



# years

2018 Annual Report

Federally Insured by NCUA

90<sup>th</sup>

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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,

This year, Naveo celebrated ninety years of serving our community as a reliable financial institution focused on its member/owners. We are extremely proud of our 90-year history of helping our diverse membership with their financial needs. Since our inception in 1928 and until today, we remain a financial institution that is governed by a volunteer Board of Directors and owned by its members with a vision of providing access to essential financial products and services. Our exceptional staff takes pride in delivering this vision with great care and with our members' needs as their number one priority. This year we celebrated our anniversary through various member activities to express our gratitude for your loyalty and confidence over the years. During these events we had the opportunity to hear member stories from past decades and the various ways in which the Credit Union helped so many members and their families.

Throughout the past 90 years, the Credit Union has evolved from a very small financial institution serving only the Portuguese immigrant community in Cambridge, to an organization that is now inclusive and open to those in the neighborhoods we serve. Although we have grown, we remain humble and committed to our motto of "Saving Together to Lend to Each Other." We save together because we are a community of individuals with the common goal of helping each other by gathering our hard-earned savings and providing loans to members in-need. This concept, although simplistic, is still very true to our mission today. Our deposits and loans are 100% local, which means we are investing in our own members and our local community. Naveo has also expanded from the traditional in-branch banking model to providing convenience services such as online banking, remote check deposits, person-to-person payments and online bill pay, just to name a few. This is further complemented by convenient locations with member parking, a drive-up window and a newly renovated, member-oriented branch. We will continue to evaluate other convenience services and technology to meet the evolving needs of our membership. Despite these tech-based adoptions over the years, we have and always will be available to address our members in person and with a friendly smile. As part of our continued effort to provide our members with a friendlier branch environment, we will soon be renovating our Somerville branch to a more personable environment that fosters efficiency.

Your credit union ended the anniversary year with very strong financial results as illustrated in the enclosed financials. Our financial strength allows us to continue to grow and the ability to deliver value to our members. We acknowledge our volunteer Board of Directors for their support and continued commitment to the Credit Union and its member/owners. On behalf of the Board of Directors and the entire Naveo team, we want to express our appreciation for your 90 years of loyalty, trust and for your continued support of our mission.

Warmest regards,

A handwritten signature in blue ink that reads "Leontina Mancini".

Leontina Mancini  
Chairperson of the Board

A handwritten signature in blue ink that reads "Rui F. Domingos".

Rui F. Domingos  
Chief Executive Officer

# FINANCIAL PERFORMANCE

## COMPARATIVE BALANCE SHEET

(Unaudited)

Assets	2018	2017
Cash & Cash Equivalents	\$ 15,025,130	\$ 10,104,449
Investments	\$ 26,467,244	\$ 29,465,796
Loans to Members	\$ 86,644,466	\$ 83,843,917
Allowance for Loan Losses	\$ (636,438)	\$ (620,477)
Land, Building & Other Fixed Assets	\$ 1,235,271	\$ 1,337,628
NCUA Share Insurance	\$ 1,124,157	\$ 1,089,720
Other Assets	\$ 1,007,209	\$ 996,406
<b>Total Assets</b>	<b>\$ 130,867,040</b>	<b>\$ 126,217,439</b>
<b>Liabilities</b>		
Accounts Payable & Other Liabilities	\$ 1,149,686	\$ 560,178
Share Draft Accounts	\$ 24,562,942	\$ 23,833,435
Regular Share Accounts	\$ 65,656,246	\$ 63,516,252
All Other Share & Deposit Accounts	\$ 29,007,262	\$ 28,580,281
<b>Total Liabilities</b>	<b>\$ 120,376,135</b>	<b>\$ 116,490,146</b>
<b>Equity</b>		
Regular Reserves	\$ 1,972,373	\$ 1,972,373
Accumulated Unrealized Gains/(Losses)	\$ (241,261)	\$ (111,979)
Undivided Earnings	\$ 8,759,792	\$ 7,866,898
<b>Total Equity</b>	<b>\$ 10,490,905</b>	<b>\$ 9,727,292</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 130,867,040</b>	<b>\$ 126,217,439</b>

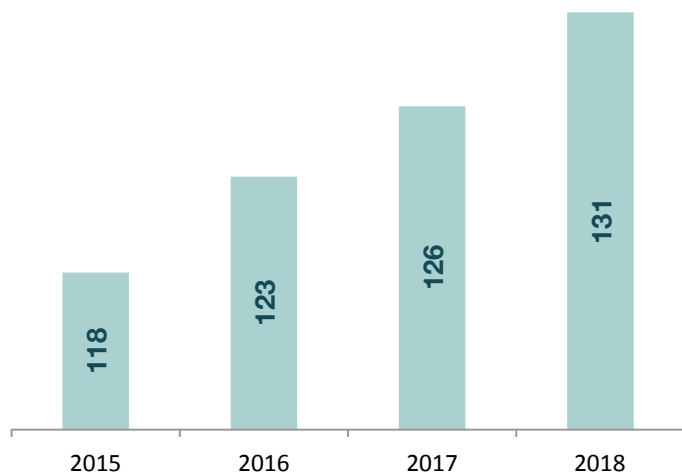
## INCOME STATEMENT

(Unaudited)

Income	2018	2017
Investment Income	\$ 741,903	\$ 674,919
Interest on Loans	\$ 3,741,874	\$ 3,220,079
Non-Interest income	\$ 854,064	\$ 861,010
<b>Total Income</b>	<b>\$ 5,337,841</b>	<b>\$ 4,756,007</b>
<b>Interest Expense</b>		
Interest on Shares	\$ 66,208	\$ 64,905
Interest on Certificates of Deposit	\$ 233,315	\$ 172,844
<b>Total Interest Expense</b>	<b>\$ 299,524</b>	<b>\$ 237,749</b>
<b>Non-Interest Expense</b>		
Employee Compensation & Benefits	\$ 2,296,186	\$ 2,258,814
Travel & Conference Expense	\$ 25,031	\$ 30,232
Office Occupancy Expense	\$ 178,482	\$ 184,875
Office Operations Expense	\$ 746,389	\$ 704,534
Educational & Promotional Expense	\$ 148,584	\$ 128,792
Loan Servicing Expense	\$ 71,640	\$ 69,491
Professional and Outside Services	\$ 554,825	\$ 559,658
Operating Fees	\$ 18,000	\$ 12,000
Misc. Operating Expenses	\$ 72,229	\$ 62,817
<b>Total Non-Interest Expense</b>	<b>\$ 4,111,368</b>	<b>\$ 4,011,213</b>
Provision for Loan Losses	\$ 34,055	\$ 89,148
<b>Net Income</b>	<b>\$ 892,894</b>	<b>\$ 417,897</b>

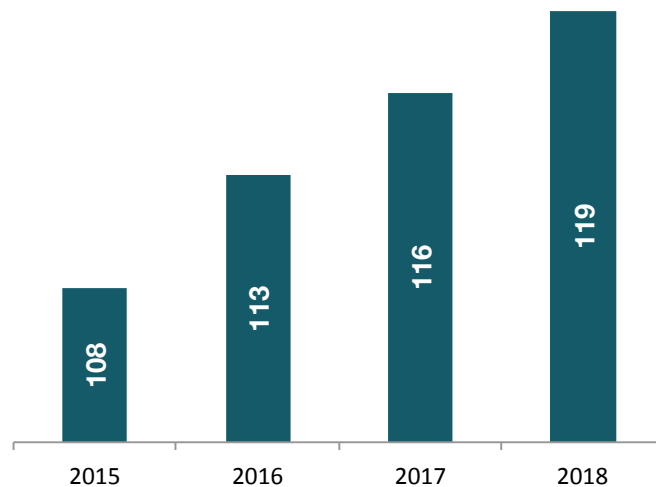
## ASSET GROWTH

(\$ Millions)



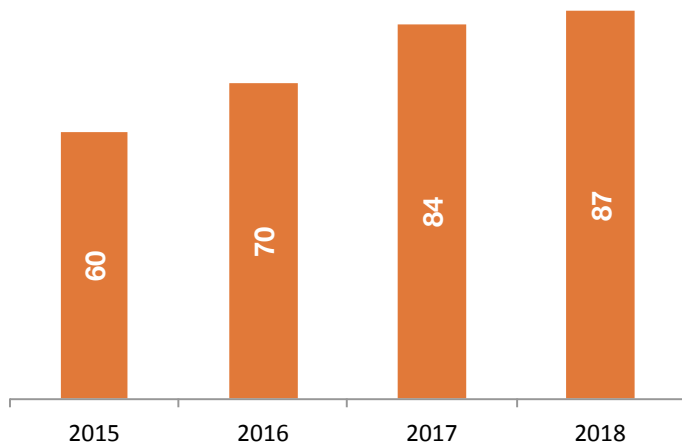
## DEPOSIT GROWTH

(\$ Millions)



## LOAN GROWTH

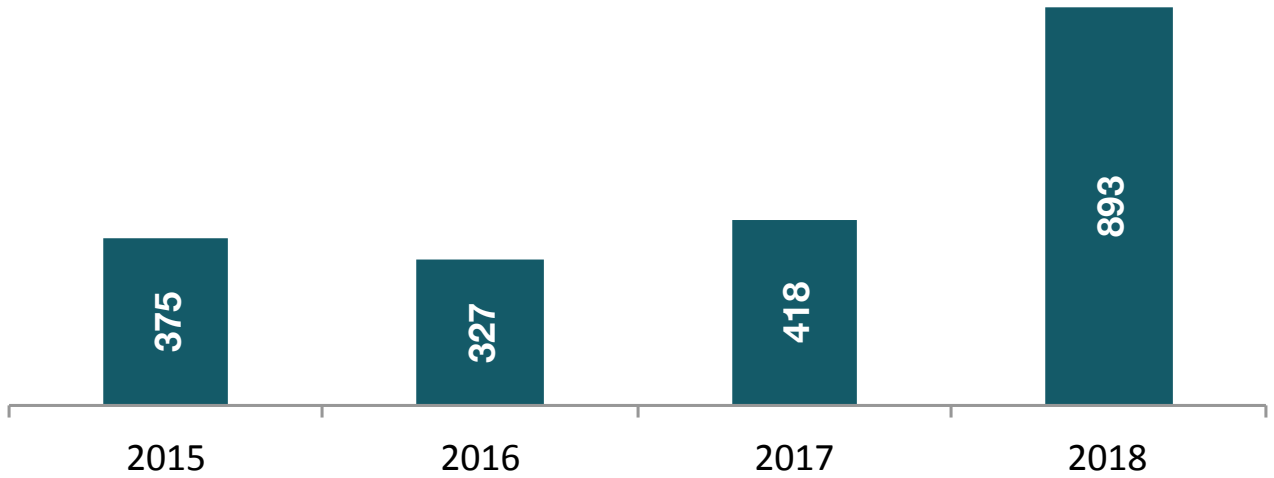
(\$ Millions)



## FINANCIAL HIGHLIGHTS

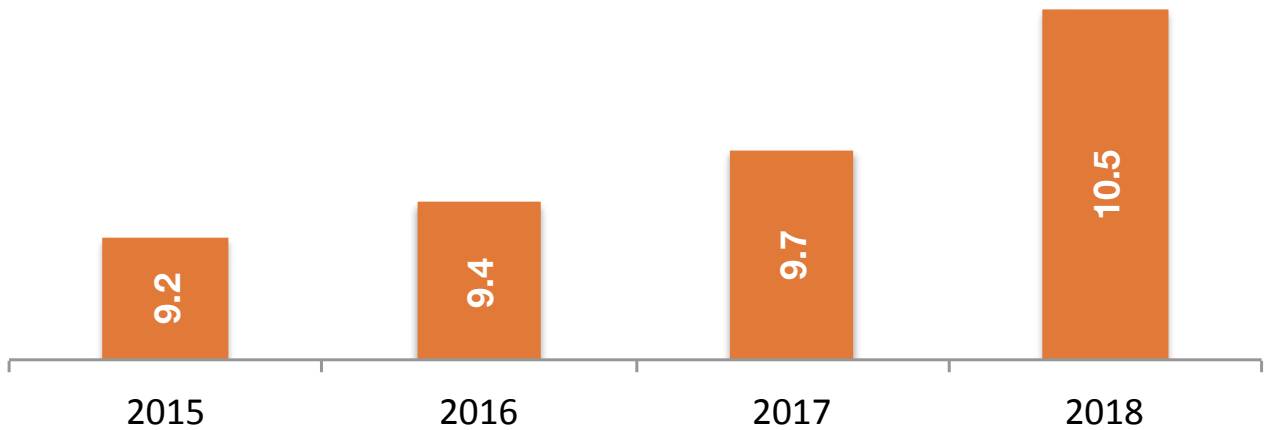
## NET INCOME

(\$ Thousands)

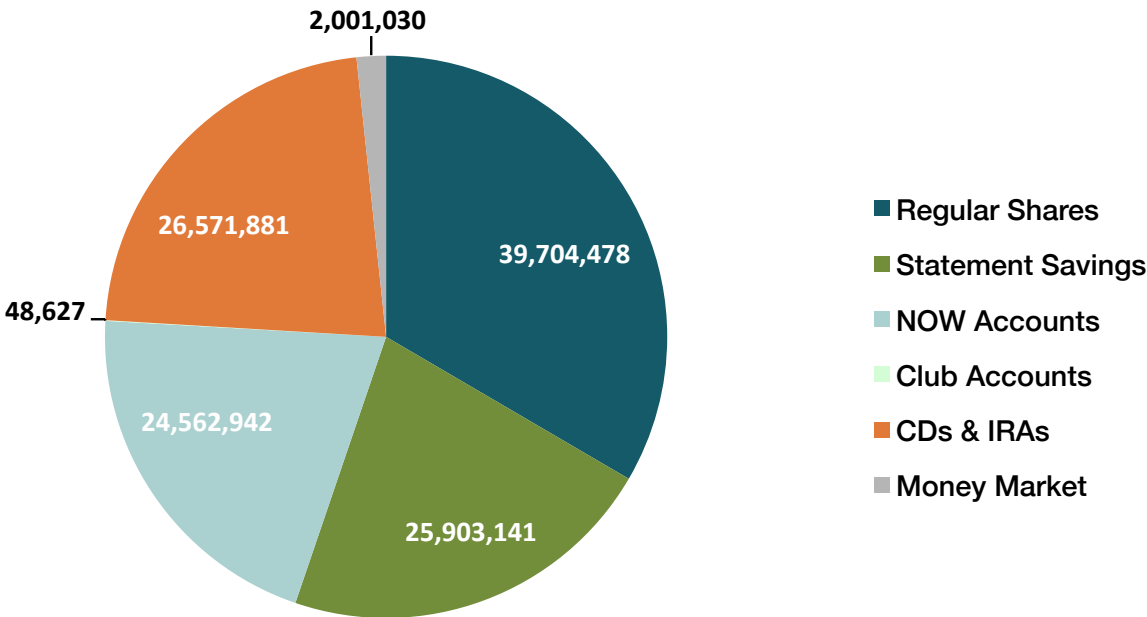


## CAPITAL GROWTH

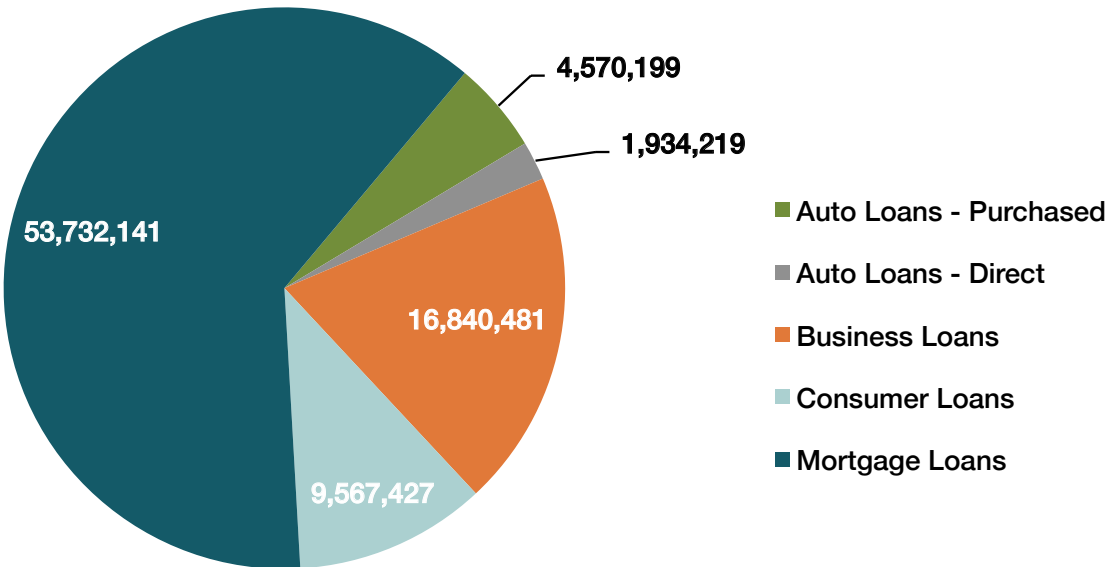
(\$ Millions)



# 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, 2018 and 2017. 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, *1<sup>st</sup> Vice Chairman*

Isaac M. Machado, *2<sup>nd</sup> Vice Chairman*

Charles F. McCannon, *Treasurer*

Catarina Nogueira, *Assistant Treasurer*

Paul Ferreira, *Secretary/Clerk*

Christopher Alphen

Manuel Da Silva

Charles Montemor

Maria L. Santos





# EXECUTIVE TEAM

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



# MANAGEMENT

Ana C. Santos, *Mortgage Production Manager*  
Michael Dwyer, *Operations Manager*  
Nicolle Medeiros, *Retail Manager - Somerville*  
Raquel Sa, *Marketing Manager*  
Susie Resendes, *Retail Manager - Cambridge*



# STAFF

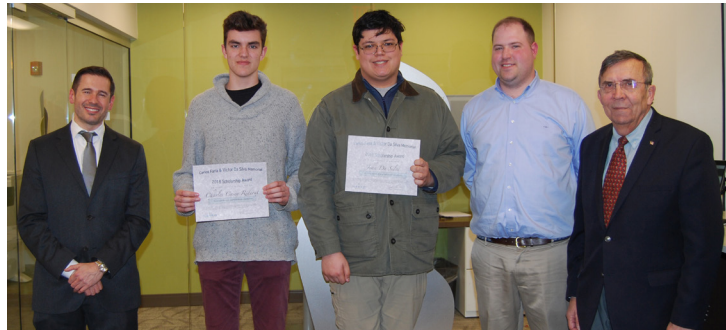
Alejandro Merlos	Margaret Silva
Alexandra Marin	Meralda Milheirão
Allie Teixeira	Mylma Lemos
Ana Cisneros	Natalie Rodriguez
Anna Carolina Gomes	Patricia Acquaviva
Anne Labeta	Peggy Norton
Corália Garcia	Phoebe Zaw
Edimar Rodrigues	Priscilla Rodriguez
Elizabeth Cabral	Samantha Cicerone
Jerry Abraham	Susan Jacobucci
Margaret Iao	Veronica Corrente





# COMMUNITY INVOLVEMENT

Naveo Credit Union is committed to building and sustaining the neighborhoods which it serves and continues to take an active role in the community by supporting the efforts of local organizations. Naveo's strategic partnerships with local non-profits and other organizations have better allowed us to bring value to the community beyond financial services. It is apparent to us that our members appreciate a local financial institution, especially when it goes beyond banking. Our efforts show that we truly believe in the credit union philosophy of "people helping people."





# SOCIAL RESPONSIBILITY

## We proudly support...



America's Credit Union Museum  
 A Bed for Every Child  
 Asthma Foundation of America, New England Chapter  
 Boston Children's Hospital  
 Boston Portuguese Festival (BPF)  
 Boys and Girls Club of Middlesex County (BGCMC)  
 Boys and Girls Club of Woburn  
 Cambridge Camping  
 Cambridge Upper School  
 Charlton PTO  
 Children's Miracle Network  
 Community Cooks  
 Dana Farber Cancer Institute  
 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.  
 Friends of King Open School  
 Groundworks Somerville  
 Imperio Mariense de Saugus  
 Joe & Dorothy Chaves Foundation  
 Kiwanis Club of Somerville  
 Leukemia & Lymphoma Society  
 Little Sisters of the Poor  
 Massachusetts Alliance of Portuguese Speakers  
 MAPS Senior Center  
 Massachusetts Coalition for the Homeless  
 On the Rise  
 Portuguese American Postgraduate Society (PAPS)  
 Second Chances  
 Somerville-Cambridge Elder Services  
 Somerville Chamber of Commerce  
 Somerville Council of PTAs  
 Somerville Homeless Coalition (SHC)  
 Somerville Pop Warner  
 Somerville Rotary Club  
 Somerville Youth & Recreation Foundation  
 St. Anthony's Parish, Cambridge  
 St. Anthony's Parish, Somerville  
 St. Catherine of Genoa Parish  
 Toys for Local Children  
 Toys for Tots  
 Union Square Main Streets  
 Walnut Street Center  
 Wilmington Pop Warner

# 2018 BY THE NUMBERS

Donated Nearly  
**\$55,000**  
to Local Organizations

Raised Nearly  
**\$3,000**  
Through 6 In-Branch  
Fundraisers

Participated In and  
Supported

**90**

Local Events

Supported Over

**40**

Local Organizations

Offered

**10**

Free

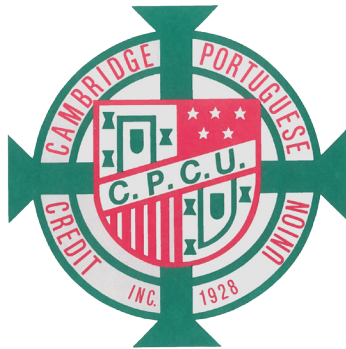
Educational Workshops





# EVOLUTION OF OUR LOGO

Over the last 90 years, a lot has changed including our logo. Throughout the years, not only did the number of our products and services grow to meet our members' needs, but our logo evolved as well. Here is a look back at the evolution of our logo that now complements our transition to a more inclusive and community-based credit union.



Prior to 1995



1996-2001



2002-2007



2008-2013



2014 - Now

# CELEBRATING 90 YEARS

Thank you for celebrating 90 years with us! Naveo was founded by 27 courageous men with a mission of providing a safe place to save their money. We continue to honor their legacy by providing excellent products and services and helping our members and neighbors, staying true to our motto of "Saving Together to Lend to Each Other."

**1928:** Naveo started as Cambridge Portuguese Credit Union in 1928 with a small branch in Inman Sq.



**1936:** A rare photo of our volunteer Board of Directors and Founders.



**1974:** In 1974 we broke ground on our Cambridge branch.



**1989:** Our volunteer Board of Directors established the Carlos Faria & Victor Da Silva Memorial Scholarship in late 1989 to help those in need go to college. This scholarship is still offered today.

**1991:** In 1991 we opened a second location - our Somerville Avenue branch.



**2004:** Online Banking, a new way of banking, was introduced to our membership.

**2007:** We expanded our field of membership to become a community credit union.



Over the years, we've built strong partnerships in the community with local non-profit organizations to bring value beyond just banking products and services.

**2011:** A new suite of business products and services, including loans, was launched to assist local business owners get the funds they need to grow and be successful.

**2014:** Our name change from CPCU to Naveo complemented our field of membership expansion and allowed us to be more inclusive of the diverse communities we serve.



**2015:** Naveo launched Financial Planning services in partnership with Alexandre Oliveira of Olive Tree Wealth.

**Naveo's range of products and services has grown to include eServices such as mobile banking, mobile deposit and online account opening, so our members can bank whenever, wherever.**

**2017:** The Cambridge branch was renovated to a modern, open-concept style that is more inviting to our members.



**2018:** Naveo celebrated 90 years of serving you - the community where we began.

# 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  
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.

90<sup>th</sup>





617.547.3144

NAVEDO



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.NAVEDO.CU (628.3628)  
617-547-3144  
naveo.org