

Form **990**

# Return of Organization Exempt From Income Tax

OMB No. 1545-0047

# 2002

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements

**A** For the 2002 calendar year, or tax year period beginning and ending

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return  
 Amended return  
 Application pending

**C** Name of organization  
**SHOREBANK ENTERPRISE GROUP**  
**DBA SHOREBANK ENTERPRISE, PACIFIC**  
 Number and street (or P O box if mail is not delivered to street address) Room/suite  
**203 HOWERTON WAY, SE P.O. BOX 826**  
 City or town, state or country, and ZIP + 4  
**ILWACO, WA 98624-0826**

**D** Employer identification number  
**91-1662698**

**E** Telephone number  
**360-642-4265**

**F** Accounting method:  Cash  Accrual  
 Other (specify) **▶**

**G** Web site **▶ N/A**

**J** Organization type (check only one)  501(c)(3) ( **3** ) (insert no)  4947(a)(1) or  527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **▶ 2,610,364.**

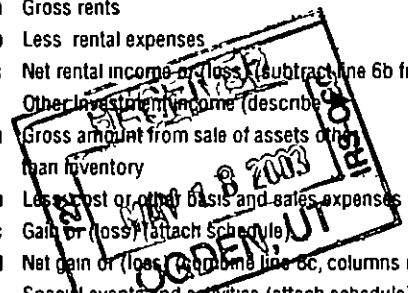
**H** and **I** are not applicable to section 527 organizations  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates **▶**  
**H(c)** Are all affiliates included? **N/A**  Yes  No (if "No," attach a list)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Enter 4-digit GEN **▶**

**M** Check  if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

## Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions gifts grants and similar amounts received			
	a	Direct public support	1a	854,828.	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ 854,828. noncash \$ )	1d	854,828.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	423,055.	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	143,374.	
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a	129,654.	
	b	Less rental expenses	6b		
	c	Net rental income or loss (subtract line 6b from line 6a)	6c	129,654.	
7	Other investment income (describe )	7			
Revenue	8a	Gross amount from sale of assets other than inventory	(A) Securities	(B) Other	
	b	Less cost or other basis and sales expenses	8a	1,047,049.	
	c	Gain or loss (attach Schedule D)	8b	1,048,091.	
	d	Net gain or loss (combine line 8c, columns (A) and (B))	8c	<1,042.>	
Expenses	9	Special events and activities (attach schedule)			
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a		
	b	Less direct expenses other than fundraising expenses	9b		
	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
	10a	Gross sales of inventory, less returns and allowances	10a		
	b	Less cost of goods sold	10b		
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
	11	Other revenue (from Part VII, line 103)	11	12,404.	
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	1,562,273.	
	13	Program services (from line 44, column (B))	13	1,353,297.	
14	Management and general (from line 44 column (C))	14	238,444.		
15	Fundraising (from line 44 column (D))	15	16,847.		
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17	1,608,588.		
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	<46,315.>	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	3,667,985.	
	20	Other changes in net assets or fund balances (attach explanation)	20	0.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	3,621,670.	

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SHOREBANK ENTERPRISE GROUP  
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**Part II Statement of Functional Expenses** All organizations must complete column (A) Columns (B) (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others Page 2

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ _____ noncash \$ _____				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc	267,395.	167,019.	100,376.	0.
26	Other salaries and wages	373,225.	226,021.	135,835.	11,369.
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes	166,182.	101,023.	62,091.	3,068.
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees				
33	Supplies	9,498.	4,173.	5,325.	
34	Telephone	15,447.	5,168.	10,279.	
35	Postage and shipping				
36	Occupancy	71,997.	25,076.	46,921.	
37	Equipment rental and maintenance	11,532.	4,069.	7,463.	
38	Printing and publications	3,793.	345.	3,388.	60.
39	Travel	51,934.	32,634.	16,950.	2,350.
40	Conferences conventions and meetings	3,323.	1,946.	1,377.	
41	Interest	96,014.	11,876.	84,138.	
42	Depreciation, depletion, etc (attach schedule)	50,956.	23,875.	27,081.	
43	Other expenses not covered above (itemize)				
a	_____				
b	_____				
c	_____				
d	_____				
e	SEE STATEMENT 3	487,292.	750,072.	<262,780.>	
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	1,608,588.	1,353,297.	238,444.	16,847.

Joint Costs Check  if you are following SOP 98-2  
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_,  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose? <b>SEE STATEMENT 4</b>	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a PROVIDED BUSINESS SUPPORT, MARKETING ASSISTANCE AND HIGHRISK, NONBANK CREDIT TO BUSINESSES IN COASTAL REGION, REDUCING WASTE, ENERGY, AND CHEMICAL USAGE AND IMPROVING PHYSICAL AND ECONOMIC ENVIRONMENT (Grants and allocations \$ _____)	1,353,297.
b _____ (Grants and allocations \$ _____)	
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	1,353,297.

**Part IV Balance Sheets**

Note		(A) Beginning of year		(B) End of year		
<i>Where required, attached schedules and amounts within the description column should be for end-of-year amounts only</i>						
Assets	45	Cash - non-interest-bearing		45		
	46	Savings and temporary cash investments	910,697.	46	511,148.	
	47 a	Accounts receivable	47a 123,863.			
	b	Less allowance for doubtful accounts	47b	47c 116,465.	123,863.	
	48 a	Pledges receivable	48a			
	b	Less allowance for doubtful accounts	48b	48c		
	49	Grants receivable	619,230.	49	286,029.	
	50	Receivables from officers, directors, trustees, and key employees		50		
	51 a	Other notes and loans receivable	51a			
	b	Less allowance for doubtful accounts	51b	51c		
	52	Inventories for sale or use		52		
	53	Prepaid expenses and deferred charges	21,939.	53	23,176.	
	54	Investments - securities	STMT 5 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	1,709,898.	54	2,434,694.
	55 a	Investments - land, buildings, and equipment basis	55a			
	b	Less accumulated depreciation	55b	55c		
56	Investments - other	SEE STATEMENT 6	1,383,470.	56	1,402,561.	
57 a	Land, buildings and equipment basis	57a 166,359.				
b	Less accumulated depreciation	57b 138,378.	88,216.	57c	27,981.	
58	Other assets (describe <input type="checkbox"/> SEE STATEMENT 7 )	3,861,666.	58	3,379,158.		
59	<b>Total assets (add lines 45 through 58) (must equal line 74)</b>	8,711,581.	59	8,188,610.		
Liabilities	60	Accounts payable and accrued expenses	61,605.	60	134,659.	
	61	Grants payable		61		
	62	Deferred revenue		62		
	63	Loans from officers, directors, trustees, and key employees		63		
	64 a	Tax-exempt bond liabilities		64a		
	b	Mortgages and other notes payable	3,893,241.	64b	4,432,281.	
	65	Other liabilities (describe <input type="checkbox"/> REFUNDABLE ADVANCE )	1,088,750.	65	0.	
66	<b>Total liabilities (add lines 60 through 65)</b>	5,043,596.	66	4,566,940.		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted	1,699,994.	67	1,075,153.	
	68	Temporarily restricted	1,967,991.	68	2,546,517.	
	69	Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds		70		
	71	Paid-in or capital surplus, or land, building, and equipment fund		71		
	72	Retained earnings, endowment, accumulated income, or other funds		72		
73	<b>Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)</b>	3,667,985.	73	3,621,670.		
74	<b>Total liabilities and net assets / fund balances (add lines 66 and 73)</b>	8,711,581.	74	8,188,610.		

Form 990 is available for public inspection and, for some people serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.



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Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes" attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes" attach a conformed copy of the changes		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A		
79	Was there a liquidation, dissolution, termination or substantial contraction during the year? If "Yes" attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct or indirect political expenditures See line 81 instructions <input type="checkbox"/> 81 a   0.		
b	Did the organization file Form 1120-POL for this year?		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes" you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III) <input type="checkbox"/> 82 b   N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? N/A		
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes" did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
c	Dues, assessments and similar amounts from members <input type="checkbox"/> 85c   N/A		
d	Section 162(e) lobbying and political expenditures <input type="checkbox"/> 85d   N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <input type="checkbox"/> 85e   N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) <input type="checkbox"/> 85f   N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A		
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12 <input type="checkbox"/> 86a   N/A		
b	Gross receipts included on line 12, for public use of club facilities <input type="checkbox"/> 86b   N/A		
87	501(c)(12) organizations Enter a Gross income from members or shareholders <input type="checkbox"/> 87a   N/A		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) <input type="checkbox"/> 87b   N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes" complete Part IX		X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> 0., section 4912 <input type="checkbox"/> 0., section 4955 <input type="checkbox"/> 0.		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/> 0.		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/> 0.		
90 a	List the states with which a copy of this return is filed <input type="checkbox"/> WASHINGTON AND OREGON		
b	Number of employees employed in the pay period that includes March 12, 2002 <input type="checkbox"/> 90b   15		
91	The books are in care of <input type="checkbox"/> JOHN BERDES Telephone no <input type="checkbox"/> 360-642-4265		
Located at <input type="checkbox"/> PO BOX 826, ILWACO, WA			
ZIP + 4 <input type="checkbox"/> 98624-0826			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92   N/A		

**Part VII Analysis of Income-Producing Activities** (See page 31 of the instructions)

	Unrelated business income		Excluded by section 512 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu sion code	(D) Amount	
<b>Note</b> Enter gross amounts unless otherwise indicated					
93 Program service revenue					
a INTEREST ON NOTES REC.					255,429.
b LOAN FUND FEES					30,258.
c TECHNICAL ASSISTANCE					137,368.
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	143,374.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					1,190.
b not debt-financed property					128,464.
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	<1,042.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a MISCELLANEOUS INCOME			01	12,404.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))			0.	154,736.	552,709.
105 Total (add line 104 columns (B), (D), and (E))					707,445.

**Note** Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 32 of the instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	SEE STATEMENT 9

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 32 of the instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 33 of the instructions)

- (a) Did the organization during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Accompanying schedules and statements, and to the best of my knowledge and belief it is true, information of which preparer has any knowledge

DIS/03 PRESIDENT  
Type or print name and title

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

**2002**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information-(See separate instructions.)**  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **SHOREBANK ENTERPRISE GROUP** Employer identification number  
**DBA SHOREBANK ENTERPRISE, PACIFIC** **91 1662698**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
LARRY BAKER P.O. BOX 826, ILWACO, WA 98624	SR LOAN OFFIC 40	55,000.		
KIM WELLER P.O. BOX 826, ILWACO, WA 98624	FIN DIRECTOR 40	51,000.	2,986.	
Total number of other employees paid over \$50,000 ▶	0			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶	0	

SHOREBANK ENTERPRISE GROUP

**Part III** Statements About Activities (See page 2 of the instructions )

1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ \_\_\_\_\_ \$ \_\_\_\_\_ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B )

Yes	No
	X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities

2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions ) SEE STATEMENT 10

a Sale exchange, or leasing of property?

	X
--	---

b Lending of money or other extension of credit?

	X
--	---

c Furnishing of goods, services, or facilities?

	X
--	---

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

X	
---	--

e Transfer of any part of its income or assets?

	X
--	---

3 Does the organization make grants for scholarships, fellowships student loans, etc ? (See Note below )

	X
--	---

4 Do you have a section 403(b) annuity plan for your employees?

	X
--	---

Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments

**Part IV** Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions )

The organization is not a private foundation because it is (Please check only ONE applicable box )

5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)

6  A school Section 170(b)(1)(A)(ii) (Also complete Part V )

7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)

8  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)

9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► \_\_\_\_\_

10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A )

11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A )

11b  A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A )

12  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A )

13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3) )

Provide the following information about the supported organizations (See page 5 of the instructions )

(a) Name(s) of supported organization(s)	(b) Line number from above

14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions )

SHOREBANK ENTERPRISE GROUP

Schedule A (Form 990 or 990-EZ) 2002 DBA SHOREBANK ENTERPRISE, PACIFIC

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**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting  
 Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	435,641.	1,403,672.	868,000.	1,615,950.	4,323,263.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable etc. purpose	576,035.	370,014.	403,794.	304,674.	1,654,517.
18 Gross income from interest dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	189,694.	92,858.	59,609.	76,010.	418,171.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.	7,630.		SEE STATEMENT 11		7,630.
23 Total of lines 15 through 22	1,209,000.	1,866,544.	1,331,403.	1,996,634.	6,403,581.
24 Line 23 minus line 17	632,965.	1,496,530.	927,609.	1,691,960.	4,749,064.
25 Enter 1% of line 23	12,090.	18,665.	13,314.	19,966.	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a N/A
	b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the sum of all these excess amounts.				26b N/A
	c Total support for section 509(a)(1) test. Enter line 24, column (e).				26c N/A
	d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____				26d N/A
	e Public support (line 26c minus line 26d total)				26e N/A
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				26f N/A %
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year.				
	(2001) 0.	(2000) 0.	(1999) 0.	(1998) 0.	
	b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.				
	(2001) 0.	(2000) 0.	(1999) 0.	(1998) 0.	
	c Add: Amounts from column (e) for lines 15 4,323,263. 16 _____ 17 1,654,517. 20 _____ 21 _____				27c 5,977,780.
	d Add: Line 27a total 0. and line 27b total 0.				27d 0.
	e Public support (line 27c total minus line 27d total)				27e 5,977,780.
	f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)				27f 6,403,581.
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g 93.3506%
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h 6.5303%
28 Unusual Grants	For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.				

SHOREBANK ENTERPRISE GROUP

**Part V Private School Questionnaire** (See page 7 of the instructions)

N/A

**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? <i>If "Yes," please describe. If "No," please explain. (If you need more space, attach a separate statement.)</i>		
<hr/>			
<hr/>			
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions programs and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? <i>If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)</i>	32d	
<hr/>			
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? <i>If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)</i>	33h	
<hr/>			
<hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? <i>If you answered "Yes" to either 34a or b, please explain using an attached statement.</i>	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

SHOREBANK ENTERPRISE GROUP

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check  a  if the organization belongs to an affiliated group

Check  b  if you checked "a" and "limited control" provisions apply

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
	N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table -		
If the amount on line 40 is -		
Not over \$500,000	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
The lobbying nontaxable amount is -		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

Caution If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h)

Yes	No	Amount
		0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities



FORM 990

RENTAL INCOME

STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
VARIOUS REAL PROPERTY IN THE PACIFIC NORTHWEST	1	128,464.
VARIOUS REAL PROPERTY IN THE PACIFIC NORTHWEST	2	1,190.
TOTAL TO FORM 990, PART I, LINE 6A		129,654.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED	
VAN			PURCHASED	
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
	12,250.	22,756.	0.	<1,589.>
DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED	
SALE OF INVESTMENT	VARIOUS	VARIOUS	PURCHASED	
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
	1,034,799.	1,034,252.	0.	547.
TO FM 990, PART I, LN 8	1,047,049.	1,057,008.	0.	<1,042.>

FORM 990 OTHER EXPENSES STATEMENT 3

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
PROFESSIONAL FEES	31,936.	3,694.	28,242.	
CONSULTANTS	93,477.	24,120.	69,357.	
BANK CHARGES	1,511.	463.	1,048.	
ADVERTISING & MARKETING	926.	232.	694.	
BANDWIDTH	13,078.	11,877.	1,201.	
DUES & SUBSCRIPTIONS	2,044.	679.	1,365.	
DONATIONS	3,625.	675.	2,950.	
PROFESSIONAL DEVELOPMENT	5,697.	399.	5,298.	
TAXES & LICENSES	8,174.	7,467.	707.	
REVOLVING LOAN FUND CLOSING COSTS	749.	729.	20.	
PROVISION FOR LOAN LOSSES	249,214.	249,214.		
MISCELLANEOUS ALLOCATION OF GENERAL EXPENSE	76,861.	73,481.	3,380.	
	0.	143,420.	<143,420.>	

ALLOCATION OF CORE EXPENSES	0.	233,622.	<233,622.>
TOTAL TO FM 990, LN 43	487,292.	750,072.	<262,780.>

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 4  
PART III

EXPLANATION

PROMOTION OF ENVIRONMENTALLY RESTORATIVE ECONOMIC DEVELOPMENT IN LOW-INCOME AND ECONOMICALLY DEPRESSED PACIFIC NORTHWEST COMMUNITIES.

FORM 990 GOVERNMENT SECURITIES STATEMENT 5

DESCRIPTION	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
FEDERAL AGENCY DEBT SECURITIES	2,434,694.		2,434,694.
TOTAL TO FORM 990, LINE 54, COL B	2,434,694.		2,434,694.

FORM 990 OTHER INVESTMENTS STATEMENT 6

DESCRIPTION	VALUATION METHOD	AMOUNT
PROPERTY HELD FOR SALE	COST	447,561.
RENTAL PROPERTY	COST	955,000.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		1,402,561.

FORM 990 OTHER ASSETS STATEMENT 7

DESCRIPTION	AMOUNT
LOANS RECEIVABLE, NET	3,332,234.
INVESTMENT IN SALES - TYPE LEASE	46,924.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	3,379,158.

FORM 990

PART V - LIST OF OFFICERS, DIRECTORS,  
TRUSTEES AND KEY EMPLOYEES

STATEMENT 8

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARY HOUGHTON 7054 S. JEFFERY BLVD. CHICAGO, IL 60649	CHAIR 0.	0.	0.	0.
RON GRZYWINSKI 7054 S. JEFFERY BLVD. CHICAGO, IL 60649	DIRECTOR 0.	0.	0.	0.
SPENCER BEEBE 721 NW 9TH AVE., SUITE 200 PORTLAND, OR 97209	DIRECTOR 0.	0.	0.	0.
REBECCA CHAFFEE 230 SECOND STREET RAYMOND, WA 98577	DIRECTOR 0.	0.	0.	0.
BRADY SCOTT 3201 TREMONT NORTH BEND, OR 97459	DIRECTOR 0.	0.	0.	0.
STAN AMY 4109 NE 19TH AVE. SUITE B PORTLAND, OR 97211	DIRECTOR 0.	0.	0.	0.
DAVID WILLIAMS 721 NW 9TH AVE., SUITE 230 PORTLAND, OR 97207	DIRECTOR 0.	0.	0.	0.
PATRICIA MORRISSEY P.O. BOX 826 ILWACO, WA 98624	DIRECTOR 0.	0.	0.	0.
PAUL BENOIT 1095 DUANE STREET ASTORIA, OR 97103	DIRECTOR 0.	0.	0.	0.
JOHN BERDES P.O. BOX 826 ILWACO, WA 98624	PRESIDENT 40	81,600.	10,767.	0.
MICHAEL DICKERSON P.O. BOX 826 ILWACO, WA 98624	VICE PRESIDENT 40	78,795.	4,720.	0.



SHOREBANK ENTERPRISE GROUP  
 FORM 990 - PART IV, LINE 57, COLUMN B  
 EIN 91-1662698  
 YEAR ENDING 12/31/02

	<u>Basis</u>	<u>Prior Years' Depreciation</u>	<u>Current Year Depreciation Expense</u>	<u>Deletions/ Adjustments</u>	<u>Net Book Value</u>
LEASEHOLD IMPROVEMENTS	34,542	(22,160)	(2,043)	-	10,339
FURNITURE, FIXTURES & PROPERTY	<u>131,817</u>	<u>(74,179)</u>	<u>(48,912)</u>	<u>8,916</u>	<u>17,642</u>
TOTAL	<u>166,359</u>	<u>(96,339)</u>	<u>(50,955)</u>	<u>8,916</u>	<u>27,981</u>