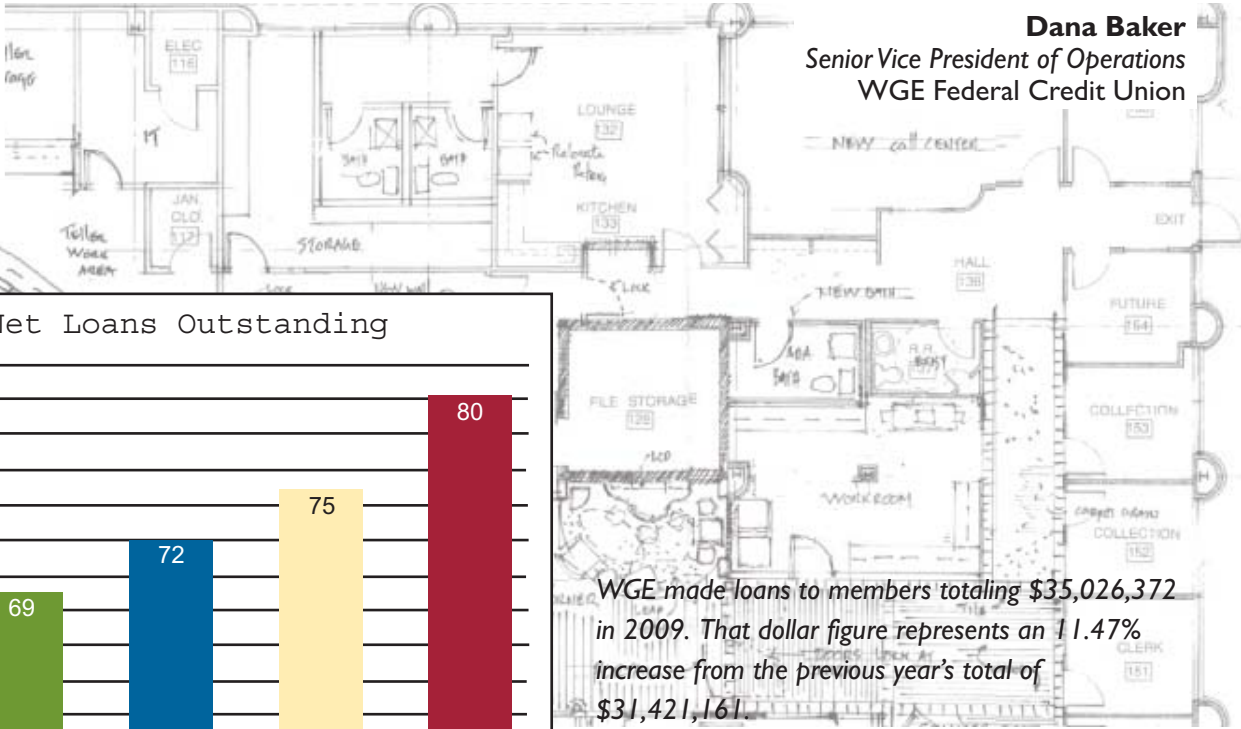
Type	Amount
Consumer	\$43,780,244
Mortgage	\$28,001,442
Visa®	\$ 9,139,424
Total	\$80,921,110

In summary, WGE continues to be your best source for loans, and can tailor loans to meet your budget. There is no "credit crunch" at WGE!

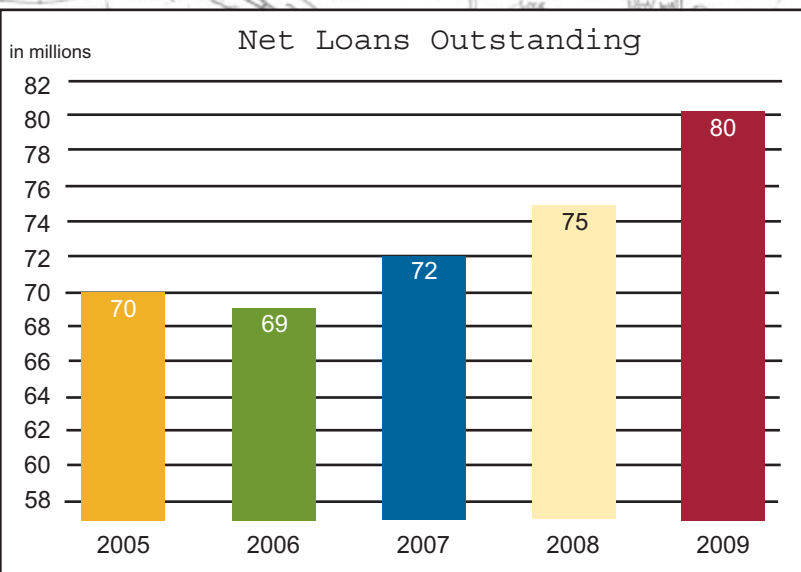
Dana Baker,
Senior Vice President
of Operations



Dana Baker
Senior Vice President of Operations
WGE Federal Credit Union

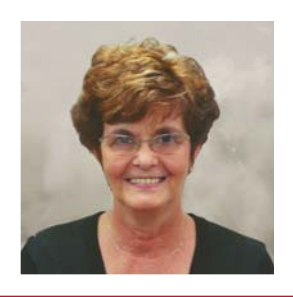


WGE made loans to members totaling \$35,026,372 in 2009. That dollar figure represents an 11.47% increase from the previous year's total of \$31,421,161.



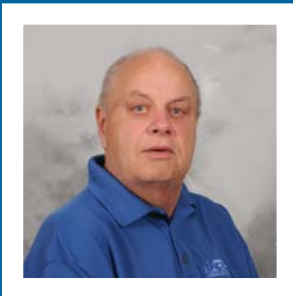


Board Nominees for 2010



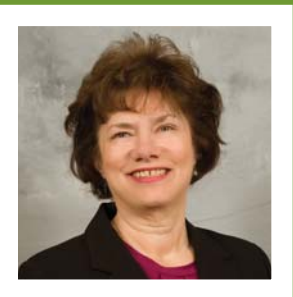
Madlyn Clevenger, Current Vice Chairman

Madlyn is a lifelong resident of Delaware County and attended Delaware Community Schools. She retired from Barlett Corporation in 2009 as the Human Resource Manager. She keeps busy as a member of Union Chapel Church, a volunteer with Hillcroft, and as a grandmother.



LaRue Cross, Current Director

LaRue graduated from Muncie Central High School. He has been involved with the Knights of Pythias for many years and was a 15-year member of the Board of Directors for the Indiana Pythian Home, a long-term convalescent care center. He retired from Warner Gear in 2005 after 44 years. While there, he was on the negotiating committee for three contracts, for two of which he was the chairman.



Linda Mann, Current Treasurer

Linda has lived in Muncie, with her husband of 42 years, the majority of her life. She has been a counselor for First Choice, and has volunteered at Union Chapel's Nursery and Big Brothers Big Sisters. She works part-time at Muncie Tool and Manufacturing, Inc, and has served on their board for the past 11 years. Linda is currently on the Board of Trustees at Destiny Christian Center.





Financial Statement for 2009

Assets

Home Equity Loans _____	\$6,135,466.51
Real Estate Loans _____	28,064,188.04
Share Secured Loans _____	812,222.97
All Other Loans _____	36,824,229.77
Visa® Gold _____	3,712,589.87
Visa® Classic _____	1,381,902.69
Visa® Platinum _____	4,044,931.45
Total Loans _____	80,975,531.30
Allowance for Loan Losses _____	(541,186.92)
Net Loans Outstanding _____	80,434,344.38

Cash _____	3,616,016.84
Corporate Investments _____	24,348,101.76
Bank CDs _____	19,290,270.49
NCUSIF _____	1,118,650.87
All Other Investments _____	907,946.03
Total Investments _____	45,664,969.15

Land & Buildings _____	2,893,737.57
Furniture & Fixtures _____	893,626.95
All Other Assets _____	623,337.30

TOTAL ASSETS _____ **\$134,126,032.19**

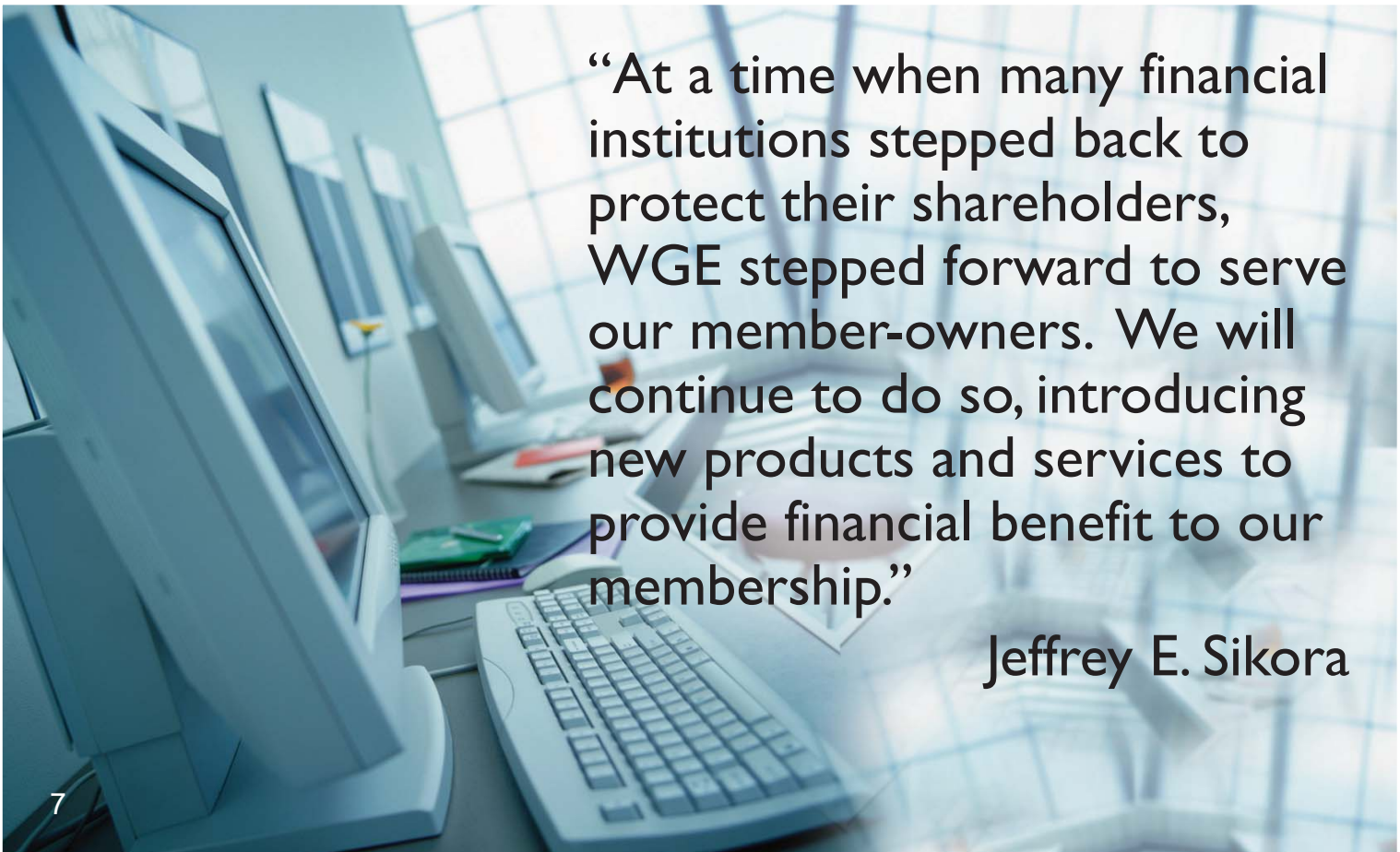
Liabilities

Accounts Payable _____	\$164,526.94
Dividends Payable _____	65,400.78
Unapplied DP Exceptions _____	2,026,720.06
All Other Liabilities _____	432,176.90

Share Certificates _____	33,228,224.22
Share Draft Accounts _____	16,511,377.99
Regular Shares _____	34,484,517.93
Money Market Shares _____	18,510,001.75
IRAs _____	12,484,311.04
Total Shares _____	115,218,432.93

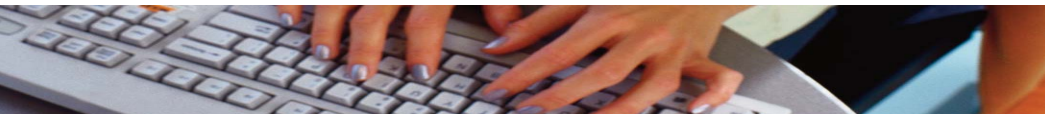
Regular Reserves _____	3,147,530.33
Undivided Earnings _____	13,071,244.25
Total Equity _____	16,218,774.58

TOTAL LIABILITIES & EQUITY _____ **\$134,126,032.19**



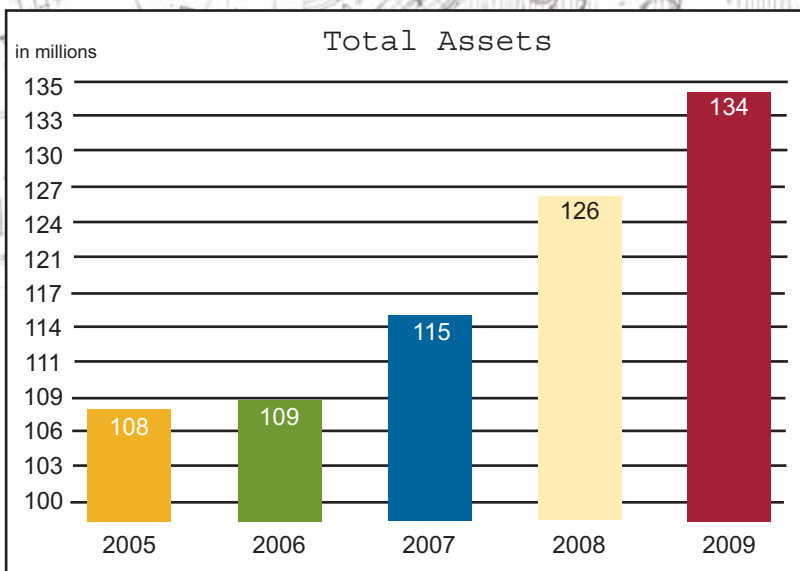
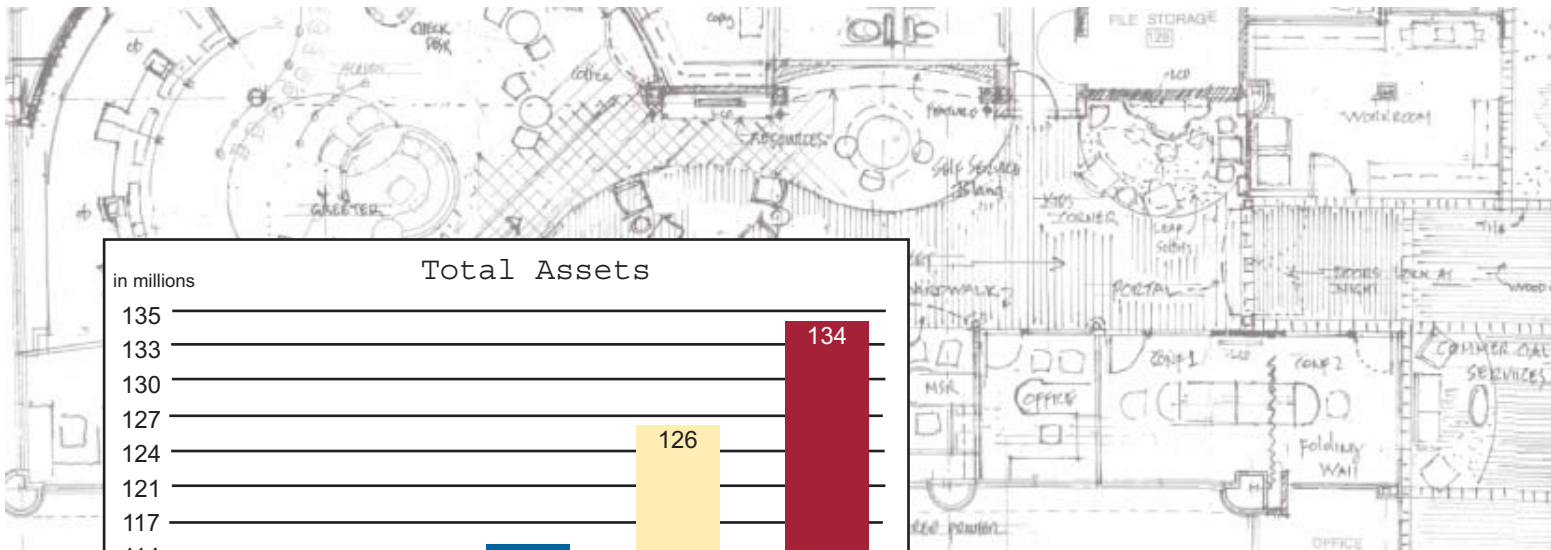
“At a time when many financial institutions stepped back to protect their shareholders, WGE stepped forward to serve our member-owners. We will continue to do so, introducing new products and services to provide financial benefit to our membership.”

Jeffrey E. Sikora






Income and Expenses for 2009

	2009	2008
INCOME		
Interest Income on Loans	\$5,475,786.34	\$5,109,132.81
Investment Income	921,312.99	1,521,365.72
Other Operating Income	3,279,194.36	2,494,681.38
Total Income	9,676,293.69	9,125,179.91
OPERATING EXPENSES		
Employee Compensation	2,071,742.12	1,967,761.57
Employee Benefits	495,906.02	463,300.03
Travel & Conference	13,221.72	39,402.17
Association Dues	16,705.00	16,514.30
Office Occupancy	451,876.10	418,303.46
Office Operations	1,960,724.65	1,851,408.99
Loan Servicing	355,014.43	270,899.12
Professional & Outside Services	105,963.28	152,271.62
Member Insurance	45,445.03	46,219.42
Supervisory Fees	30,002.09	25,658.85
Miscellaneous Expenses	1,138,128.36	339,196.88
Total Operating Expenses	6,684,728.80	5,590,936.41
INCOME FROM OPERATIONS	2,991,564.89	3,534,243.50
Dividend Expenses	1,862,602.73	2,348,070.42
Provision for Loan Losses	1,016,584.05	665,369.54
Gain/Loss on Investments	(806,031.50)	141,359.19
Gain/Loss on Fixed Assets		
NET INCOME/LOSS	(\$693,653.39)	\$662,162.73



Total Assets grew to \$134,126,032, representing an increase of 6.43% in 2009.



Supervisory Committee Report for 2009

The Supervisory Committee's role within the Credit Union is to ensure the financial records of the Credit Union are in order and comply with Federal Regulations.

In addition to the Supervisory Committee's operational oversight, it also employs the accounting firm of Whiting & Company LLC to perform the Annual Audit and Quarterly Reviews as required by the National Credit Union Administration (NCUA).

In 2009, the audit and quarterly reviews performed by Whiting & Company LLC found all of WGE's accounts and records to be in order and certified that the financial statements accurately reflect the Credit Union's financial position.

The Supervisory Committee also oversees the results of NCUA's Annual Examination. This examination ensures the Credit Union is operating in a safe and sound manner and qualifies for Federal Deposit Insurance Coverage. The results of the 2009 NCUA Examination determined WGE was operating in a manner that complies with NCUA regulations and expectations, and did qualify for Federal Deposit Insurance Coverage.



Steve Rose ,
Supervisory Chairman




Steve Rose
Chairman
WGE Supervisory Committee



“Character still counts at WGE,
and our focus is on serving our
members.”

Jeffrey E. Sikora



2010 William H. Yohler Memorial Scholarship Winner

WGE Federal Credit Union has awarded the 2008 William H. Yohler Memorial Scholarship to Anna Ruth Merrill.

Anna, a senior at Cowan High School, is the daughter of Daryl and Joan Merrill. She plans on attending Belmont University in Nashville, Tennessee, to pursue a degree in Studio Art and Youth Ministry. Belmont University is accredited by the National Association of Schools of Art and Design (NASAD) and is a Christian community. Anna's goals for the future include one day opening her own photography studio as well as working in youth ministry.

Included in her many academic achievements are membership in the National Honor Society, Key Club, Social Studies Academic Team, English Academic Team, Student Council, Fellowship of Christian Athletes, Art Club, Yearbook Staff, and Drama Club. She has also been active with Delaware County PRIDE Team, with Hurricane Katrina Relief, with Muncie Civic Theater, with the Brethren Church, and as a Vacation Bible School volunteer.



2010 William H. Yohler Memorial Scholarship
Anna Ruth Merrill,
Cowan High School

Dedicated Volunteer: William (Bill) H. Yohler

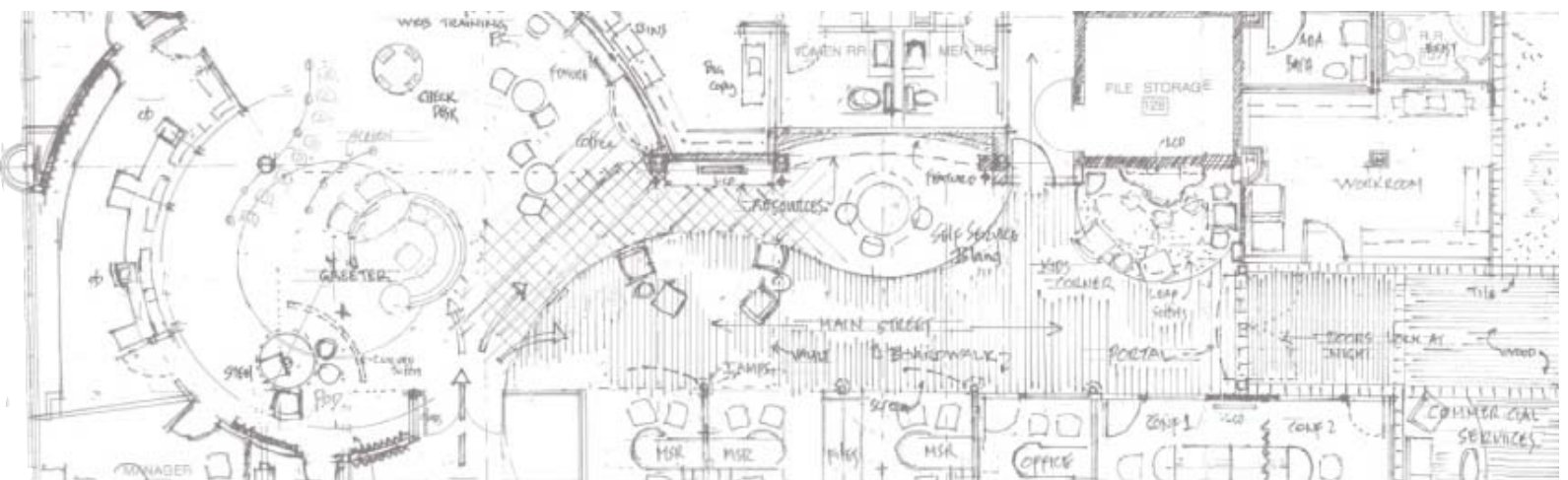


William (Bill) H. Yohler

The growth and success of WGE Federal Credit Union can be attributed to the many dedicated volunteers who have served over the years. WGE's longest serving volunteer was William (Bill) H. Yohler. Bill became a volunteer in 1944 and served for 57 years. In addition to Bill's dedication to the Credit Union, he was also active in the community as a civic and social volunteer.

After Bill's death in September 2001, WGE established a scholarship in his name. The goal of the scholarship is to recognize a student who shows Bill's dedication and concern for others through their own volunteer efforts.

In 2008, the scholarship was increased to \$4,000 payable in \$1,000 increments over four years. The funds may be used as the student sees fit and may be used at any university or college. Last year's scholarship winner was Kristi Kay Murray from Cowan High School.



President's Report for 2009



One piece of wisdom I remember from my parents was the saying, "There's more than meets the eye." It usually was intended to balance a rush to judgment or some premature jump to conclusion on my part. They encouraged me to look deeper and consider all the facts before deciding. In looking back at 2009, the wisdom of this phrase is very relevant.

The year 2009 was chaotic in the financial services industry. The fallout will be felt for years. The impact was so deep and widespread that no one was spared, not even your Credit Union. Despite sound management and conservative operations, WGE took significant losses from "Over the Horizon" sources. The sources were beyond our reach and control, and reflected unprecedented actions on Wall Street, in Washington, DC, and the Corporate Credit Union network. Yet their impact here at home was real. Fortunately, WGE had the financial strength to survive. And here's where there's more than meets the eye....

Looking beyond the financial hits absorbed from "Over the Horizon," WGE sustained some very positive growth trends. These trends speak to the Credit Union's long-term viability. Consider that our Total Assets grew 6.43% and our Total Deposits grew 9.19%. Even more impressively, in a year known for its "credit crunch," WGE lent over \$35 million to its members, an increase of 11.47% from 2008. WGE's loan portfolio grew 6.64%, making it the best lending year in the last four! There was no "credit crunch" at WGE! In addition to the year's lending totals, WGE paid members \$1,862,603 in dividends, and returned another \$94,897 in cash-back rewards to our Gold and Platinum Visa® cardholders.

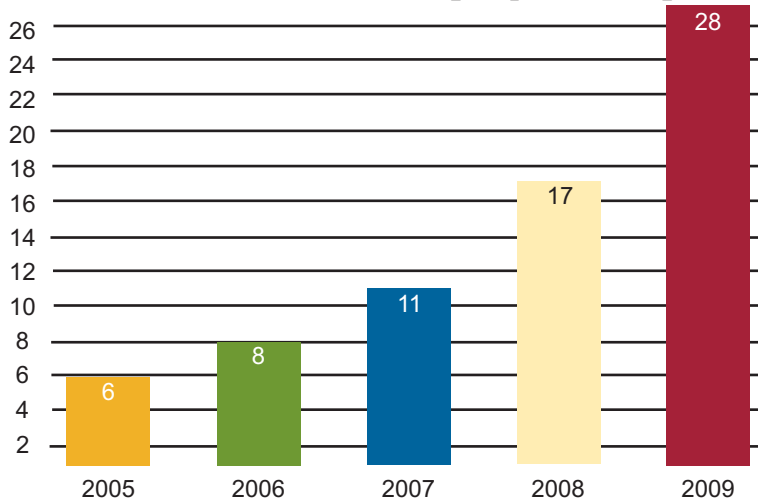
At a time when many financial institutions stepped back to protect their shareholders, WGE stepped forward to serve our member-owners. We will continue to do so, introducing new products and services to provide financial benefit to our membership. When you look at 2009, there's more than meets the eye—your Credit Union remains financially sound, responsive, and growing!

Jeffrey E. Sikora,
President and CEO



Jeffrey E. Sikora
President and CEO
WGE Federal Credit Union

Number of New Employee Groups



WGE is growing! We now have over 375 Select Employee Groups (SEGs). These are companies and organizations that have joined the Credit Union, allowing their employees and their families access to WGE's services.

Board of Directors and Supervisory Committee



Johnny Reason
Chairman



Madlyn Clevenger
Vice Chairman



Linda Mann
Treasurer



George McKibben
Secretary



Jim Butler
Director



LaRue Cross
Director



Marilyn Smith
Director



Lora Hildreth
Committee Member



Steve Rose
Committee Member



Jason Webber
Committee Member



Jeff Sikora
President/CEO
3 years



Dana Baker
Sr.VP of Operations
22 years



David Parmerlee
VP of Mkt. & Sales
2009 hire



Susan Keesling
Sr. Branch Manager
26 years



Leslie Timmons
Madison Manager
25 years



Jackie Kennedy
Elec. Ser. Manager
23 years



Matt Kear
IS and Facilities
20 years



Pam Qualkinbush
Broadway Manager
18 years



Nicole Terrell
Accounting Manager
10 years



Vickie Copley
SEG Development
8 years



Carol Bradshaw
Dir. of Marketing
2 years



Kim Rattray
Dir. of HR & Training
1 year



Emily Alexander
Business Services
2009 hire



Chris Courtney
Dir. of Business Services
2009 hire

Leadership Team



Tracy Davis
Trainer
24 years



Deanna Helms
Call Center
20 years



Sharon Baker
Loan Officer
18 years



Barbara Pearson
Call Center
17 years



Tami Powell
Mtg. Loan Officer
17 years



Michelle Turner
Mtg. Loan Officer
17 years



Jodie Hatcher
MSR
12 years



Sherry Miller
Call Center
12 years



Trina Bowling
Accounting
10 years



Sheila Kerr
Loan Officer
10 years



Cassie Minch
Accounting
10 years



Denise Ross
MSR
10 years



Tony Sorrell
Electronic Services
10 years



Haley Fullhart
MSR
8 years



Mary Denney
Electronic Services
6 years



Amanda Hankins
Electronic Services
5 years



Celia Breeding
MSR
3 years



Joannie Decker
MSR
3 years



Kara Devine
Receptionist
3 years



Julie Dobbs
MSR
3 years



Mary Nixon
Electronic Services
3 years



Michelle Bass
Head Teller
2 years



Judy Porter
Collector
2 years



Chrissy Rigney
MSR
2 years



Tiffany Peercy
Teller
1 year



Char Everett
Teller
2009 hire



Cindi Harrold
Teller
2009 hire

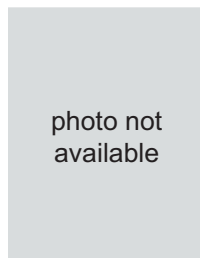


photo not available

Jessica Henry
Teller
2009 hire



Sarah Mosier
Teller
2009 hire

Broadway Branch Staff



Lisa Ambrosetti
Teller
20 years



Joyce Snider
MSR
17 years



Rhonda Ogle
MSR
13 years



Karen Delaney
Teller
11 years



Bonnie Lorange
Head Teller
9 years



Traci McCowan
Teller
9 years



Paula Terrell
Teller
4 years



Marlene Crabtree
Teller
3 years



Elizabeth Donovan
Teller
1 year



Lori Wood
Teller
1 year

Madison Branch Staff



Maria Hoyt
MSR
26 years



Cathy Creek
Loan Officer
21 years



Janice Ferrell
Head Teller
17 years



Chris Clevenger
MSR
11 years



Shellee Elliott
Teller
8 years



Dana Ruddick
Teller
8 years



Carolyn Reagan-Munday
Teller
7 years



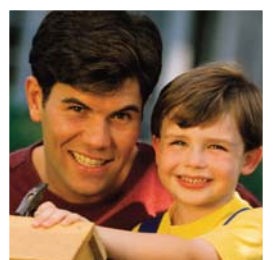
Joyce Pierce
Teller
6 years



Laurie Crose
Teller
2 years



Sharon Jackson
Teller
2 years



WGE
FEDERAL CREDIT UNION
You've Got Connections!