

**Return of Organization Exempt From Income Tax**

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

**2003**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

**A For the 2003 calendar year, or tax year beginning and ending**

<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or pntt or type See Specific Instructions	<b>C Name of organization</b> Shorebank Enterprise Group DBA Shorebank Enterprise, Pacific		<b>D Employer identification number</b> 91-1662698
		Number and street (or P O box if mail is not delivered to street address) Room/suite 203 Howerton Way SE - PO Box 826		<b>E Telephone number</b> 360-642-4265
		City or town, state or country, and ZIP + 4 Ilwaco, WA 98624-0826		<b>F Accounting method</b> <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

**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 Group Exemption Number

**G Website:** www.sbpac.com

**J Organization type** (check only one)  501(c) ( 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.

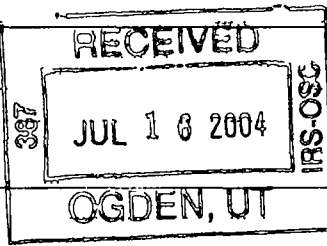
**M Check**  if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

**L Gross receipts** Add lines 6b, 8b, 9b, and 10b to line 12 **3,650,158.**

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

SCANNED JUL 21 2004 Revenue

<b>1</b> Contributions, gifts, grants, and similar amounts received <b>a</b> Direct public support <b>b</b> Indirect public support <b>c</b> Government contributions (grants) <b>d</b> Total (add lines 1a through 1c) (cash \$ <u>554,546.</u> noncash \$ <u>          </u> )	1a	554,546.	1d	554,546.	
	2		2	525,313.	
	3		3		
	4		4	99,883.	
	5		5		
	6 a Gross rents See Statement 1	6a	104,122.	6c	104,122.
	b Less rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)				
	7 Other investment income (describe <input type="checkbox"/> )			7	
	8 a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	8d	<3,550.>
	b Less cost or other basis and sales expenses	8a	2,359,598.		
	c Gain or (loss) (attach schedule)	8b	2,363,148.		
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	<3,550.>			
9 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ <u>          </u> of contributions reported on line 1a)	9a		9c		
b Less direct expenses other than fundraising expenses	9b				
c Net income or (loss) from special events (subtract line 9b from line 9a)					
10 a Gross sales of inventory, less returns and allowances	10a		10c		
b Less cost of goods sold	10b				
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)					
11 Other revenue (from Part VII, line 103)			11	6,696.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	1,287,010.	
<b>13</b> Program services (from line 44, column (B)) <b>14</b> Management and general (from line 44, column (C)) <b>15</b> Fundraising (from line 44, column (D)) <b>16</b> Payments to affiliates (attach schedule) <b>17</b> Total expenses (add lines 16 and 44, column (A))			13	1,160,147.	
			14	176,633.	
			15	30,550.	
			16		
			17	1,367,330.	
18 Excess or (deficit) for the year (subtract line 17 from line 12)			18	<80,320.>	
19 Net assets or fund balances at beginning of year (from line 73, column (A))			19	3,621,670.	
20 Other changes in net assets or fund balances (attach explanation)			20	<49,768.>	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	3,491,582.	



See Statement 3

**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

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	281,762.	156,076.	125,686.	0.
26	Other salaries and wages	370,562.	207,971.	141,921.	20,670.
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes	149,803.	83,160.	61,509.	5,134.
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees				
33	Supplies	10,145.	901.	9,244.	
34	Telephone	18,946.	5,778.	13,168.	
35	Postage and shipping				
36	Occupancy	71,791.	10,822.	60,969.	
37	Equipment rental and maintenance	21,621.	13,203.	8,418.	
38	Printing and publications	3,830.	732.	2,954.	144.
39	Travel	58,608.	31,764.	26,263.	581.
40	Conferences, conventions, and meetings	10,415.	2,687.	7,728.	
41	Interest	91,081.	5.	91,076.	
42	Depreciation, depletion, etc. (attach schedule)	52,436.	23,875.	28,561.	
43	Other expenses not covered above (itemize)				
a	_____				
b	_____				
c	_____				
d	_____				
e	See Statement 4	226,330.	623,173.	<400,864.>	4,021.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	1,367,330.	1,160,147.	176,633.	30,550.

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?  See Statement 5

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

**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 HIGH RISK NONBANK CREDIT TO BUSINESSES IN COASTAL REGION, REDUCING WASTE, ENERGY, AND CHEMICAL USAGE AND IMPROVING PHYSICAL AND ECONOMIC ENVIRONMENT (Grants and allocations \$ _____)	1,160,147.
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)	1,160,147.

**Part IV Balance Sheets**

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year	
<b>Assets</b>	45 Cash - non-interest-bearing		45	
	46 Savings and temporary cash investments	511,148.	46 170,136.	
	47 a Accounts receivable	47a 316,578.		
	b Less allowance for doubtful accounts	47b	47c 316,578.	
	48 a Pledges receivable	48a	48c	
	b Less allowance for doubtful accounts	48b		
	49 Grants receivable	286,029.	49 228,124.	
	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	23,176.	53 20,142.	
	54 Investments - securities	Stmnt 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	2,434,694.	54 2,150,137.
	55 a Investments - land, buildings, and equipment basis	55a		
	b Less accumulated depreciation	55b	55c	
56 Investments - other	See Statement 7	447,561.	56 129,656.	
57 a Land, buildings, and equipment basis	57a 1,125,710.			
b Less accumulated depreciation	57b 173,643.	982,981.	57c 952,067.	
58 Other assets (describe <input type="checkbox"/> See Statement 8 )		3,379,158.	58 4,333,742.	
59 Total assets (add lines 45 through 58) (must equal line 74)		8,188,610.	59 8,300,582.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	134,659.	60 38,620.	
	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	4,432,281.	64b 4,770,380.	
	65 Other liabilities (describe <input type="checkbox"/> )		65	
66 Total liabilities (add lines 60 through 65)		4,566,940.	66 4,809,000.	
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	1,075,153.	67 1,068,921.	
	68 Temporarily restricted	2,546,517.	68 2,422,661.	
	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 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)		3,621,670.	73 3,491,582.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)		8,188,610.	74 8,300,582.

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.



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	76	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	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? <span style="float:right">N/A</span>	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	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?	80a	X
b	If "Yes," enter the name of the organization <span style="border-bottom: 1px solid black; display: inline-block; width: 200px;"></span> 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 <span style="float:right">81a 0.</span>		
b	Did the organization file Form 1120-POL for this year?	81b	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?	82a	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) <span style="float:right">82b N/A</span>		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? <span style="float:right">N/A</span>	84b	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? <span style="float:right">N/A</span>	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? <span style="float:right">N/A</span>	85b	
	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 <span style="float:right">85c N/A</span>		
d	Section 162(e) lobbying and political expenditures <span style="float:right">85d N/A</span>		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <span style="float:right">85e N/A</span>		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) <span style="float:right">85f N/A</span>		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? <span style="float:right">N/A</span>	85g	
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? <span style="float:right">N/A</span>	85h	
86	501(c)(7) organizations. Enter a Initiation fees and capital contributions included on line 12 <span style="float:right">86a N/A</span>		
b	Gross receipts, included on line 12, for public use of club facilities <span style="float:right">86b N/A</span>		
87	501(c)(12) organizations Enter a Gross income from members or shareholders <span style="float:right">87a N/A</span>		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) <span style="float:right">87b N/A</span>		
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	88	X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> 0., section 4912 <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> 0., section 4955 <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> 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	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <span style="float:right">▶ 0.</span>		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <span style="float:right">▶ 0.</span>		
90 a	List the states with which a copy of this return is filed <span style="border-bottom: 1px solid black; display: inline-block; width: 200px;"></span> Washington, Oregon		
b	Number of employees employed in the pay period that includes March 12, 2003 <span style="float:right">90b 12</span>		
91	The books are in care of <span style="border-bottom: 1px solid black; display: inline-block; width: 200px;"></span> Royal Harshman Telephone no <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> 360-642-4265		
	Located at <span style="border-bottom: 1px solid black; display: inline-block; width: 300px;"></span> 203 Howerton Way SE - PO Box 826, Ilwaco, WA ZIP + 4 <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> 98624		
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 <span style="float:right">▶ 92 N/A</span>		

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	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	
93 Program service revenue					
a INTEREST ON NOTES REC.					380,307.
b LOAN FUND FEES					38,050.
c TECHNICAL ASSISTANCE					106,956.
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	99,883.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property			16	104,122.	
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	<3,550.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MISCELLANEOUS INCOME			01	6,696.	
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		207,151.	525,313.
105 Total (add line 104, columns (B), (D), and (E))					732,464.

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 34 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 11

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 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 34 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

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

accompanying schedules and statements, and to the best of my knowledge and belief, it is true,  
 and I am not aware of any information which preparer has any knowledge of.

Date: 1/13/09  
 Type or print name and title: JOHN BERGES, President

Date: 1/1/09  
 Check if self-prepared:   
 Preparer's SSN or PTIN: \_\_\_\_\_

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

Department of the Treasury  
Internal Revenue Service

**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

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

OMB No 1545-0047

**2003**

Name of the organization **Shorebank Enterprise Group**  
**DBA SHOREBANK ENTERPRISE, PACIFIC** Employer identification number  
**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 ----- PO BOX 826, ILWACO, WA 98624	SENIOR LENDER 40	60,143.	10,274.	
ROYAL HARSHMAN ----- PO BOX 826, ILWACO, WA 98624	FINANCE DIR. 40	50,288.	7,465.	
-----				
-----				
-----				
-----				
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)

	Yes	No
<b>1</b> 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 <b>▶</b> \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) 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		X
<b>2</b> 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.)		
<b>a</b> Sale, exchange, or leasing of property?	2a	X
<b>b</b> Lending of money or other extension of credit?	2b	X
<b>c</b> Furnishing of goods, services, or facilities?	2c	X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
<b>e</b> Transfer of any part of its income or assets?	2e	X
<b>3 a</b> Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)	3a	X
<b>b</b> Do you have a section 403(b) annuity plan for your employees?	3b	X
<b>4</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4	X

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 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 6 of the instructions)

Shorebank Enterprise Group

**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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28)	854,828.	435,641.	1,403,672.	868,000.	3,562,141.
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	423,055.	576,035.	370,014.	403,794.	1,772,898.
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	271,986.	189,694.	92,858.	59,609.	614,147.
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	12,404.	7,630.	See Statement 12		20,034.
23 Total of lines 15 through 22	1,562,273.	1,209,000.	1,866,544.	1,331,403.	5,969,220.
24 Line 23 minus line 17	1,139,218.	632,965.	1,496,530.	927,609.	4,196,322.
25 Enter 1% of line 23	15,623.	12,090.	18,665.	13,314.	

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 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total 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. (2002) 0. (2001) 0. (2000) 0. (1999) 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. (2002) 0. (2001) 0. (2000) 0. (1999) 0.		
c Add: Amounts from column (e) for lines: 15 3,562,141. 16 _____ 17 1,772,898. 20 _____ 21 _____	27c	5,335,039.
d Add Line 27a total 0. and line 27b total 0.	27d	0.
e Public support (line 27c total minus line 27d total)	27e	5,335,039.
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)	27f	5,969,220.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	89.3758%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	10.2886%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, 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

None

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? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )		
	_____		
	_____		
	_____		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )		
	_____		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )		
	_____		
	_____		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
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		

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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred )			
		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 -		
	<b>If the amount on line 40 is -</b>		
	<b>The lobbying nontaxable amount is -</b>		
	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	
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) 2003	(b) 2002	(c) 2001	(d) 2000	(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 12 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
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Kind and Location of Property	Activity Number	Gross Rental Income
VARIOUS REAL PROPERTY IN THE PACIFIC NORTHWEST	1	104,122.
Total to Form 990, Part I, line 6a		104,122.

Form 990 Gain (Loss) From Sale of Other Assets Statement 2

Description	Date Acquired	Date Sold	Method Acquired		
PROPERTY HELD FOR SALE	Various	01/31/03	PURCHASED		
Name of Buyer	Gross Sales Price	Cost or Other Basis	Expense of Sale	Deprec	Net Gain or (Loss)
	348,586.	351,210.	0.	0.	<2,624.>
Description	Date Acquired	Date Sold	Method Acquired		
INVESTMENTS			PURCHASED		
Name of Buyer	Gross Sales Price	Cost or Other Basis	Expense of Sale	Deprec	Net Gain or (Loss)
	2,011,012.	2,011,938.	0.	0.	<926.>
To Fm 990, Part I, ln 8	2,359,598.	2,363,148.	0.	0.	<3,550.>

Form 990 Other Changes in Net Assets or Fund Balances Statement 3

Description	Amount
UNREALIZED LOSS ON SECURITIES	<18,046.>
PRIOR PERIOD ADJUSTMENT FOR UNEARNED GRANT REVENUE	<31,722.>
Total to Form 990, Part I, line 20	<49,768.>

Form 990 Other Expenses Statement 4

Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising
PROFESSIONAL FEES	30,245.	2,400.	27,845.	
CONSULTANTS	107,742.	20,911.	82,878.	3,953.
BANK CHARGES	1,674.	12.	1,662.	
ADVERTISING AND MARKETING	10,389.	1,375.	9,014.	
DUES AND SUBSCRIPTIONS	3,159.	1,284.	1,807.	68.

DONATIONS	1,875.	1,875.		
PROFESSIONAL DEVELOPMENT	450.	425.	25.	
TAXES AND LICENSES	5,295.	4,790.	505.	
REVOLVING LOAN FUND CLOSING COSTS	141.	141.		
PROVISION FOR LOAN LOSSES	56,000.	56,000.		
MISCELLANEOUS EXPENSES	9,360.	230.	9,130.	
ALLOCATION OF CORE EXPENSES	0.	215,730.	<215,730.>	
ALLOCATION OF GENERAL EXPENSE	0.	318,000.	<318,000.>	
<b>Total to Fm 990, ln 43</b>	<b>226,330.</b>	<b>623,173.</b>	<b>&lt;400,864.&gt;</b>	<b>4,021.</b>

Form 990 Statement of Organization's Primary Exempt Purpose Part III Statement 5

Explanation

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

Form 990 Government Securities Statement 6

Description	U.S. Government	State and Local Gov't	Total Gov't Securities
FEDERAL AGENCY DEBT SECURITIES	2,150,137.		2,150,137.
<b>Total to Form 990, line 54, Col B</b>	<b>2,150,137.</b>		<b>2,150,137.</b>

Form 990 Other Investments Statement 7

Description	Valuation Method	Amount
PROPERTY HELD FOR SALE	Cost	102,427.
PRODUCT INVESTMENT	Cost	27,229.
<b>Total to Form 990, Part IV, line 56, Column B</b>		<b>129,656.</b>

Form 990	Other Assets	Statement	8
<u>Description</u>		<u>Amount</u>	
LOANS RECEIVABLE, NET		4,293,340.	
INVESTMENT IN SALES TYPE LEASE		40,402.	
Total to Form 990, Part IV, line 58, Column B		4,333,742.	

Form 990	Other Revenue Not Included on Form 990	Statement	9
<u>Description</u>		<u>Amount</u>	
UNREALIZED GAINS ON INVESTMENTS		<18,046.>	
Total to Form 990, Part IV-A		<18,046.>	

Form 990	Part V - List of Officers, Directors, Trustees and Key Employees	Statement	10
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Name and Address	Title and Avg Hrs/Wk	Compen- sation	Employee Ben Plan Contrib	Expense Account
MARY HOUGHTON 7054 S. JEFFERY BLVD. CHICAGO, IL 60649	CHAIR 0	0.	0.	0.
STEVE McCONNELL 7054 S. JEFFERY BLVD. CHICAGO, IL 60649	DIRECTOR 0	0.	0.	0.
SPENCER BEEBE 721 NW 9TH AVE., STE 200 PORTLAND, OR 97209	DIRECTOR 0	0.	0.	0.
REBECCA CHAFFEE 230 SECOND STREET RAYMOND, WA 98577	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., STE 230 PORTLAND, OR 97207	DIRECTOR 0	0.	0.	0.
PATRICIA MORRISSEY 685 FIRST STREET ASTORIA, OR 97103	DIRECTOR 0	0.	0.	0.
DENISE PRANGER PO BOX 1067 PORT TOWNSEND, WA	DIRECTOR 0	0.	0.	0.
MICHELE BURNETTE 430 NORTH WALL STREET COOS BAY, OR 97420	DIRECTOR 0	0.	0.	0.
PAUL BENOIT 950 WEST MALL SQUARE ALAMEDA, CA 94501	DIRECTOR 0	0.	0.	0.
ROSEMARY BAKER MONAGHAN 1880 SOUTH EDGEWOOD SEASIDE, OR 97138	DIRECTOR 0	0.	0.	0.
JOHN BERDES PO BOX 826 ILWACO, WA 98624	PRESIDENT 40	88,438.	5,963.	0.
MICHAEL DICKERSON PO BOX 826 ILWACO, WA 98624	VICE-PRESIDENT 40	89,340.	5,402.	0.
DIANE MOODY PO BOX 826 ILWACO, WA 98624	SECRETARY 40	65,106.	9,459.	0.
JENNIFER TADLOCK PO BOX 826 ILWACO, WA 98624	VICE-PRESIDENT 40	38,878.	3,120.	0.
Totals Included on Form 990, Part V		281,762.	23,944.	0.

Form 990 Part VIII - Relationship of Activities to Statement 11  
Accomplishment of Exempt Purposes

Line	Explanation of Relationship of Activities
93AB	INCREASES REVOLVING LOAN FUNDS AVAILABLE TO PROVIDE HIGH RISK, NON-BANK LOANS TO BUSINESSES IN LOW INCOME, ECONOMICALLY DEPRESSED AREAS.
93C	PROVIDES TECHNICAL SERVICES TO ENVIRONMENTALLY AWARE BUSINESSES
97AB	RENTAL INCOME FROM LEASES ENTERED INTO TO FURTHER THE ECONOMIC DEVELOPMENT OF THE AREA.

Schedule A	Other Income			Statement 12
Description	2002 Amount	2001 Amount	2000 Amount	1999 Amount
MISCELLANEOUS INCOME	12,404.	7,630.	0.	0.
Total to Schedule A, line 22	12,404.	7,630.	0.	0.

SHOREBANK ENTERPRISE GROUP  
FORM 990-PART IV, LINE 57, COLUMN B  
EIN. 91-1662698  
YEAR ENDING 12/31/03

	<u>Basis</u>	<u>Prior Years' Depreciation</u>	<u>Current Year Depreciation Expense</u>	<u>Adjustment</u>	<u>Net Book Value</u>
LEASEHOLD IMPROVEMENTS	34,542	(24,203)	(2,111)		8,228
FURNITURE, FIXTURES & PROPERTY	<u>1,091,168</u>	<u>(114,175)</u>	<u>(50,325)</u>	<u>17,171</u>	<u>943,839</u>
TOTAL	<u>1,125,710</u>	<u>(138,378)</u>	<u>(52,436)</u>		<u>952,067</u>

# Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

## Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

**Note: Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only**

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print  <small>File by the due date for filing your return See instructions</small>	Name of Exempt Organization	Employer identification number
	Shorebank Enterprise Group Pacific	91-1662698
	Number, street, and room or suite no. If a P.O. box, see instructions. 203 Howerton Way SE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Ilwaco, WA 98624	

**Check type of return to be filed** (file a separate application for each return):

- |  |   |                                    |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the **whole** group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until August 16, 2004 to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶  calendar year 2003 or

▶  tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.

2 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ \_\_\_\_\_

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ \_\_\_\_\_

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ \_\_\_\_\_ N/A

### Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature Taylor D Zoley CPA Title CPA Date 5/11/04

LHA For Paperwork Reduction Act Notice, see instruction Form 8868 (12-2000)

