

HERE FOR YOU



20 annual
19 report



Federally Insured by NCUA



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OUR STORY

HISTORY

Naveo Credit Union was founded in 1928 when twenty-seven Portuguese-Americans banded together to form a financial cooperative after finding it increasingly difficult to access deposit and loan products from banks in the community.

Naveo Credit Union, formerly Cambridge Portuguese Credit Union, was incorporated on March 2, 1928 as a place where the community could deposit their savings with confidence and borrow money at low rates of interest. In 2014, the Credit Union changed its name to Naveo Credit Union to complement the changing demographics of the area by becoming an inclusive institution, one that is welcoming to everyone in the community.

ABOUT US

Naveo is a local not-for-profit community financial institution focused on serving its members/owners. Our mission is to assist our members with their financial needs by providing them with products and services they need in a friendly, inviting environment. As stated in our motto of “Saving Together to Lend to Each Other,” we take member deposits and in-turn, lend to our neighbors and local organizations.

As a local financial institution, we are proud to take an active role in our community by reinvesting in the community with local loans and contributions to local organizations. We are aware that individuals in our community value an institution beyond just low fees and great rates, which is why we pride ourselves on the partnerships we make with local organizations that bring value to our neighbors and members.

MISSION STATEMENT

Guiding the financial lives of the people we serve – in the neighborhoods where we live.

MESSAGE FROM OUR CHAIRPERSON & CEO



Dear valued Naveo members,

Thank you for your continued membership and business! Our continued success and growth are attributed to the loyalty of our members and leadership of our volunteer Board of Directors. Our success is complemented by the outstanding member service provided by our amazing staff at all levels of the organization. This year marked the completion of our long-term strategy to make Naveo Credit Union a more inclusive financial institution. The recent renovation of our Somerville branch into a modern and more comfortable space completed this initiative. Our new space allows us to deliver a consistent member experience at both branches while allowing for greater efficiencies. The Board of Directors adopted this strategy over a decade ago due to a change in demographics within the communities we serve. This strategy has proven to be successful since the Credit Union has experienced a significant amount of growth while continuing to meet our members' banking needs. Since the implementation of this strategy in 2006, our asset size increased 87%, loans grew 171%, deposits grew 85% and capital increased 76%. Just this past year our assets grew by nearly 7% as members continue to trust us with their banking needs. This growth is significant because not only does it prove that we are serving more members, but it also positions the Credit Union to better serve our members future banking needs.

This year we plan to introduce several initiatives that will further enhance our members experience while allowing us to operate in an even more efficient manner. We just recently enhanced our mobile app to be more interactive and member friendly. We are in the process of implementing a digital document management product that will allow for faster transactions, faster access to digital archives and will introduce digital signatures. This new product will improve member experience with user-friendly loan applications and the ability to sign documents from anywhere with electronic signatures.

This year we increased our community engagement as part of our commitment to improve the quality of life in the neighborhoods we serve. We continue to partner with local community organizations to make sure they can continue to provide essential services to our members and community in general. During 2019 we donated \$60,000 to support 50 local nonprofit organizations, raised nearly \$3,000 in branch fundraisers, participated in over 100 local community events and offered 8 free educational workshops.

Our success is attributed to our loyal members who year-after-year continue to trust us with their banking needs. On behalf of the Board of Directors, Management and staff we are looking forward to continuing to help our member improve their quality of life.

Warmest regards,

A blue ink signature of Leontina Mancini.

Leontina Mancini
Chairperson of the Board

A blue ink signature of Rui F. Domingos.

Rui F. Domingos
Chief Executive Officer

FINANCIAL PERFORMANCE

COMPARATIVE BALANCE SHEET (Unaudited)

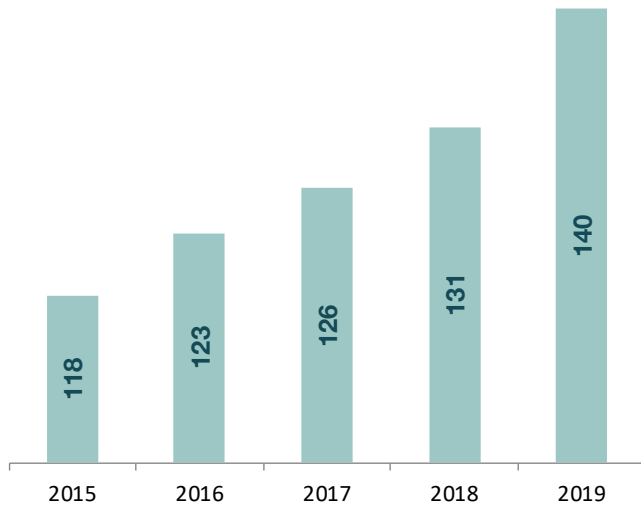
Assets	2019	2018
Cash & Cash Equivalents	\$ 15,843,114	\$ 15,025,130
Investments	\$ 27,004,793	\$ 26,467,244
Loans to Members	\$ 93,749,671	\$ 86,644,466
Allowance for Loan Losses	\$ (650,639)	\$ (636,438)
Land, Building & Other Fixed Assets	\$ 1,205,239	\$ 1,235,271
NCUA Share Insurance	\$ 1,174,436	\$ 1,124,157
Other Assets	\$ 1,552,569	\$ 1,007,209
Total Assets	\$ 139,879,183	\$ 130,867,040
Liabilities		
Accounts Payable & Other Liabilities	\$ 700,072	\$ 1,149,686
Share Draft Accounts	\$ 25,544,918	\$ 24,562,942
Regular Share Accounts	\$ 70,517,281	\$ 65,656,246
All Other Share & Deposit Accounts	\$ 31,328,123	\$ 29,007,262
Total Liabilities	\$ 128,090,394	\$ 120,376,135
Equity		
Regular Reserves	\$ 1,972,373	\$ 1,972,373
Accumulated Unrealized Gains/(Losses)	\$ 23,819	\$ (241,261)
Undivided Earnings	\$ 9,792,596	\$ 8,759,792
Total Equity	\$ 11,788,789	\$ 10,490,905
Total Liabilities & Equity	\$ 139,879,183	\$ 130,867,040

INCOME STATEMENT (Unaudited)

Income	2019	2018
Investment Income	\$ 911,340	\$ 741,903
Interest on Loans	\$ 4,167,689	\$ 3,741,874
Non-Interest income	\$ 811,197	\$ 854,064
Total Income	\$ 5,890,226	\$ 5,337,841
Interest Expense		
Interest on Shares	\$ 69,368	\$ 66,208
Interest on Certificates of Deposit	\$ 330,000	\$ 233,315
Total Interest Expense	\$ 399,368	\$ 299,524
Non-Interest Expense		
Employee Compensation & Benefits	\$ 2,554,686	\$ 2,296,186
Travel & Conference Expense	\$ 28,026	\$ 25,031
Office Occupancy Expense	\$ 169,447	\$ 178,482
Office Operations Expense	\$ 758,226	\$ 746,389
Educational & Promotional Expense	\$ 132,472	\$ 148,584
Loan Servicing Expense	\$ 69,352	\$ 71,640
Professional and Outside Services	\$ 554,970	\$ 554,825
Operating Fees	\$ 18,000	\$ 18,000
Misc. Operating Expenses	\$ 44,778	\$ 72,229
Total Non-Interest Expense	\$ 4,329,957	\$ 4,111,368
Provision for Loan Losses	\$ 48,097	\$ 34,055
Net Income	\$ 1,112,804	\$ 892,894

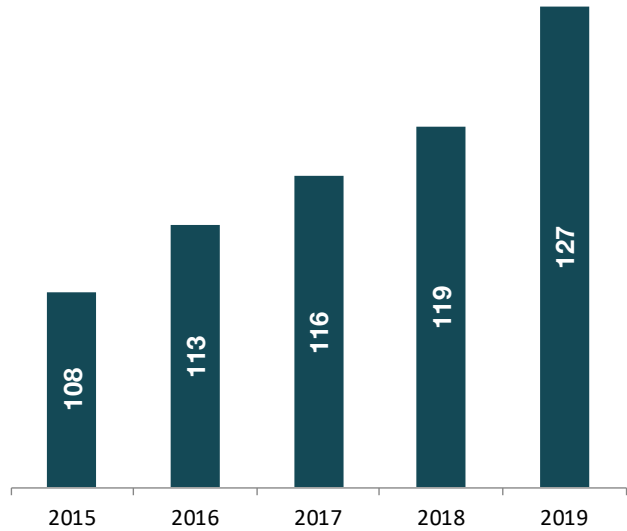
ASSET GROWTH

(\$ Millions)



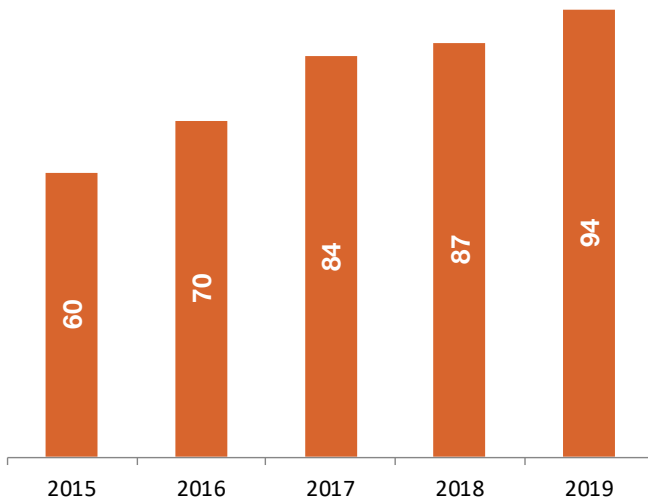
DEPOSIT GROWTH

(\$ Millions)



LOAN GROWTH

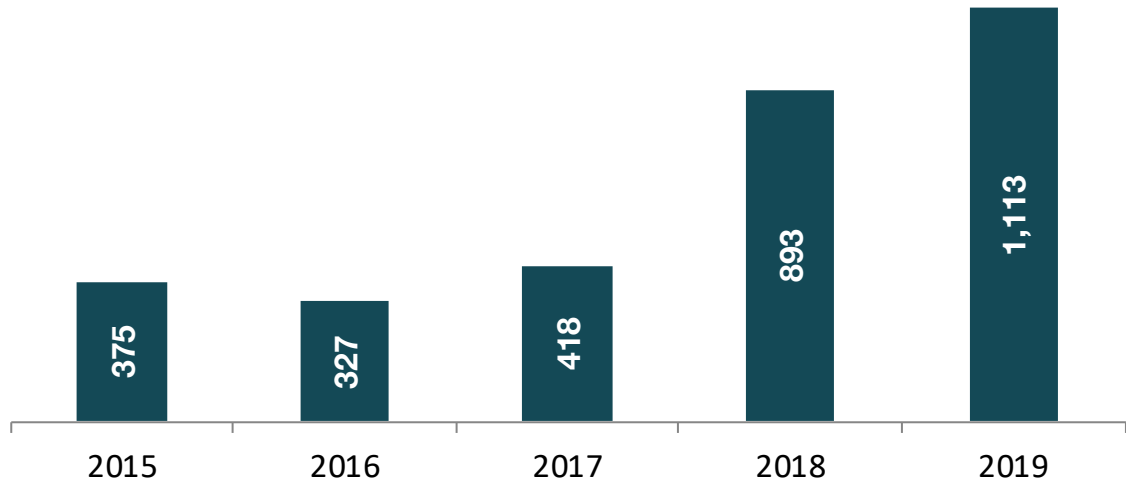
(\$ Millions)



FINANCIAL HIGHLIGHTS

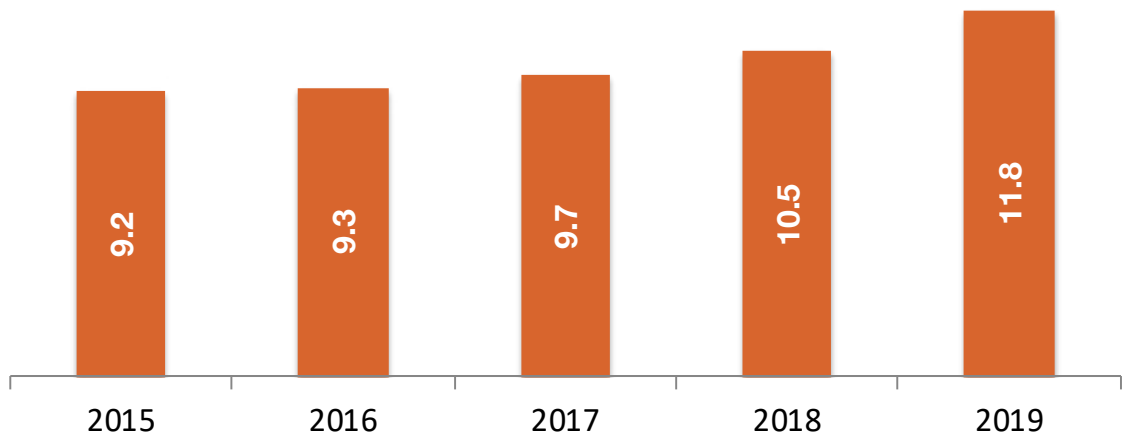
NET INCOME

(\$ Thousands)

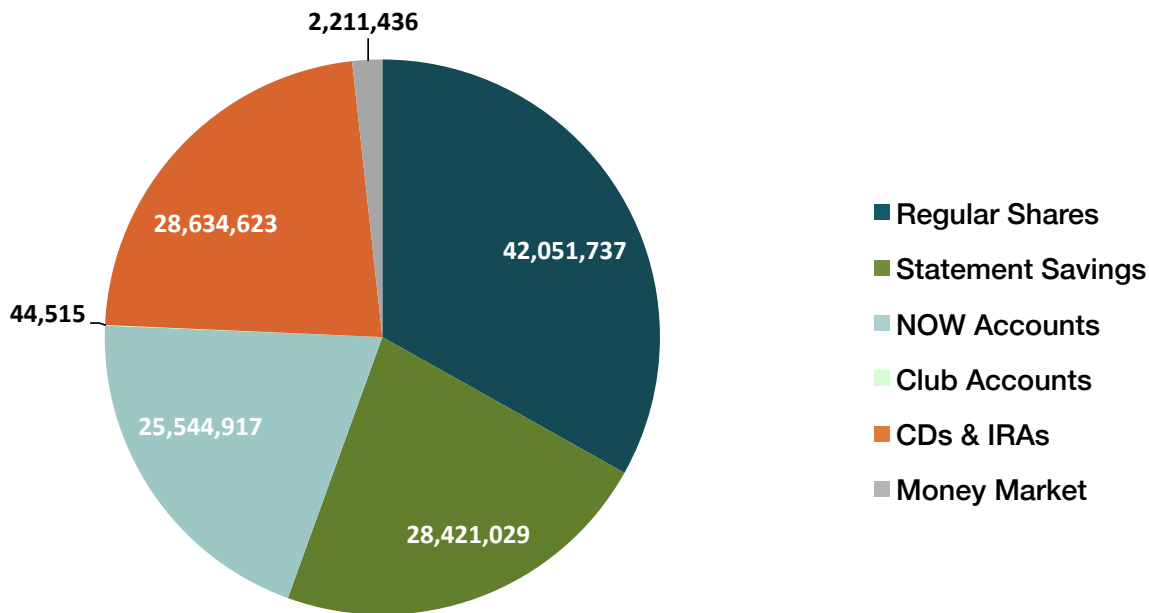


CAPITAL GROWTH

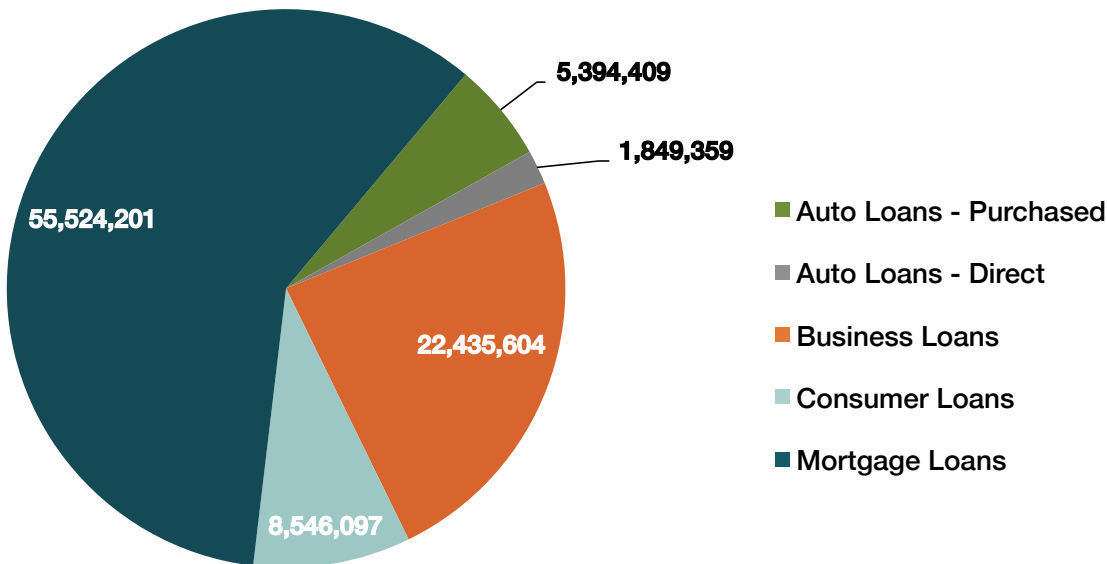
(\$ Millions)



DEPOSIT COMPOSITION



LOAN COMPOSITION



AUDIT REPORT

The Credit Union's financial soundness and quality of management are examined by the Commonwealth of Massachusetts' Division of Banks and the National Credit Union Administration (NCUA).

Naveo Credit Union is a member of the NCUA and the Cooperative Credit Union Association. These organizations support the objectives and concerns of the credit union movement, as well as assist with and promote the viability of individual credit unions.

The audit committee oversees the operations of Naveo as required by law. The Board of Directors are appointed by the Credit Union membership with the responsibility of reviewing the Credit Union's operations. They also monitor the regulatory examination performed by the Division of Banks and NCUA, and oversee an annual certified opinion audit.

Wolf & Company, P. C., certified public accountants, performed the audits for our fiscal years ended June 30, 2019 and 2018. In their opinion, the financial statements present fairly, in all material respects, the financial position of Naveo, the results of operations and related cash flows for the years then ended in conformity with Generally Accepted Accounting Principles of the United States of America.

VOLUNTEER BOARD OF DIRECTORS

Leontina Mancini, *Chairperson*

John C. Feitor, *1st Vice Chairman*

Isaac M. Machado, *2nd Vice Chairman*

Charles F. McCannon, *Treasurer*

Catarina Nogueira, *Assistant Treasurer*

Paul Ferreira, *Secretary/Clerk*

Christopher Alphen

Sonja Darai

Manuel Da Silva

Lindsay Lucke

Charles Montemor



EXECUTIVE TEAM

Rui F. Domingos, *Chief Executive Officer*
Albert Pinho, *Vice President of Lending*
Janet M. Cicerano, *Vice President of Human Resources*
Judith Murdoch, *Vice President of Operations & IT*
Kevin George, *Vice President of Finance*
Raquel Sa, *Vice President of Marketing*



MANAGEMENT

Ana C. Santos, *Assistant Vice President of Lending*
Michael Dwyer, *Operations Manager*
Maria L. Ledo, *Branch Administrator*
Bienvenida Feliz, *Branch Manager - Cambridge*



STAFF

Alexandra Marin	Margaret Silva
Anna Carolina Gomes	Meralda Milheirão
Ana Cisneros	Mylma Lemos
Clarissa Oliveira	Natalie Rodriguez
Corália Garcia	Nicolle Medeiros
Edimar Rodrigues	Patricia Acquaviva
Elizabeth Cabral	Peggy Norton
Gui Campos-Correa	Phoebe Zaw
Jennifer Melendez	Priscilla Rodriguez
Jerry Abraham	Samantha Cicerone
Margaret Iao	Susan Jacobucci
	Veronica Corrente



2019 BY THE NUMBERS

Donated Over
\$60,000
to Local Organizations

Raised Over
\$2,750
Through 6 In-Branch
Fundraisers

Participated In and
Supported Nearly
100

Local Events

Supported Over

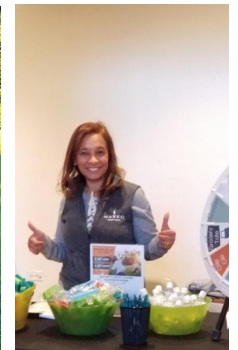
50

Local Organizations

Offered

8

Free
Educational Workshops



SOCIAL RESPONSIBILITY



We proudly support...

A Bed for Every Child
 Amigos da Ribeira Grande USA
 Amigos da Terça
 Arts at the Armory
 Boston Children's Hospital
 Boston Portuguese Festival (BPF)
 Boys and Girls Club of Woburn
 Cambridge Camping
 Cambridge YWCA
 Cape Verdean Association of Boston
 Children's Miracle Network
 Community Cooks
 Cops for Kids with Cancer
 Dr. Edward Leitão Scholarship Fund
 East Cambridge Business Association (ECBA)
 East Cambridge Little League
 East Somerville Main Streets
 Escola Portuguesa de Cambridge e Somerville, Inc.
 Festa do Concelho da Praia da Vitoria
 Groundworks Somerville
 Hudson Portuguese Club
 Imperio Mariense de Saugus
 Joe & Dorothy Chaves Foundation
 Kiwanis Club of Somerville
 Leukemia & Lymphoma Society
 Luso American Education Foundation
 Massachusetts Alliance of Portuguese Speakers
 MAPS Senior Center
 Massachusetts Coalition for the Homeless
 Matignon High School
 Mayor's Disaster Relief Fund, Cambridge
 On the Rise
 Portuguese-American Civic League
 Saint Louis and Zelig Martin Parish
 Second Chances
 Somerville-Cambridge Elder Services
 Somerville Chamber of Commerce
 Somerville Council of PTAs
 Somerville Education Foundation
 Somerville Homeless Coalition (SHC)
 Somerville Pop Warner
 Somerville Youth & Recreation Foundation
 Somerville Youth Hockey
 St. Anthony's Parish, Cambridge
 St. Anthony's Parish, Somerville
 St. Francis of Assisi
 The Jimmy Fund
 Toys for Local Children
 Toys for Tots
 UMASS Lowell Saab Center
 Union Square Main Streets
 Walnut Street Center
 Wilmington Pop Warner



YEAR IN REVIEW

Our footprint in the community is deepened further through our partnerships with recognized, empowering and influential organizations within the neighborhoods we serve.



PRODUCTS AND SERVICES

SAVINGS PRODUCTS

Statement Savings
Passbook Savings
Kid's Club
Non-Interest Bearing Savings
Certificates
IRAs
Christmas Clubs

PERSONAL CHECKING

Secure Checking
Eco Checking
Student Checking
Money Market

HOME LOANS

Home Mortgages
Home Equity Loans
Home Equity Lines of Credit
Mortgage Refinancing

CONSUMER LOANS

New & Used Auto Loans
Personal Loans
Student Loans
Mass Save Heat Loan
Home MVP Loan
Mass Solar Loan
Bicycle Loan
Dreamer Loan
Construction Loan
MasterCard® & Visa Credit Card

eSERVICES

iBanking
Popmoney™
Mobile Banking
Mobile Deposit
Online Account Opening
eStatements
Online Loan Center
Text/E-mail Alerts
Financial Calculators
24-7 Telephone Response

BUSINESS SERVICES

Commercial Real Estate Loans
Lines of Credit
Term Loans
Free Business Checking**
Business Savings
Business Money Market
MasterCard® & Visa Credit Card

**Check orders are excluded.

ADDITIONAL SERVICES

EMV ATM/Debit Card
24-Hour ATM
Money Orders
Wire Transfers
Notary Public
Official Checks
Direct Deposit
Automatic Payments
Consumer Loan Skip-A-Payment
Telephone Transfers
Foreign Money Exchange
Shared Branching Network
Member



Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government, National Credit Union Administration, a U.S. Government Agency.

Somerville Branch
493 Somerville Avenue
Somerville, MA 02143

Cambridge Branch
251 Hampshire Street
Cambridge, MA 02139
Drive-up Available

24-7 Telephone Access
1.844.NAVEO.CU (628.3628)
617-547-3144
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