



WGE
FEDERAL CREDIT UNION

‘08

Annual Report

Business Meeting Agenda

Call to Order

Johnny Reason, Chairman

Establishment of Quorum

Introduction of Directors

Reports to Membership

(All reports are available in this Annual Report Booklet)

Chairman's Report Johnny Reason

Minutes - 72nd Annual Meeting
George McKibben

Treasurer's Report Marilyn Smith

Loan Committee Dana Baker

Supervisory Committee Steve Rose

Motion to approve the above reports.

Unfinished Business

Johnny Reason - None for this meeting.

New Business

Board of Directors Election Results

Johnny Reason

*William H. Yohler Memorial
Scholarship Award*

Johnny Reason

President's Comments

Jeffery E. Sikora, President/CEO

Recognition of Staff

Jeffery E. Sikora

Questions and Answers

General Board

Adjournment

Johnny Reason

Motion to adjourn this 73rd Annual Meeting of WGE Federal Credit Union.

Door Prize Drawing

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Year In Review

February

WGE launched a new Web site with enhanced search capabilities and a bold new design.

March

Over 3,600 branches are added to WGE with the joining of Shared Branching. Members may now do their banking across the United States.

April

Checks are now processed via electronic capture allowing quicker turn around and the ability to electronically view checks at any time.

E-Alerts are added to the ever-growing list of free electronic services. Know when your balance is low, when a check clears, when deposits are made, and when withdrawals are made by receiving an e-mail or text alert.

May

The former State Farm building, next to the Bethel Branch, is purchased to become the new WGE Administrative Building.

Members began receiving a new member satisfaction survey which allows members to win \$50 and allows WGE to pinpoint specific areas in which they excel or may need work.

June

Visa Member Rewards Program is introduced. Visa card holders can now receive up to 1% cash back when they use their Visa credit card.

July

A new WGePay system enhances WGeNet - Online Banking. Members may now send gift checks any where in the world, set payment reminders, and pay from multiple accounts.

August

“You’ve Got Connections!” becomes the new tagline for the credit union. The tagline reflects the credit unions connection to the community, members connection to experts in the credit union field, and connections to state-of-the-art banking products.

A fire suppression systems is installed to protect the onsite data base that houses member information in case of fire.

A natural gas generator is placed at the Bethel Branch. Now the Bethel Branch will be able to operate during power outages, ensuring members can always access their money.

September

All employees begin a three month training session called “Reg Flag”. Red Flag teaches employees how to recognize and prevent fraudulent member activity.

October

A year-long project, Disaster Recovery and Business Continuity Plan, is complete and submitted to the NCUA. In the case of a natural disaster, WGE has a plan in place to ensure the safety of member assets and a plan to get back to business within 24 hours.

December

WGE qualifies to insure regular member savings accounts up to \$500,000 with Excess Share Insurance.

The new Administrative Building renovations are complete.

R Year In Review

Chairman's Report

On behalf of my fellow Directors, I would like to welcome you to the 73rd Annual Meeting for WGE Federal Credit Union. As Board chairman, it is my distinct privilege to report that 2008 was a progressive and successful year for your Credit Union.

The most important message I want to share with our members tonight is that WGE is safe and sound. While it continues to grow, your Credit Union remains clear of the financial difficulties that are plaguing many other financial institutions. Let me offer the following examples of what I mean.

WGE is financially safe and sound. At year-end 2008, WGE had a capital reserve level of over 13%. The National Credit Union Administration (NCUA), our federal regulator, considers a credit union to be well-capitalized if their reserve level is 7%. As you can see, WGE's reserves are almost double the amount NCUA looks for.

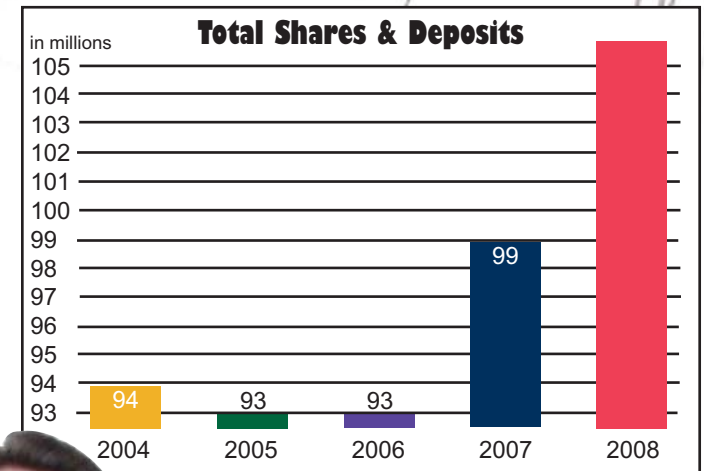
In addition to being extremely well-capitalized, WGE is profitable; your credit union earned a Return on Assets (ROA) of .55%, almost right on target with its Budget estimate of .59%. Coming that close to your Budget is difficult under normal circumstances; to do it in a year that was so hectic

makes it even better.

As a final example of its financial strength, WGE recently began to offer Excess Share Insurance coverage on all funds deposited to WGE. This Excess Share Insurance means deposits at WGE are covered up to \$500,000 per member, whereas most institutions only insure \$250,000. Again, because of our financial strength, we can offer additional safety and convenience to our members. There is no other institution that is safer to keep your money in than WGE!

In closing, I want to re-state WGE's commitment to moving forward to serve our membership. Our intention is to be **YOUR** primary financial services provider, offering the products and services that give you financial benefit. Remember, WGE is safe and sound and growing... for you!

Johnny Reason
Chairman
WGE Board of Directors



Chairman's
Report

Meeting Minutes

The 72nd Annual Meeting was held April 26, 2008 at the Horizon Convention Center.

Call to Order: Chairman Johnny Reason, called the meeting to order at 7:45 p.m.

Board of Directors Roll Call: Johnny Reason, Madlyn Clevenger, Marilyn Smith, George McKibben, LaRue Cross, and Linda Mann. Jim Butler was absent.

Motion to accept the role 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 listed of reports within the 2007 Annual Report.

- Chairman's Report
- 2007 Annual Meeting Minutes
- Treasurer's Report
- Loan Committee Report
- 2007 Financial Statement
- Supervisory Committee Report
- President's Report

Motion to accept the reports as printed in the 2007 Annual Report was made by McKibben and properly seconded by Cross. Motion carried.

Unfinished Business: Reason stated there is no Unfinished Business

Election Report: Clevenger presented the Election Report. There were three nominations from the nominating committee, all incumbents; Johnny Reason, Marilyn Smith, and Linda Mann. 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 made by McKibben and properly seconded from the floor. 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.

Sikora summarized the changes to the 2008 Scholarship Award. The award will be a \$1,000 per year reoccurring award up to \$4,000. Ms. Campbell thanked the Board for continuing to recognize Bill's volunteer efforts and commitment to the credit union movement.

Campbell announced Michael Wayne

Hutson as the recipient of the 2008 William H. Yohler Memorial Scholarship.

Sikora reflected on progress of the organization in 2007; particularly completion of the computer system conversion and the positive growth trends.

Sikora introduced the staff by department.

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 8:05 p.m. and properly seconded by Smith. Motion carried.



George McKibben
Secretary
WGE Board of Directors

Treasurer's Report

Over the last half of 2008, conditions within the financial services markets deteriorated with amazing speed and frightening scope. The affects of the downturn were felt from local markets to global markets; from Wall Street to Main Street. Everywhere you turned, the bad news was overwhelming as a tidal wave.

Yet against this backdrop of bank failures, Wall Street greed, and plummeting stock prices, your Credit Union sailed on; providing members a safe harbor for their financial needs. As WGE grew, it did so without experiencing the many financial ailments that plagued so many financial institutions! WGE is safe and sound... and growing!

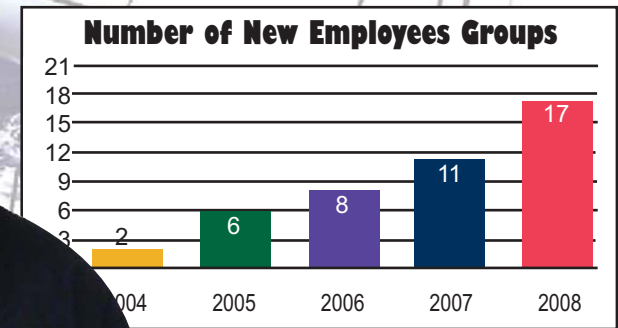
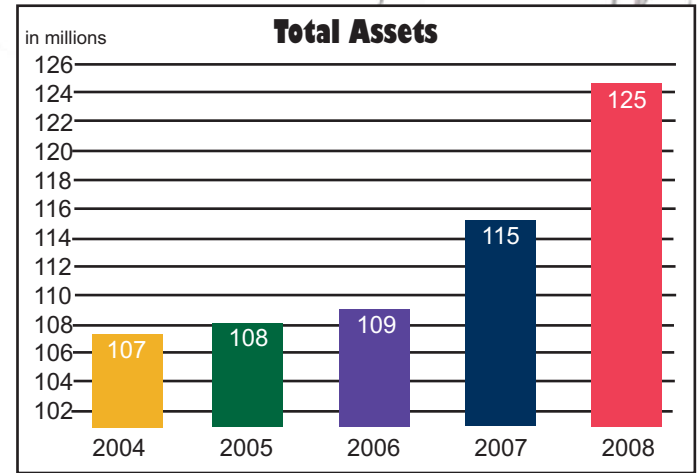
The source of WGE's financial strength lies with its capital base, built over years of strong earnings. At over 13% of assets, it is almost twice the level NCUA considers well-capitalized. Our current capital strategy is to maintain our current levels, while reinvesting the majority of our earnings into our operations. Still, we are in the enviable position of having plenty for "that rainy day".

Presented next is a financial snapshot of WGE. It reflects robust financial performance as well as steady growth. Consider the following statistics from year-end 2008:

- Assets grew to \$126,022,152, an increase of 9.51% from the previous year.
- Total deposits advanced to \$105,516,735, up 6.35% from year-end 2007.
- Loans Outstanding also grew, advancing 4.84% to \$75,423,683.
- WGE achieved a strong ROA of .55%, earning \$662,163 over the year.
- WGE closed \$31,421,161 in loans of all types during the year.
- Dividends paid on member deposits totaled \$2,348,068.
- WGE's membership exceeded 20,000 members and offered membership opportunities to more than 300 Muncie-area employee groups.

In closing, I would like to re-state that WGE is financially safe and sound, and offers members a solid choice for financial products and services.

Marilyn Smith
Treasurer
WGE Board of Directors



Treasurer's
Report

Loan Committee Report

WGE's Loan Officers and Loan Committee were very busy during 2008! For the year, WGE made 3,354 member loans totaling \$31,421,160. That dollar figure represents a 12.8% increase from the previous year's total of \$27,848,979. A breakdown of the year's activity is below:

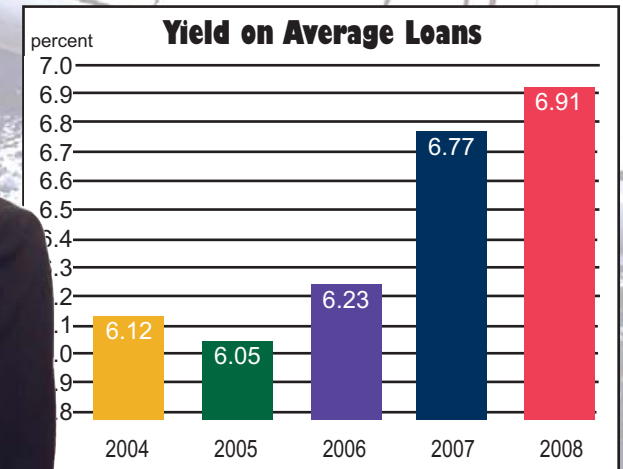
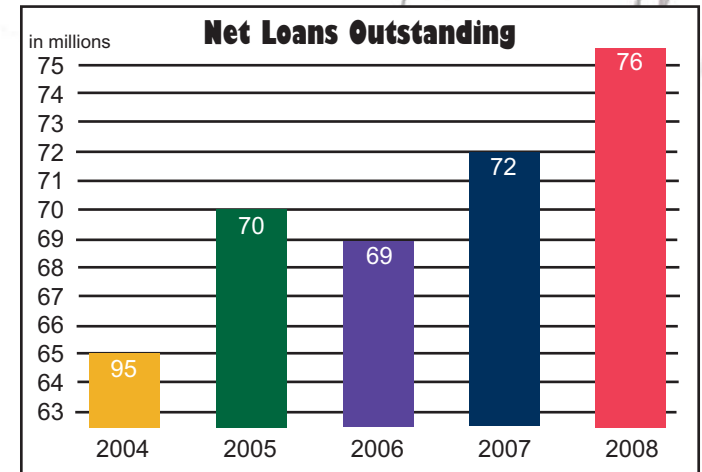
Member Loans		
Type	Number	Amount
Consumer	2,960	\$25,801,260
Mortgage	47	\$3,575,350
VISA	347	\$2,044,550
TOTAL	3,354	\$31,421,160

As a result of the 2008 loan activity, WGE's loan portfolio totaled \$75,761,973, or up 5.04% from 2007 year-end total of \$72,125,567 (totals before Allowance for Loan Loss). The breakdown of the portfolio is as follows:

Loan Portfolio	
Type	Amount
Consumer	\$40,522,953
Mortgage	\$27,350,191
VISA	\$7,888,829
TOTAL	\$75,761,973

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*



From NCUA December Financial Performance Report - Ratio Analysis

Loan
Committee

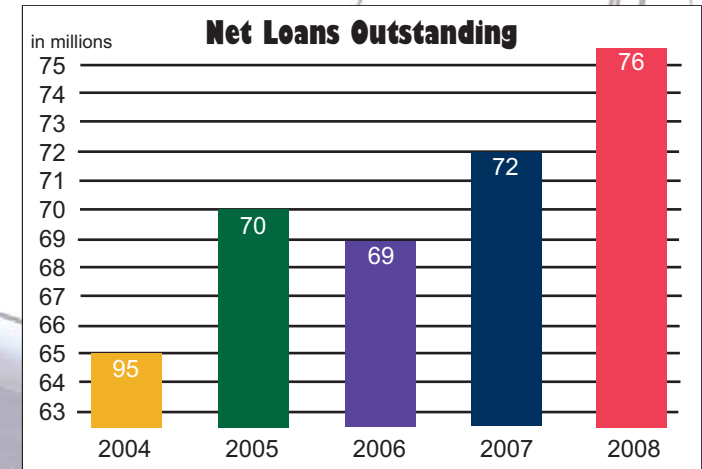
Financial Statement

Assets

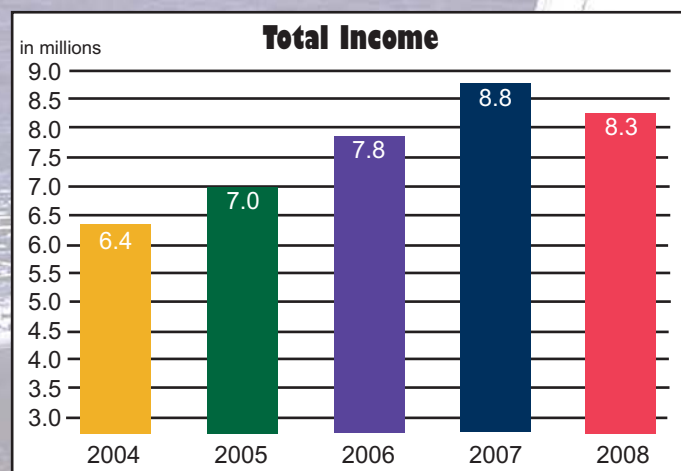
Home Equity Loans	\$5,653,716.74
Real Estate Loans	27,350,190.96
Share Secured Loans	757,739.90
All Other Loans	34,111,496.12
Visa Gold	3,799,886.32
Visa Classic	1,415,480.13
Visa Platinum	2,673,462.66
Total Loans	75,761,972.83
Allowance for Loan Losses	(338,290.25)
Net Loans Outstanding	75,423,682.58
Cash	3,830,732.26
Corporate Investments	18,537,983.20
Bank CDs	22,139,750.74
NCUSIF	1,009,557.07
All Other Investments	820,990.00
Total Investments	42,508,281.01
Land & Buildings	2,815,844.48
Furniture & Fixtures	807,517.83
All Other Assets	636,093.95
TOTAL ASSETS	\$126,022,152.11

Liabilities

Accounts Payable	\$124,772.28
Dividends Payable	88,368.31
Unapplied DP Exceptions	3,018,263.68
All Other Liabilities	361,584.96
Share Accounts	
Share Certificates	32,944,541.76
Share Draft Accounts	13,902,403.57
Regular Shares	30,998,891.23
Money Market Shares	17,441,497.43
IRA Accounts	10,229,400.92
Total Shares	105,516,734.91
Regular Reserves	3,147,530.33
Undivided Earnings	13,662,655.78
Current Income	102,241.86
Gain/Loss on Investments	0.00
Total Equity	16,912,427.97
TOTAL LIABILITIES & EQUITY	\$126,022,152.11



Income and Expenses



INCOME

	2008	2007
Interest Income on Loans	\$5,109,132.81	\$4,779,879.83
Investment Income	1,521,365.72	1,713,077.33
Fee Income	2,494,681.38	2,181,120.87
Other Operating Income		
Total Income	9,125,179.91	8,674,078.03

OPERATING EXPENSES

Employee Compensation	1,967,761.57	1,875,569.93
Employee Benefits	463,300.03	430,696.45
Travel & Conference	39,402.17	18,693.81
Association Dues	16,514.30	15,945.00
Office Occupancy	418,303.46	356,621.13
Office Operations	1,851,408.99	1,889,897.91
Loan Servicing	270,899.12	287,445.13
Professional & Outside Services	152,271.62	135,644.95
Member Insurance	46,219.42	48,438.63
Supervisory Fees	25,658.85	22,151.80
Interest on Borrowed Funds	0.00	0.00
Miscellaneous Expenses	339,196.88	255,209.90
Total Operating Expenses	5,590,936.41	5,336,314.64

INCOME FROM OPERATIONS	3,534,243.50	3,337,763.39
Dividend Expenses	2,348,070.42	2,305,241.21
Provision for Loan Losses	665,369.54	221,554.01
Gain/Loss on Sale of Investments	141,359.19	0.00
Gain/Loss on Fixed Assets	0.00	0.00
NET INCOME/LOSS	\$662,162.73	\$810,968.17

Income and
Expenses

Supervisory Committee Report

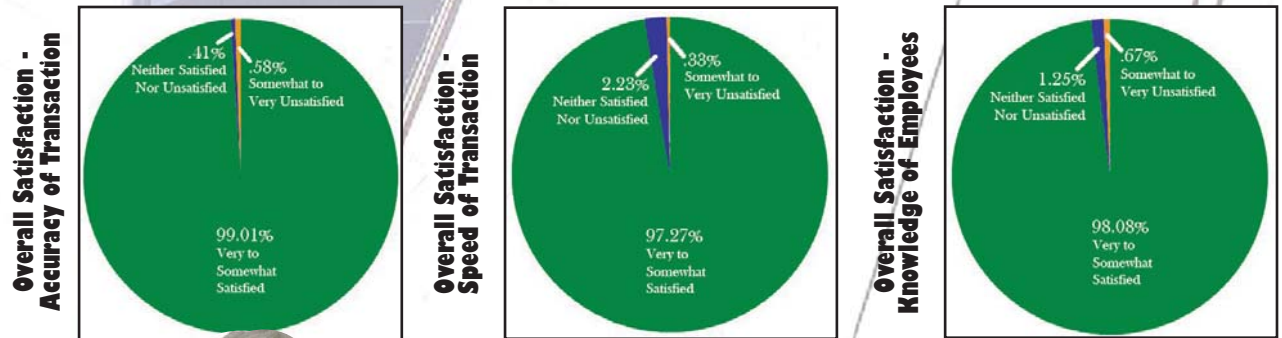
The role of the Supervisory Committee within the Credit Union is to insure the financial records of the organization are in order and comply with Federal Regulations.

In addition to the Supervisory Committee's operational insight, it also employs the accounting firm of Whiting & Company LLC to perform the annual audit as required by the National Credit Union Administration (NCUA), our federal regulator.

In 2008, Whiting's Annual Audit and their quarterly reviews found that all of WGE's accounts and records were in order and certified that the financial statements accurately reflected the Credit Union's financial position.

The Supervisory Committee also oversees the results of NCUA's Annual Examination. Because of WGE's strong financial position, there was no comprehensive NCUA Exam performed during the calendar year of 2008. However, in a scaled-down examination performed in the fourth quarter, it was determined that WGE met operating expectations and qualified for federal share insurance coverage.

Results from 2008 Member Satisfaction Survey over 1,000 surveys collected



Wayne Wilson
Steve Rose
Jason Webber
WGE Supervisory Committee

Supervisory Committee

William H. Yohler Memorial Scholarship

The growth and success of WGE can be attributed to the many dedicated volunteers that 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 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 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.

WGE Federal Credit Union has awarded the 2008 William H. Yohler Memorial Scholarship to Kristi Kay Murray.

Kristi attends Cowan High School. She is the daughter of Adam and Teresa Murray. Kristi is planning on attending Ball State University. She wants to pursue a degree in Graphic Arts Management.

Kristi's list of accomplishments includes membership in the National Honor Society, Key Club, Spanish Club, Varsity and JV Basketball, and Campus Life/Youth for Christ.

Kristi Kay Murray
Cowan High School



Board Nominees

George McKibben - Secretary

George is finishing his first term on the board of directors for WGE. He has been employed at Borg Warner for 26 years, and is serving as vice president of the union, alternate committeeman, chair of the steward body, and steward. He completed his first semester at Ivy Tech in December. He is working towards an associates degree in Business Administration.



Jim Butler - Director

Jim is finishing his first term on the board. He retired from Borg Warner after 33 years. He was an EAP rep for 19 years. Jim has a bachelor's degree in Social Work and a master's degree in Executive Development. He is currently employed at Eastern Engineering.



William H.
Yohler Memorial Scholarship

President's Report

“Steady as She Goes...”

Many of you are familiar with the phrase “Steady as she goes...” It means stay the course, and continue what you’ve been doing because it’s working well. It’s good advice for WGE FCU; our current approach to business is working well. We’re financially safe and sound, and at the same time, growing. Let me share some examples.

From a financial perspective, WGE is in excellent financial shape. Our capital level is over 13% of Total Assets; almost twice the level NCUA has defined as being “well-capitalized”. In addition, our earnings for 2008 were strong, achieving a Return on Assets (ROA) of .55%. In addition, we paid more than \$2.3 million dollars in dividends on member deposits. So financially, we’re very sound.

When you talk about safe, there isn’t an institution in town that offers more safety than WGE. In addition to the federal share insurance of \$250,000 provided through NCUA, we have met the qualifications to offer an additional \$250,000 in Excess Share Insurance. That means our members deposits are insured for a total of \$500,000 per

account! Providing this extra coverage is only possible because of our superior financial well-being.

In addition to being safe and sound, WGE is growing! This is important because the organization that does not grow will not survive. Our Total Assets grew 9.51% to \$126,022,152; Deposits grew 6.35% to \$105,516,735; and Loans Outstanding grew 4.84% to \$75,423,683. We made more than \$31,400,000 in loans to members in 2008. This means our members are counting on WGE more and more.

So, “steady as she goes” for your Credit Union! We’re safe, sound and growing! Be sure to be part of the excitement!

Jeffrey E. Sikora
President and CEO



A collage of three images. The top left is a newspaper clipping from 'The Press' dated January 16, 2009, with the headline 'MUNCIE Credit union sets higher savings limit'. The top right is the ESI logo (Excess Share Insurance Corporation) in green. The bottom right is a green advertisement for 'EXCESS SHARE INSURANCE' with the text 'Proven Performance', 'Maximum Coverage', and 'Competitive Edge'. The advertisement also includes the slogan 'Giving you competitive since 1993.' and a photo of cyclists.

President's Report

Board of Directors



Johnny Reason
Chairman



Madlyn Clevenger
Vice Chairman



Marilyn Smith
Treasurer



George McKibben
Secretary



Jim Butler
Director



LaRue Cross
Director



Linda Mann
Director

Leadership Team



Jeff Sikora
President/CEO
2 years



Dana Baker
Sr VP of Operations
21 years



Keith Myler
VP of Lending &
Retail Services
1 year



Carol Bradshaw
Marketing Director
1 year



Jackie Eskew
Electronic Services
Manager
22 years



Matt Kear
Information Systems
& Facilities Manager
19 years



Susan Keesling
Broadway Branch
Manager
25 years

Supervisory Committee



Steve Rose
Committee Member



Wayne Wilson
Committee Member



Jason Webber
Committee Member



Pam Qualkinbush
Bethel Branch
Manager
17 years



Kim Rattray
Director of HR &
Training
2008 Hire



Nicole Terrell
Accounting
Manager
9 years



Leslie Timmons
Madison Branch
Manager
24 years

Leadership
Staff



Tracy Davis
Trainer
23 years



Diane Hartman
Loan Officer
21 years



Deanna Helms
Call Center
19 years



Sharon Baker
Loan Officer
17 years



Barbara Pearson
Call Center
16 years



Tami Powell
Mtg. Loan Officer
16 years



Michelle Turner
Mtg. Loan Officer
16 years



Jodie Hatcher
MSR
11 years



Sherri Miller
Call Center
11 years



Shelia Kerr
Call Center
10 years



Trina Bowling
Accounting
9 years



Cassie Minch
Accounting
9 years



Denise Ross
MSR
9 years



Tony Sorrell
Electronic Services
9 years



Haley Fullhart
MSR
7 years



Mary Denny
Electronic Services
5 years



Amanda Hankins
Electronic Services
4 years



Celia Breeding
MSR
2 years



Joannie Decker
MSR
2 years



Kara Devine
Teller
2 years



Julie Dobbs
MSR
2 years



Michelle Bass
Head Teller
1 year



Lindsey Beaty
Receptionist
1 year



Sharon Jackson
Teller
1 year



Judy Porter
Collections
1 year



Chrissy Rigney
MSR
1 year



Tara McBroom
Teller
2008 Hire



Tiffany See
Teller
2008 Hire

S Bethel Staff



Maria Hoyt
MSR
25 years



Cathy Creek
Loan Officer
20 years



Janice Ferrell
Head Teller
12 years



Chris Clevenger
MSR
10 years



Lisa Ambrosetti
Teller
19 years



Joyce Snider
MSR
16 years



Rhonda Ogle
MSR
12 years



Karen Delaney
Teller
10 years



Shellee Elliott
Teller
7 years



Dana Ruddrick
Teller
7 years



Carolyn Reagan-Mundy
Teller
6 years



Laurie Crose
Teller
1 year



Bonnie Lorange
Head Teller
8 years



Tracy McCowan
Teller
8 years



Vickie Copley
MSR
7 years

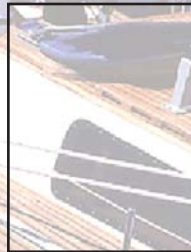


Joyce Pierce
Teller
5 years

Madison



Elizabeth Sheets
Teller
2008 Hire



Lori Wood
Teller
2008 Hire

Broadway



Paula Terrell
Teller
3 years



Marlene Crabtree
Teller
2 years



Mary Nixon
Teller
2 years

Madison and Broadway
Staff

The holes are patched. The mast is upright. The wind is blowing. Let's start sailing. . .

WGE

Annual Report

'08