Office Locations

Main Office Branch
24-Hour Check Cashing ATM
24-Hour Drive Up ATM
8700 Centreville Road
Manassas, VA 20110

Bull Run/Sudley Branch
24-Hour ATM
7800 Sudley Road
Manassas, VA 20109

Lake Ridge Branch
24-Hour Check Cashing ATM
12493 Dillingham Square
Woodbridge, VA 22192

Contact Information
Phone: (703) 361-1422 ● Toll Free: (800) 825-1870 ● FAX: (703) 361-1361

Lobby Hours: Mon.-Thurs., 9 a.m.-5 p.m., Fri., 9 a.m.- 6 p.m., Sat., 9 a.m.- Noon
Drive-Up: Mon.-Fri. 8 a.m.-7 p.m., Sat. 9 a.m.- Noon (Main Office & Bull Run)
Drive-Up: Mon-Fri. 9 a.m.-6 p.m., Sat. 9 a.m.-Noon (Lake Ridge)

24-Hour Services

Any Hour Loans
(888) 357-5626

VISA Credit/Check Card
(Lost/stolen reporting line)
(800) 449-7728

Audio Response
(703) 393-6255

Web site
www.synergyonefcu.org

E-mail Address
info@synergyonefcu.org

Consumer/Mortgage Loans
Apply online at www.synergyonefcu.org

ATM Locations

Northern Virginia Community College Campus Cafeteria
- 6901 Sudley Road, Manassas, VA
- 15200 Neabsco Mills Road, Woodbridge, VA

Potomac Festival Shopping Center
14556 Potomac Mills Road, Woodbridge, VA

These are "No Surcharge" ATMs and do not count as a "foreign ATM."

Service Centers

Woodbridge, VA,
Featherstone Square
14527 Jefferson Davis Highway
(703) 491-6095
Weekdays, 9 a.m.-7 p.m.
Sat: 9 a.m.-5 p.m.

Springfield, VA
6314 Springfield Plaza
(703) 912-3933
Weekdays, 9 a.m.- 7 p.m.
Sat., 9 a.m-2 p.m.

Fairfax, VA
4201 Members Way
(703) 218-9900
Weekdays 8 a.m.-5 p.m.
Thurs., 9:30 a.m.-5 p.m.
Sat., 9 a.m.-1 p.m.

Falls Church, VA
Falls Plaza East Shopping Center
1118 W. Broad Street
(703) 532-9200
Weekdays, 9 a.m-7 p.m.
Sat., 9 a.m.-2 p.m.

Reston, VA
Washington Telephone FCU
12355 Sunrise Valley Drive,
Suite 100
(703) 620-5460
Weekdays, 9 a.m.-4 p.m.
Thurs., 9 a.m.-4 p.m.

Washington, D.C.
Washington Telephone FCU
1401 Street, NW Suite 110
(202) 789-2818
Weekdays, 9 a.m.-4 p.m.

Rockville, MD
Federal Plaza Shopping Center
12266 Rockville Pike, Suite G
(301) 984-9578
Weekdays, 9 a.m.-7 p.m.
Sat., 9 a.m.-2 p.m.

Capitol Heights, MD
Hampton Mall
9001 Central Avenue
(301) 499-6880
Weekdays, 9 a.m. - 7 p.m.
Sat., 9 a.m.- 2 p.m.

Marlow Heights, MD
Marlow Heights Shopping Center
4003 Branch Avenue
(301) 423-1391
Weekdays, 9 a.m.-7 p.m.
Sat., 9 a.m.-2 p.m.

There is a "No Surcharge" ATM at each of the above location.
For a complete listing of Service Centers nationwide, please log onto www.cuservicecenter.com and ATMs www.co-opnetwork.com.

SYNERGY one
FEDERAL CREDIT UNION

Banking so Advanced, We're a Credit Union!

Annual Report

2004

Agenda

Wednesday, May 11, 2005
Comfort Suites Hotel
7350 Williamson Boulevard
Manassas, Virginia

Welcome..*Robert J. Lawrence, Chairman*

Call To Order

Ascertainment of Quorum...............................*Gerard G. Boucher, Jr., Secretary*

Introductions..*Robert J. Lawrence, Chairman*

Chairman's & President's Report........................*William H. White, President/CEO*

Treasurer's Report..*Dana V. Hargbol, Treasurer*

Supervisory Committee Report..................*Michael F. Szedlock, Director Emeritus*

Nominating Committee Report................................*Dana V. Hargbol, Treasurer*

Unfinished Business

New Business

Conclusion of Annual Meeting.............................*Robert J. Lawrence, Chairman*

Door Prizes................................*Patty M. Browne, Community Relations Officer*

Adjournment

BOARD OF DIRECTORS

Robert J. Lawrence, *Chairman*
Dana V. Hargbol, *Treasurer*
David R. Young, *Director*
Ricci L. Heishman, *Director*

Carl H. Dunn, Jr., *Vice Chairman*
Gerard G. Boucher, Jr., *Secretary*
Mary R. Loren, *Director*
Michael F. Szedlock, *Director Emeritus*

Serving Our Community

Prince William County, Manassas & Manassas Park

Synergy One Supports "Credit Union Difference" at the State Capitol - Synergy One supporters, along with more than 1,000 others, staged the largest-ever rally at the Virginia State Capitol to educate state lawmakers about the "Credit Union Difference".

Synergy One FCU & Heltzel-Synergy One Mortgage Company conducted "Operation Replenish Now" to help replenish the shelves of S.E.R.V.E.'s food pantry. More than 700 nonperishable food items were donated. Staff wore jeans on Fridays in exchange for their food contributions.

Synergy One FCU presented checks totaling $1,470 to the Boys & Girls Club of Prince William County. The funds were collected through a Silent Auction at the League of IBM Credit Union's 2004 Spring Meeting. Each year a credit union is selected to designate an organization benefiting youth to receive the silent auction proceeds.

Synergy One FCU & Heltzel-Synergy One Mortgage Company employees and members collected over 30 back packs and over 190 glue sticks for the "Tools for School" Drive through the Prince William County Regional Chamber of Commerce. The collected school supplies were distributed to children in the community by a local organization.


2004 Scholarship Winners (Left to Right)
High School - Jennifer Price
(attending James Madison University)
Continuing Education - Kristi Novak
(attending George Mason University)

SERVING OUR COMMUNITY *Continued*

Synergy One and Heltzel-Synergy One Mortgage Company raised a whopping $29,030 for the American Diabetes Association, making this our biggest contribution to any organization in our credit union's history. In our third year of participation, our efforts have placed Synergy One as the top fundraising team in Prince William County. Fifty-one employees, members, friends and family members made up the "SOFCU All Stars" Walk Team, the largest ever as well.

The Synergizers March of Dimes Walk Team, comprised of 24 Synergy One employees, family and friends, raised over $11,000 for the March of Dimes and earned the honor of being Prince William County's top fundraising team for 2004! Special thanks to Eula Morgan, the team's top fundraiser, who single-handedly generated $1,145 in donations for this worthy cause.

Synergy One FCU & Heltzel-Synergy One Mortgage Company employees participated in the Adopt-A-Family Program again this year and raised more than $2,000 for the four sponsored families and one youth from "Youth for Tomorrow".

Synergy One & Heltzel-Synergy One Mortgage Company hosted a very successful Blood Drive in September 2004. A total of 25 units were collected with six first-time donors. FACT: Each donation can help at least three patients, which means our drive made a difference in at least 75 lives!

2004 ANNUAL MEETING MINUTES

April 14, 2004
Comfort Inn, Manassas, VA

Call to Order: Chairman Robert Lawrence called The Annual Meeting to order at 6:30 PM, with a quorum present. The Minutes of the 2003 Annual Meeting were approved.

Introductions: Mr. Lawrence introduced the Directors, Associate Directors, Supervisory Committee and Senior Management members present.

Chairman's Report: Mr. Lawrence unveiled the new Synergy logo and tag line.

President's Report: President/CEO Bill White informs the members of new financial literacy programs. Bill introduces the Tiger Branch and many questions from members are answered. The credit union won the Desjardins Award for the 2nd consecutive year. The upcoming Lake Ridge Branch grand opening details are presented. Plans for a new Bull Run and Gainesville branches are also introduced.

Treasurer's Report: Dana Hargbol presents the report. This was the 9th straight year of profitable growth. Assets grew by 11% to $171 million. This year was the 2nd largest net income in the history of the credit union at $1.8 million. Net worth improved by 16%. The credit union experienced a growth in membership of nearly 7000 or 11%.

Supervisory Committee Report: Committee Chairman Michael Szedlock referred to the Annual Report and stated both the CPA audit and the NCUA Examination went well with no major discrepancies. Mr. Szedlock informed the membership of the internal audits performed by the Committee.

Nominating Committee Report: Mary Loren was elected to serve a 1 year term. Dana Hargbol, and Gerard Boucher, Jr. were re-elected for three years.

Adjournment: After door prizes, Patty Browne moved to adjourn the meeting, motion seconded and carried to adjourn at 7:15 PM

Robert J. Lawrence, Chairman
Carl H. Dunn, Jr., Secretary

Chairman & President's Report

Commitment. Professionalism. Partnership. These are the hallmarks of the services, we continually provide to our members. We are pleased to report that 2004 proved successful on all of these fronts.

It is our commitment, as your credit union, to provide the services and conveniences that will enhance the financial well-being of our members. We opened our third full-service branch, "Lake Ridge" Branch in Woodbridge, we expanded our mortgage division, Heltzel-Synergy One Mortgage Company by opening a "Branch Office" at our 8700 Centreville Road location, and we've expanded our insurance and financial service product line through Puffenbarger Nationwide Insurance Agency which is also co-located in our Branch Office.

Professionalism is a core function of a service-focused organization. Our members' voice is one of the most important elements in your credit union's ability to be successful. Our quality of service is measured each month by our members through our Member Satisfaction Surveys. We have always prided ourselves on our ability to provide "Top Quality Member Service" and our survey results' exemplifies this asset. Currently, our member satisfaction rating is 94.5%. This is directly attributed to our members demand for the utmost in professionalism and expectations of high standards of service excellence.

Very conscience of today's identity theft plots and fraudulent scams, your credit union has gone and continues to go great lengths to protect your financial information. Software programs are continuously updated and external network penetration tests are run frequently to allow our members peace of mind with the security of our computer network.

Our partnership and dedication in providing financial education to our youth is stronger now than ever. We're extremely pleased to have celebrated the 1st Anniversary of our student branch and being the recipient our third consecutive Desjardins Youth Financial Education Award. Your credit union and Brentsville District High School were honored by the Virginia Department of Education with the Exemplary Project Award in recognition of the credit union's financial education program in the high school. We continue to partner with our youth in teaching financial responsibility, work-place readiness skills, and providing work experience. These efforts will assist in creating financially adept youth that are our credit union members of the future, as well as today.

We would like to take this opportunity to offer a special thanks to you, our members/owners, who, without your support and patronage, we would be unable to continue to expand our product and service offerings. While we're still faced with uncertain times, please know that we are here to serve your financial needs in all times, distressed or prosperous. We encourage you to do your part and continue to take advantage of the many products, services, and locations that we offer for your convenience. On behalf of the Board, Management and staff we would like to thank you for your continued patronage.

Robert J. Lawrence, Chairman, 34-year member/owner
William H. White, President/CEO, 29-year member/owner

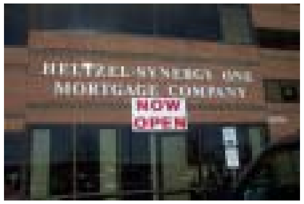
2004 Highlights

● Assets increased to $190 million, our 10th consecutive year of growth. Share deposits reached $174 million and our total membership is now over 32,000!

● New Services Offered: Financial Planning assistance through Puffenbarger Nationwide Insurance Agency, Occasional Overdraft Privilege Service (OOPS), Enhanced Bill Pay and Money HQ, and Interest-Only Mortgages

● Synergy One Expands its Operation
On July 12, 2004, Synergy One officially expanded its' operation by opening our third full-service branch. The new branch office located at 12493 Dillingham Square, in the 'Festival at Old Bridge' Shopping Center in Woodbridge, was the first full-service branch that the Credit Union has opened in nearly ten years. With the opening of this branch, Synergy One now serves both sides of Prince William County.

● On March 14, 2004, Heltzel-Synergy One Mortgage Company, a subsidiary of Synergy One Financial Services, LLC, expanded its' operation by opening their third office across from the credit union's Main Branch, in the Synergy Centre. The co-location of both entities placed all aspects of financial services under one roof, to include credit union services, mortgage lending and insurance products.



● SYNERGY ONE was the recipient of the 2004 Desjardins Youth Financial Education Award sponsored by the Virginia Credit Union League and Credit Union National Association (CUNA). This award recognizes leadership within the credit union on behalf of youth financial literacy. This is the credit union's 3rd consecutive year of winning this award.

● Synergy One was also the recipient of one of three Business Partnership Awards given by Partnership Prince William in recognition of our partnership with Brentsville District High School, which included our student branch, and our FBLA club relationship; and received recognition from the Career and Education Awards Committee of the Commonwealth of Virginia, on a state level, for our partnership project with Brentsville District High School in opening the Tiger Branch.

● The credit union and the Tiger Branch celebrated its' first anniversary on October 1, 2004. The Tiger Branch continues to provide financial education and "real world" work experience for students. The branch operates during the regular school year and is open to all students, faculty and volunteers at the school.

● The credit union, employees and members provided donations and money for the American Red Cross, American Diabetes Association, March of Dimes, SERVE, and over 40 other community organizations.

SYNERGY ONE FINANCIAL SERVICES, LLC

Heltzel Synergy One Mortgage Company

The mortgage industry analysts expected mortgage originations to drop 30% in 2004 after a record year in 2003. Our mortgage division did have a reduction in loan volume, but nothing like the industry predictions. We closed over 660 loans, with a total loan volume of $128,000,000.

We continued to expand our product line in 2004 with additional interest only loans, land and construction loans with as little as 10% down, and even a 40 year amortized adjustable rate loan. Purchase transactions increased in 2004, and they are expected to continue in 2005 with many resale homes hitting the market as the new home sales of the past (3) years are starting to resell. This is always a good trend for the mortgage industry and we expect to have a good year in 2005.

We encourage you, our members to call us first for your mortgage needs since we are competitive with our rates and our fees. We were again voted the "#1 Mortgage Company in Prince William County for 2004", which is our second straight year of winning the award. Think of us first when you are looking for a mortgage.

Insurance Services

Our branch in the Synergy Centre has (2) representatives from our partnership with Nationwide Insurance. Synergy One Financial Services, LLC is a registered representative, and we can offer insurance to protect your home and auto. We are in the final stages of our agreement to offer other financial services such as life and health insurance, long-term care, and variable annuities through the credit union. We expect the agreements to be in place and our financial services products to expand by the second quarter of 2005.

We appreciate your business and confidence and we encourage you to visit with Rob Bain in the branch office. They are available Monday through Friday during normal business hours, and Saturdays 9 a.m. – noon.

2004 was another good year for Synergy One Financial Services, LLC and we thank you for your business. Best Wishes for 2005, and please contact us if we can be of service to you.

Robert T. Heltzel, CEO/President, 4-year member/owner

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is appointed annually by the Board of Directors to serve as a liaison between the Board/Management and the member-owners. The primary responsibility of the Supervisory Committee is to ensure the credit union's financial records are in order and internal controls are in place to protect the member's funds and the credit unions assets.

Each year your Credit Union is reviewed extensively by two major sources:

1) *McGladrey & Pullen, LLP –*
one of the top ranked accounting firms - performed an audit of the financial statements in February of 2005.

2) T*he National Credit Union Administration*
Performed an examination in June 2004 of major areas of our operations, financial condition, quality of management, and risk of loss to member capital and the share insurance fund.

The Supervisory Committee also conducted monthly reviews of consumer and real estate loans and expense reports with no exceptions found. In addition to its audits in lending, the Committee serves as the representatives to the members in investigating serious errors or account problems.

We are very proud of our audit record history and compliment the CEO, Management and staff and the voluntary members of the Board and Committee for their undying dedication to the credit union and its membership.

Michael F. Szedlock, Director Emeritus & Chair, 33-year member/owner
A. Roger Garman, 32-year member/owner
Harold R. Post, 28-year member/owner
Kenneth W. Baxter, Jr, 28-year member/owner

Treasurer's Report

The year 2004 proved to be another impressive year of double-digit growth for Synergy One Federal Credit Union. With more than 32,000 members enjoying the benefits of competitive deposit and loan rates, assets climbed to $190 million and net loans outstanding reached $140 million. Although rising slightly throughout the year, loan rates remained very attractive resulting in a net loan growth of 18% over 2003.

For the tenth year in a row, Synergy One increased or improved many financial goals to ensure a continued strong performance for our members. Net worth to asset ratio as of December 31, 2004 was 7.44%, a 14% growth over last year and well above the 4.00% ratio established as the minimum allowable capital level by the National Credit Union Administration. The net worth to asset ratio is a key indicator used to evaluate the financial strength and soundness of credit unions.

Serving the community is a cornerstone of our financial mission to our members. Essential to our success is the ability to control expenses while providing additional branch locations such as Lake Ridge and new financial services such as Nationwide Insurance through our Synergy One Financial Services partnership. This is especially true with our online (electronic) banking services. Our investment in the safety, security, and surety of member's assets is a high priority of our staff as we continue to invest in new and alternative service delivery methods for our members.

I am pleased to report that Synergy One maintains the most competitive savings and loan rates in the area. This is a challenging task given the rising federal interest rate market this past year and the entry of new banking competition right in our own county. Your credit union continues to demonstrate its not-for-profit nature by providing favorable rates and continuing to offer financial convenience through new products and locations – all while focusing on quality service.

Our business objective for this year is to continue to provide new 'touch points' in our community in both online and branch operations so that your banking time is minimized while maximizing your opportunities for personal financial growth. Your credit union continues to be financially healthy in every way and is well situated to meet member needs into the foreseeable future.

Dana V. Hargbol, Treasurer, 3-year member/owner

Financial Highlights

CONDENSED STATEMENTS OF INCOME

Operating Income	2004	2003
Interest on Loans	$ 8,457,218	$ 8,088,166
Income from Investments	882,095	1,001,589
Rental Income	285,965	474,118
Fees & Miscellaneous Income	5,384,203	5,152,684
Total Operating Income	15,009,481	14,716,557
Operating Expense		
Compensation & Benefits	5,311,852	5,162,587
Office Operations	4,475,136	3,837,161
Rental Expense	241,892	244,705
Provision for Loan Losses	881,500	1,021,500
Interest on Borrowed Money	797	31
Total Operating Expense	10,911,177	10,265,984
Non Operating Gains (losses)	0	0
Income Before Dividends	4,098,304	4,450,573
Less Dividends	2,344,364	2,656,527
Net Income	**$ 1,753,940**	**$ 1,794,046**

CONDENSED STATEMENTS OF FINANCIAL CONDITION

Assets		
Loans to Members (Net)	$ 140,411,288	$ 120,423,164
Loans Held For Sale	4,960,185	2,253,036
Cash & Cash Equivalents	12,243,296	14,390,867
Net Investments	19,121,272	25,549,040
Property, Equipment & Other Assets	13,073,756	8,241,414
Total Assets	**$ 189,809,797**	**$ 170,857,521**
Liabilities & Members' Equity		
Members' Share & Savings Accounts	173,069,219	157,603,546
Borrowed Funds	2,000,413	0
Accounts Payable & Accrued Expenses	681,472	751,968
Total Liabilities	175,751,104	158,355,564
Members' Equity	14,058,693	12,502,007
Total Liabilities & Equity	**$ 189,809,797**	**$ 170,857,521**