

Return of Organization Exempt From Income Tax

2006

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 2006 calendar year, or tax year 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. D Employer identification number: 91-1662698. E Telephone number: 360-642-4265. F Accounting method: Cash, Accrual.

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.

G Website: www.sbpac.com

J Organization type (check only one): 501(c) (3), 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 14,422,462.

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

SCANNED JUL 16 2007

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6 Gross rents; 7 Other investment income; 8 Gross amount from sales of assets other than inventory; 9 Special events and activities; 10 Gross sales of inventory, less returns and allowances; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

RECEIVED MAY 22 2007 OGDEN, UT IRS-OSC

Shorebank Enterprise Group
DBA Shorebank Enterprise, Pacific

Form 990 (2006)

91-1662698 Page 2

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
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A Stmt 5	664,240.	398,543.	260,382.	5,315.
b Compensation of former officers, directors, key employees, etc listed in Part V-B	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	468,479.	285,383.	175,973.	7,123.
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27	77,793.	51,581.	25,570.	642.
29 Payroll taxes	108,983.	72,262.	35,822.	899.
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies	16,811.	5,965.	10,764.	82.
34 Telephone	17,241.	10,426.	6,760.	55.
35 Postage and shipping				
36 Occupancy	65,016.	31,984.	31,512.	1,520.
37 Equipment rental and maintenance	4,022.	210.	3,812.	
38 Printing and publications	1,647.	175.	1,472.	
39 Travel	54,501.	37,428.	14,885.	2,188.
40 Conferences, conventions, and meetings				
41 Interest	182,174.	182,174.		
42 Depreciation, depletion, etc. (attach schedule)	43,042.	531.	42,511.	
43 Other expenses not covered above (itemize):				
a _____				
b _____				
c _____				
d _____				
e _____				
f _____				
g See Statement 4	703,098.	565,006.	129,306.	8,786.
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,407,047.	1,641,668.	738,769.	26,610.

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 \$ N/A , (ii) the amount allocated to Program services \$ N/A ,
 (iii) the amount allocated to Management and general \$ N/A , and (iv) the amount allocated to Fundraising \$ N/A

623011
01-23-07

Form 990 (2006)

Shorebank Enterprise Group

Form 990 (2006)

DBA Shorebank Enterprise, Pacific

91-1662698

Page 3

Part III Statement of Program Service Accomplishments (See the instructions.)

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.

What is the organization's primary exempt purpose? ► <u>See Statement 6</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
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.)	
a <u>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</u>	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,641,668.
b	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	1,641,668.

Form 990 (2006)

Shorebank Enterprise Group
DBA Shorebank Enterprise, Pacific

Form 990 (2006)

91-1662698 Page 4

Part IV Balance Sheets (See the instructions.)

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
Assets	45 Cash - non-interest-bearing		45
	46 Savings and temporary cash investments	313,031.	46 1,632,215.
	47 a Accounts receivable	47a 145,807.	
	b Less: allowance for doubtful accounts	47b	47c 145,807.
	48 a Pledges receivable	48a	
	b Less: allowance for doubtful accounts	48b	48c
	49 Grants receivable	226,487.	49 456,327.
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b
	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	29,044.	53 36,892.
	54 a Investments - publicly-traded securities Stmt 7 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	2,980,163.	54a 2,658,668.
	b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b
55 a Investments - land, buildings, and equipment: basis	55a		
b Less: accumulated depreciation	55b	55c	
56 Investments - other See Statement 8	1,131,029.	56 4,896,994.	
57 a Land, buildings, and equipment: basis	57a 248,775.		
b Less: accumulated depreciation	57b 149,525.	57c 99,250.	
58 Other assets, including program-related investments (describe <input type="checkbox"/> See Statement 9)	6,819,021.	58 7,828,708.	
59 Total assets (must equal line 74) Add lines 45 through 58	11,848,691.	59 17,754,861.	
Liabilities	60 Accounts payable and accrued expenses	152,492.	60 223,011.
	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	7,671,249.	64b 9,637,651.
	65 Other liabilities (describe <input type="checkbox"/>)		65
	66 Total liabilities. Add lines 60 through 65	7,823,741.	66 9,860,662.
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	2,951,164.	67 2,860,323.
	68 Temporarily restricted	1,073,786.	68 5,033,876.
	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 and column (B) must equal line 21)	4,024,950.	73 7,894,199.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	11,848,691.	74 17,754,861.

Form 990 (2006)

**Shorebank Enterprise Group
DBA Shorebank Enterprise, Pacific**

Form 990 (2006)

91-1662698 Page 7

Part VI Other Information (continued)

			Yes	No
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.)	82b	N/A		
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?	84b	N/A		
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A		
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	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	85c	N/A		
d Section 162(e) lobbying and political expenditures	85d	N/A		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A		
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	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?	85h	N/A		
86 501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12	86a	N/A		
b Gross receipts, included on line 12, for public use of club facilities	86b	N/A		
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders	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.)	87b	N/A		
88 a 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	88a			X
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b			X
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> ; section 4912 <u>0.</u> , section 4955 <u>0.</u>				
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 <u>0.</u>				
d Enter Amount of tax on line 89c, above, reimbursed by the organization <u>0.</u>				
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e			X
f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f			X
g For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? N/A	89g			
90 a List the states with which a copy of this return is filed <u>None</u>				
b Number of employees employed in the pay period that includes March 12, 2006	90b			19
91 a The books are in care of <u>Royal Harshman</u> Telephone no <u>360-642-4265</u> Located at <u>203 Howerton Way SE - PO Box 826, Ilwaco, WA</u> ZIP + 4 <u>98624</u>				
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <u>N/A</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b			X

Form 990 (2006)

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? Yes No
 If "Yes," enter the name of the foreign country N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See 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.					658,969.
b LOAN FUND FEES					128,883.
c TECHNICAL ASSISTANCE					488,090.
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	270,604.	
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	5,400.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MISCELLANEOUS INCOME			01	17,554.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))			0.	293,558.	1,275,942.
105 Total (add line 104, columns (B), (D), and (E))					1,569,500.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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 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 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)

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). N/A

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.


Yes	No

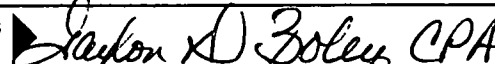
	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

Under penalty of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here:  Date: 05/15/07
 Signature of officer: DAVID PROVOST, EXECUTIVE VICE PRESIDENT
 Type or print name and title

Paid Preparer's Use Only: Preparer's signature:  Date: 5/11/07 Check if self-employed: Preparer's SSN or PTIN (See Gen. Inst. X):
 Firm's name (or yours if self-employed), address, and ZIP + 4: Aiken & Sanders, Inc., PS 343 W. Wishkah Aberdeen, WA 98520
 EIN: Phone no:

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

2006

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
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 2 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
DIANNE MOODY PO BOX 826, ILWACO, WA 98624	DIRECTOR-SEAFOOD CC 40.00	72,941.	8,163.	
MARK BOWMAN PO BOX 826, ILWACO, WA 98624	EMPLOYEE 40.00	51,514.	4,031.	
ADAM ZIMMERMAN PO BOX 826, ILWACO, WA 98624	EMPLOYEE 40.00	59,541.	5,587.	
Total number of other employees paid over \$50,000 ▶	0			

Part II-A 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	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter "None " See page 2 of the instructions)

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

Shorebank Enterprise Group

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

		Yes	No
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 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
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.)		
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 a	Did the organization make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?		X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement.		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g.		X
b	Did the organization make any taxable distributions under section 4966?		X
c	Did the organization make a distribution to a donor, donor advisor, or related person?		X
d	Enter the total number of donor advised funds owned at the end of the tax year ▶		0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶		0.
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶		0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶		0.

Shorebank Enterprise Group

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions)

I certify that 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					►

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the instructions)

Shorebank Enterprise Group

Schedule A (Form 990 or 990-EZ) 2006 **DBA Shorebank Enterprise, Pacific**

91-1662698 Page 4

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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28)	1,122,426.	897,170.	554,546.	854,828.	3,428,970.
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	900,497.	492,602.	525,313.	423,055.	2,341,467.
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	132,920.	172,044.	197,455.	271,986.	774,405.
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	9,204.	15,852.	6,696.	12,404.	44,156.
23 Total of lines 15 through 22	2,165,047.	1,577,668.	1,284,010.	1,562,273.	6,588,998.
24 Line 23 minus line 17	1,264,550.	1,085,066.	758,697.	1,139,218.	4,247,531.
25 Enter 1% of line 23	21,650.	15,777.	12,840.	15,623.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					84,951.
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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					0.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					4,247,531.
d Add: Amounts from column (e) for lines 18 <u>774,405.</u> 19 _____ 22 <u>44,156.</u> 26b _____					818,561.
e Public support (line 26c minus line 26d total)					3,428,970.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					80.7285%
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	N/A				
(2005) (2004) (2003) (2002)					
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 11b, 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	N/A				
(2005) (2004) (2003) (2002)					
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					N/A
d Add: Line 27a total _____ and line 27b total _____					N/A
e Public support (line 27c total minus line 27d total)					N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)			N/A		
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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 9 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)		
<hr/>			
<hr/>			
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)		
<hr/>			
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)		
<hr/>			
<hr/>			
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 10 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 -	41	
If the amount on line 40 is -			
The lobbying nontaxable amount 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		
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 13 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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 13 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	Yes	No	Amount
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.)			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	5,400.	
Total to Form 990, Part I, line 6a		5,400.	

Form 990	Gain (Loss) From Publicly Traded Securities	Statement	2
Description	Gross Sales Price	Cost or Other Basis	Expense of Sale
SALES OF TEMPORARY INVESTMENTS	8,164,859.	8,164,859.	0.
To Form 990, Part I, line 8	8,164,859.	8,164,859.	0.
			Net Gain or (Loss)
			0.

Form 990	Other Changes in Net Assets or Fund Balances	Statement	3
Description		Amount	
UNREALIZED GAIN ON SECURITIES		18,693.	
Total to Form 990, Part I, line 20		18,693.	

Form 990	Other Expenses	Statement	4
Description	(A) Total	(B) Program Services	(C) Management and General
PROFESSIONAL FEES	85,942.	48,337.	36,780.
CONSULTANTS	166,327.	145,685.	20,642.
BANK CHARGES	385.	5.	380.
ADVERTISING AND MARKETING	2,559.	168.	2,253.
DUES AND SUBSCRIPTIONS	4,195.	1,282.	2,713.
DONATIONS	4,525.	500.	4,025.
TAXES AND LICENSES	18,655.	16,012.	2,643.
			(D) Fundraising
			825.
			138.
			200.

PROVISION FOR LOAN LOSSES	99,267.	99,267.		
MISCELLANEOUS EXPENSES	1,142.	37.	1,004.	101.
ALLOCATION OF CORE & GENERAL EXPENSES	<25,600.>	242,547.	<273,737.>	5,590.
TECHNOLOGY EXPENSE	28,808.	1,177.	27,631.	
INSURANCE	15,102.	7,895.	6,530.	677.
CONFERENCES & MEETINGS	2,663.	1,725.	88.	850.
BOARD OF DIRECTORS EXPENSE	2,224.		2,224.	
COURIER SERVICE	829.	369.	55.	405.
MERGER WITH CASCADIA-EXCLUDING SALARIES AND	296,075.		296,075.	
Total to Fm 990, ln 43	<u>703,098.</u>	<u>565,006.</u>	<u>129,306.</u>	<u>8,786.</u>

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
ROYAL HARSHMAN	68,734.	6,403.		75,137.
A. Program Services	41,240.	3,842.		45,082.
B. Management and General	26,944.	2,510.		29,454.
C. Fundraising	550.	51.		601.

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
JENNIFER JANDA	46,545.	1,556.		48,101.
A. Program Services	27,927.	934.		28,861.
B. Management and General	18,246.	610.		18,856.
C. Fundraising	372.	12.		384.

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
SONYA LYNN	46,875.	8,572.		55,447.
A. Program Services	28,125.	5,143.		33,268.
B. Management and General	18,375.	3,360.		21,735.
C. Fundraising	375.	69.		444.

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
DAVID PROVOST	86,907.	8,463.		95,370.
A. Program Services	52,144.	5,078.		57,222.
B. Management and General	34,068.	3,317.		37,385.
C. Fundraising	695.	68.		763.
Total Program Services				398,543.
Total Management and General				260,382.
Total Fundraising				5,315.
Total Officer, etc., Compensation Included on Part II, Line 25a				<u>664,240.</u>

Form 990 Statement of Organization's Primary Exempt Purpose Part III Statement 6

Explanation

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

Form 990 Government Securities Statement 7

Description	Cost/FMV	U.S. Government	State and Local Gov't	Total Gov't Securities
FEDERAL AGENCY DEBT SECURITIES	FMV	2,658,668.		2,658,668.
Total to Form 990, line 54a, Col B		<u>2,658,668.</u>		<u>2,658,668.</u>

Form 990	Other Investments	Statement	8
----------	-------------------	-----------	---

Description	Valuation Method	Amount
OTHER ASSETS	Cost	68,376.
OTHER INVESTMENTS	Market Value	4,828,618.
Total to Form 990, Part IV, line 56, Column B		4,896,994.

Form 990	Other Assets	Statement	9
----------	--------------	-----------	---

Description	Amount	
LOANS RECEIVABLE, NET	7,810,840.	
INVESTMENT IN SALES TYPE LEASE	17,868.	
Total to Form 990, Part IV, line 58, Column B		7,828,708.

Form 990 Part V-A - List of Current Officers, Directors, Trustees and Key Employees Statement 10

Name and Address	Title and Avrg Hrs/Wk	Compen- sation	Employee Ben Plan Expense Contrib Account
MARY HOUGHTON 7054 S. JEFFERY BLVD. CHICAGO, IL 60649	CHAIR/EXECUTIVE C./CC 0.00	0.	0. 0.
STEVE McCONNELL 7054 S. JEFFERY BLVD. CHICAGO, IL 60649	EX. C. CHAIR/CC 0.00	0.	0. 0.
REBECCA CHAFFEE 230 SECOND STREET RAYMOND, WA 98577	DIRECTOR 0.00	0.	0. 0.
STAN AMY 4109 NE 19TH AVE. SUITE B PORTLAND, OR 97211	DIRECTOR 0.00	0.	0. 0.
DAVID WILLIAMS 721 NW 9TH AVE., STE 230 PORTLAND, OR 97207	DIRECTOR/AUDIT C. 0.00	0.	0. 0.
PATRICIA MORRISSEY 685 FIRST STREET ASTORIA, OR 97103	DIRECTOR 0.00	0.	0. 0.
DENISE PRANGER PO BOX 1067 PORT TOWNSEND, WA	NON-VOTING ADVISOR/AUDIT C. 0.00	0.	0. 0.
MICHELE BURNETTE 430 NORTH WALL STREET COOS BAY, OR 97420	DIRECTOR/ AUDIT C./EXECUTIVE C. 0.00	0.	0. 0.
PAUL BENOIT 950 WEST MALL SQUARE ALAMEDA, CA 94501	DIRECTOR/EXECUTIVE C. 0.00	0.	0. 0.
ROSEMARY BAKER MONAGHAN 1880 SOUTH EDGEWOOD SEASIDE, OR 97138	DIRECTOR 0.00	0.	0. 0.

Schedule A	Other Income			Statement 12
Description	2005 Amount	2004 Amount	2003 Amount	2002 Amount
MISCELLANEOUS INCOME	9,204.	15,852.	6,696.	12,404.
Total to Schedule A, line 22	9,204.	15,852.	6,696.	12,404.

SHOREBANK ENTERPRISE GROUP
 FORM 990-PART IV, LINE 57, COLUMN B
 EIN 91-1662698
 YEAR ENDING 12/31/06

	<u>Basis</u>	<u>Prior Years' Depreciation</u>	<u>Current Year Depreciation Expense</u>	<u>Adjustment</u>	<u>Net Book Value</u>
LEASEHOLD IMPROVEMENTS	35,300	(30,024)	(2,026)	-	3,250
FURNITURE, FIXTURES & PROPERTY	213,475	(86,363)	(31,112)	-	96,000
TOTAL	<u>248,775</u>	<u>(116,387)</u>	<u>(33,138)</u>		<u>99,250</u>
Miscellaneous Depreciation			(22)		
Amortization of WCDA Loan			<u>(9,882)</u>		
Total Depreciation 2006			<u>(43,042)</u>		