

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2008

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 2008 calendar year, or tax year beginning _____ and ending _____

B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending

C Name of organization: **SHOREBANK ENTERPRISE GROUP, PACIFIC**
Doing Business As: **SHOREBANK ENTERPRISE CASCADIA**
Number and street (or P.O. box if mail is not delivered to street address): **203 HOWERTON WAY SE - P.O. BOX 826**
Room/suite: _____
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 Name and address of principal officer: **JOHN BERDES, 203 HOWERTON WAY SE - P.O. BOX 826, ILWACO WA 98624-0826**

G Gross receipts: **8,364,173**

H(a) Is this a group return for affiliates? Yes No **X**
H(b) Are all affiliates included? Yes No
If "No," attach a list. (see instructions)

I Tax-exempt status: 501(c) (**3**) (Insert no.) 4947(a)(1) or 527

J Website: **www.sbpac.com**

K Type of organization: Corporation, Trust, Association, Other

L Year of formation: **1994**

M State of legal domicile: **WA**

H(c) Group exemption number

609 JUN 19 2009

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: PROMOTION OF ENVIRONMENTALLY RESTORATIVE ECONOMIC DEVELOPMENT IN LOW-INCOME AND ECONOMICALLY DEPRESSED PACIFIC NORTHWEST COMMUNITIES.		
	2 Check this box <input type="checkbox"/> If the organization discontinued its operations or disposed of more than 25% of its assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	15
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	15
	5 Total number of employees (Part V, line 2a)	5	38
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	2,226,269	5,215,605
	9 Program service revenue (Part VIII, line 2g)	2,309,152	2,843,647
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	528,351	287,573
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,490	17,348
	12 Total revenue. Add lines 8-11 (must equal Part VIII, column (A), line 12)	5,071,262	8,364,173
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,191,768	2,550,362
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (B), line 25) 23,674		
17 Other expenses (Part IX, column (A), lines 11a-1, d, 11f-24f)	1,816,837	3,370,430	
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	4,008,605	5,920,792	
19 Revenue less expenses. Subtract line 18 from line 12	1,062,657	2,443,381	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	29,084,170	33,928,429
	21 Total liabilities (Part X, line 26)	20,089,999	22,490,877
	22 Net assets or fund balances. Subtract line 21 from line 20	8,994,171	11,437,552

Part II Signature Block

Under penalties 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.

Sign Here

Signature of officer: **JOHN BERDES** Date: **5-14-09**
Type or print name and title: **PRESIDENT**

Paid Preparer's Use Only

Preparer's signature: **Matthew R. Matson** Date: **5/13/09** Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: **PETERSON SULLIVAN LLP, CPA'S, 601 UNION STREET, SUITE 2300, SEATTLE, WA 98101-2345**

EIN: **91-0605875** Phone no.: **206-382-7777**

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

5/16-17 25

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission
PROMOTION OF ENVIRONMENTALLY RESTORATIVE ECONOMIC DEVELOPMENT IN LOW-INCOME AND ECONOMICALLY DEPRESSED PACIFIC NORTHWEST COMMUNITIES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
 If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
 If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code) (Expenses \$ **3,419,995** including grants of \$) (Revenue \$ **2,227,228**)
PROVIDING BUSINESS SUPPORT, MARKETING ASSISTANCE AND HIGH RISK NONBANK CREDIT TO BUSINESSES AND INDIVIDUALS IN COASTAL REGIONS; IMPROVING THE PHYSICAL AND ECONOMIC ENVIRONMENTS THROUGH REDUCTION OF WASTE, ENERGY AND CHEMICAL USAGE THROUGH MISSION BASED LENDING.

4b (Code) (Expenses \$ **711,799** including grants of \$) (Revenue \$ **483,611**)
SHOREBANK ENTERPRISE CASCADIA PROVIDES EXPERT GUIDANCE IN STRATEGIC PLANNING, ORGANIZATIONAL DEVELOPMENT, ECONOMIC DEVELOPMENT AND REAL ESTATE DEVELOPMENT. THE SERVICES ARE DESIGNED TO ASSIST BUSINESSES, NON-PROFIT ORGANIZATIONS AND LOCAL GOVERNMENTS IN ACCOMPLISHING THEIR GOALS.

4c (Code) (Expenses \$ **651,177** including grants of \$) (Revenue \$ **132,808**)
SHOREBANK SEPTIC LOAN PROGRAMS PROVIDES FINANCING TO REPAIR OR REPLACE EXISTING SEPTIC SYSTEMS FOR PROPERTY OWNERS IN TARGETED AREAS.

4d Other program services (Describe in Schedule O)
 (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ \$ **4,782,971** (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		X
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25.		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV		X
b Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV		X
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1a	101		
1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2a	38		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	X	
3a	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 Form 990-T for this year? If "No," provide an explanation in Schedule O		
4a	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)?		X
b	If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Did the organization solicit any contributions 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?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		X
b	Did the organization make a distribution to a donor, donor advisor, or related person?		X
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12		
10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
10b			
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders		
11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
12b			

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following.		
8a	a The governing body?	X	
8b	b Each committee with authority to act on behalf of the governing body?	X	
9a	Does the organization have local chapters, branches, or affiliates?		X
9b	b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
15a	a The organization's CEO, Executive Director, or top management official?	X	
15b	b Other officers or key employees of the organization? Describe the process in Schedule O. (see instructions)	X	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	X	
16b	b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	X	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► **OR, WA**
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► **ELAINE MCMILLAN, TREASURER 826 HOWERTON WAY WA 98624**

ILWACO

WA 98624

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any officer, director, trustee, or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
WINSLETT, LEE	2	X					0	0	0
WILLIAMS, DAVID AUDIT COM	2	X					0	0	0
PRANGER, DENISE AUDIT COM	2	X					0	0	0
MORRISSEY, PATRICIA	2	X					0	0	0
MCCONNELL, STEVE CHAIRMAN	2	X					0	0	0
HOUGHTON, MARY	2	X					0	0	0
HOFFMAN, LINDA	2	X					0	0	0
CHAFFEE, REBECCA	2	X					0	0	0
CANALE, SHAW CO-CHAIR	2	X				X	0	0	0
BURNETTE, MICHELE CHAIR	2	X					0	0	0
BENOIT, PAUL EXE COM	2	X					0	0	0
ANDERSON, ERIK	2	X					0	0	0
AMY, STAN PRESIDENT	2	X					0	0	0
DICKERSON, MICHAEL EXECUTIVE VP	40			X	X		145,403	0	10,302
BERDES, JOHN PRESIDENT	40			X	X		135,639	0	16,804
BAKER, LARRY SENIOR VP	40			X	X		104,801	0	16,900
PROVOST, DAVID EXECUTIVE VP	40			X	X		101,521	0	12,418

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
MONTEITH, RONALENE SENIOR VP	40			X	X		98,629	0	8,972
HAMPSON, CHANDRA V. PRESIDENT	40			X			81,815	0	3,323
HULL, TERRY V. PRESIDENT	40			X			80,933	0	8,790
ZIMMERMAN, ADAM V. PRESIDENT	40			X			77,111	0	15,315
BOWMAN, MARK V. PRESIDENT	40			X			71,256	0	13,226
MCMILLAN, ELAINE TREASURER	40			X			65,235	0	15,640
LYNN, SONYA V. PRESIDENT	40			X			58,822	0	13,077
TAOKA, SUSAN EXECUTIVE VP	40			X	X		58,310	0	282
JANDA, JENNIFER SECRETARY	40			X			52,199	0	3,323
O'PHELAN, JOHN SENIOR VP				X		X	26,181	0	4,840
BURTON, KATHLEEN SENIOR VP				X		X	25,847	0	2,263
JONES, ANTHONY V. PRESIDENT				X		X	26,721	0	1,766
1b Total							1,210,423		147,241

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **4**

- 3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3	X	
4	X	
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
N/A		

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization **0**

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	2,372,086				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	2,843,519				
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f			5,215,605			
Program Service Revenue	2a LENDING ACTIVITIES	Busn. Code	2,227,228	2,227,228			
	b PROGRAM CONSULTING		483,611	483,611			
	c SEPTIC PROGRAM		132,808	132,808			
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			2,843,647			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		287,573			287,573	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6a Gross Rents	(i) Real	17,348				
		(ii) Personal					
	b Less rental exps						
	c Rental inc or (loss)	17,348					
	d Net rental income or (loss)		17,348			17,348	
	7a Gross amount from sales of assets other than inventory	(i) Securities					
		(ii) Other					
	b Less cost or other basis & sales exps						
	c Gain or (loss)						
	d Net gain or (loss)						
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a					
		b Less direct expenses	b				
c Net income or (loss) from fundraising events							
9a Gross income from gaming activities See Part IV, line 19	a						
	b Less direct expenses	b					
	c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances	a						
	b Less cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Busn. Code					
11a							
b							
c							
d All other revenue							
e Total. Add lines 11a-11d							
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			8,364,173	2,843,647	0	304,921	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,131,674	787,338	337,510	6,826
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	78,749	54,788	23,486	475
7 Other salaries and wages	906,320	630,553	270,300	5,467
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	47,969	34,055	13,303	611
9 Other employee benefits	192,621	136,751	53,416	2,454
10 Payroll taxes	193,029	137,040	53,529	2,460
11 Fees for services (non-employees).				
a Management				
b Legal	34,073	11,026	22,959	88
c Accounting	54,652	3,000	51,652	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	201,034	133,953	66,276	805
12 Advertising and promotion	21,916	12,361	9,275	280
13 Office expenses	22,223	15,729	6,339	155
14 Information technology	22,947	13,954	8,993	
15 Royalties				
16 Occupancy	171,872	122,154	49,581	137
17 Travel	114,136	73,711	36,973	3,452
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	610,174	610,174		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	58,842		58,842	
23 Insurance	14,420		14,420	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a PROVISION FOR LOAN LOSSES	1,927,905	1,927,905		
b TELEPHONE	58,058	42,652	15,393	13
c TAXES & LICENSES	24,191	23,488	703	
d BOARD MEETING EXPENSES	12,339	1,729	10,610	
e DONATIONS	7,821	5,000	2,791	30
f All other expenses	13,827	5,610	7,796	421
25 Total functional expenses. Add lines 1 through 24	5,920,792	4,782,971	1,114,147	23,674
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing		1	241,576
	2 Savings and temporary cash investments	993,557	2	2,711,198
	3 Pledges and grants receivable, net	95,000	3	1,165,000
	4 Accounts receivable, net	799,763	4	938,961
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	17,101,953	7	22,662,247
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	10,560	9	39,106
	10a Land, buildings, and equipment cost basis	10a 242,251		
	b Less accumulated depreciation. Complete Part VI of Schedule D	10b 195,535		
		101,153	10c	46,716
	11 Investments—publicly traded securities	4,281,916	11	2,850,581
	12 Investments—other securities. See Part IV, line 11	5,691,022	12	3,098,169
	13 Investments—program-related See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets See Part IV, line 11	9,246	15	174,875	
16 Total assets. Add lines 1 through 15 (must equal line 34)	29,084,170	16	33,928,429	
Liabilities	17 Accounts payable and accrued expenses	365,853	17	595,284
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable	19,724,146	24	21,895,593
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	20,089,999	26	22,490,877
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	5,419,932	27	5,759,667
	28 Temporarily restricted net assets	3,574,239	28	5,677,885
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	8,994,171	33	11,437,552
34 Total liabilities and net assets/fund balances	29,084,170	34	33,928,429	

Part XI Financial Statements and Reporting

- 1 Accounting method used to prepare the Form 990. Cash Accrual Other
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits?

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	897,170	1,122,426	1,388,103	2,226,269	5,215,605	10,849,573
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1-3	897,170	1,122,426	1,388,103	2,226,269	5,215,605	10,849,573
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						3,443,656
6 Public support. Subtract line 5 from line 4						7,405,917

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4	897,170	1,122,426	1,388,103	2,226,269	5,215,605	10,849,573
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	172,044	132,920	276,004	528,351	287,573	1,396,892
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	15,852	9,204	17,554	7,490	17,348	67,448
11 Total support. Add lines 7 through 10						12,313,913
12 Gross receipts from related activities, etc (see instructions)					12	7,821,840
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	60.1427 %
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	46.2306 %
16a 33 1/3 % support test—2008. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input checked="" type="checkbox"/>		
b 33 1/3 % support test—2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%

19a 33 1/3 % support tests—2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3 % support tests—2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

Part II, Line 10 - Other Income Detail

MISCELLANEOUS INCOME \$ **67,448**

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

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

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _ _ _ _ _

4 Number of states where property subject to conservation easement is located ▶ _ _ _ _ _

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? Yes No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _ _ _ _ _

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$ _ _ _ _ _

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _ _ _ _ _

(ii) Assets included in Form 990, Part X ▶ \$ _ _ _ _ _

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _ _ _ _ _

b Assets included in Form 990, Part X ▶ \$ _ _ _ _ _

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table.

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ _____ %
- b Permanent endowment ▶ _____ %
- c Term endowment ▶ _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements	0	35,280	35,280	
d Equipment	0	206,971	160,255	46,716
e Other				
Total. Add lines 1a–1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				46,716

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other MONEY MARKET FUNDS	1,589,978	Market
SHOREBANK COMMON STOCK	1,005,000	Cost
CERTIFICATES OF DEPOSIT	503,191	Market
OTHER ASSETS		Cost
Total. (Column (b) should equal Form 990, Part X, col. (B) line 12.)	3,098,169	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
REAL ESTATE HELD FOR SALE	149,136
PROGRAM	25,739
INVESTMENT IN LLC'S FOR LENDING	
MISCELLANEOUS OTHER ASSETS	
Total. (Column (b) should equal Form 990, Part X, col. (B) line 15.)	174,875

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	
Total. (Column (b) should equal Form 990, Part X, col. (B) line 25.)	

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	8,364,173
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	5,920,792
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	2,443,381
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	2,443,381

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	8,364,173
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	8,364,173
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	8,364,173

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	5,920,792
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	5,920,792
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	5,920,792

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b; Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

▶ Attach to Form 990. To be completed by organizations
that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open To Public
Inspection

Name of the organization
SHOREBANK ENTERPRISE GROUP, PACIFIC

Employer identification number
91-1662698

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input checked="" type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|---|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a

- a** Receive a severance payment or change of control payment?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.

Only 501(c)(3) and 501(c)(4) organizations must complete lines 5–8.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
b Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
b Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III.

	Yes	No
1b		<input checked="" type="checkbox"/>
2		<input checked="" type="checkbox"/>
4a		<input checked="" type="checkbox"/>
4b		<input checked="" type="checkbox"/>
4c		<input checked="" type="checkbox"/>
5a		<input checked="" type="checkbox"/>
5b		<input checked="" type="checkbox"/>
6a		<input checked="" type="checkbox"/>
6b		<input checked="" type="checkbox"/>
7	<input checked="" type="checkbox"/>	
8		<input checked="" type="checkbox"/>

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Part I, Line 1b - Written Reimbursement Policy Explanation

A MONTHLY RENT PAYMENT IS MADE TO AN EMPLOYEE WHO WORKS OUT OF A HOME OFFICE AND IS LOCATED IN A DIFFERENT STATE THAN THE COMPANY HEADQUARTERS. THE EMPLOYEE RECEIVES A FORM 1099 FOR THE AMOUNT OF THE ANNUAL RENT PAYMENT.

Part I, Line 7 - Non-Fixed Payments Provided

THE COMPANY HAS QUALIFIED PENSION CONTRIBUTION PLANS UNDER SECTION 403(B) AND 457(B).

SCHEDULE O
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990**

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008Open to Public
Inspection

Name of the organization

SHOREBANK ENTERPRRISE GROUP, PACIFIC

Employer identification number

91-1662698

Form 990, Part VI, Line 7a - Election of Members and Their Rights
ONE-THIRD (FIVE) OF THE MEMBERS OF THE BOARD OF DIRECTORS ARE APPOINTED TO STAGGERED THREE YEAR TERMS BY SHOREBANK CORPORATION. SHOREBANK CORPORATION IS A REGULATED BANK HOLDING COMPNAY. IT IS THE NATION'S FIRST AND LARGEST DEVELOPMENT BANK. SHOREBANK CORPORATION FOUNDED SHOREBANK ENTERPRISE CASCADIA AS PART OF ITS COMMITMENT TO POSITIVE ENVIRONMENTAL AND ECONOMIC IMPACT IN LOW INCOME COMMUNITIES. THE MINORITY REPRESENTATION ROLE ON THE BOARD OF DIRECTORS REFLECTS THE HISTORIC ASSOCIATION OF THE EXEMPT ENTITY WITH ITS FOUNDERS.

Form 990, Part VI, Line 7b - Decisions Subject to Approval of Members
THE ONLY DECISION OF THE GOVERNING BODY THAT IS SUBJECT TO APPROVAL BY OTHERS IS A DECISION TO AMEND THE ORGANIZATIONS BYLAWS. WRITTEN CONSENT OF SHOREBANK CORPORATION IS REQUIRED BEFORE ANY AMENDEMENT TO THE BYLAWS CAN BE CONSIDERED FINAL. THIS OVERSIGT REFLECTS THE HISTORIC RELATIONSHIP WITH SHOREBANK CORPORATION AS A FOUNDER OF THE ORGANIZATION AND THE SHARED MISSION OF BENEFITTING ENVIRONMENTAL AND ECONOMIC CHARACTERISTICS OF LOW INCOME COMMUNITIES. DURING 2008, SHOREBANK CORPORATION APPROVED A BYLAWS AMENDMENT REDUCING THE NUMBER OF DIRECTORS APPOINTED BY SHOREBANK CORPORATION FROM 50% TO 33%.

Form 990, Part VI, Line 10 - Organization's Process Used to Review Form 990
A DRAFT FORM 990 IS PREPARED AND REVIEWED INTERNALLY; THIS WAS PROVIDED TO THE BOARD OF DIRECTORS FOR REVIEW; FURTHERMORE, THE TAX RETURN IS SENT FOR REVIEW AND SIGN OFF BY OUR AUDITING FIRM, PETERSON SULLIVAN LLP.

Name of the organization

SHOREBANK ENTERPRISE GROUP, PACIFIC

Employer identification number

91-1662698

Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy

ALL EMPLOYEES COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE UPON HIRE;
SENIOR OFFICERS AND BOARD OF DIRECTORS COMPLETE QUESTIONNAIRE ON AN ANNUAL
BASIS.

Form 990, Part VI, Line 15a - Compensation Process for Top Official

SHOREBANK CORPORATION, THE INITIAL CO-FOUNDER OF SHOREBANK ENTERPRISE
CASCADIA, RETAINS AN OUTSIDE COMPANY TO CONDUCT A FULL COMPENSATION
REVIEW FOR THE INDUSTRY. THIS REVIEW INCLUDES ESTABLISHING THE APPROPRIATE
COMPENSATION STRUCTURE FOR LEVELS OF SENIOR MANAGEMENT AS WELL AS RANK
AND FILE EMPLOYEES. SHOREBANK ENTERPRISE CASCADIA BENEFITS FROM THIS
REVIEW AND UTILIZE IT AS BASIS FOR DETERMINING COMPENSATION FOR ITS
EMPLOYEES. ADDITIONALLY, ALL SENIOR LEVEL MANAGEMENT COMPENSATION IS
REVIEWED AND APPROVED BY THE BOARD OF DIRECTORS.

Form 990, Part VI, Line 15b - Compensation Process for Officers

PLEASE REFER TO ANSWER FOR 15A

Form 990, Part VI, Section C, Line 19 - GOVERNING DOCUMENTS AND CONFLICTS

INTEREST POLICY ARE MADE AVAILABLE ON A CASE BY CASE BASIS. QUARTERLY AND
ANNUAL FINANCIAL STATEMENTS ARE AVAILABLE ON THE COMPANY WEBSITE AND UPON
REQUEST.

Form 990, Part I, Line 3 - SHOREBANK ENTERPRISE CASCADIA CURRENTLY HAVE TWO
UNAPPOINTED/UNFILLED BOARD POSITIONS; ACCORDINGLY ONLY 13 BOARD MEMBERS ARE
REFLECTED IN PART VII.

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Dispro- portionate alloc.?		(I) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?
							Yes	No		
SHOREBANK ENT PAC COAST I LLC P.O. BOX 826 ILWACO WA 98624 20-1180799	LENDING	WA	N/A	Related	397	8,063		X		X
SHOREBANK ENT PAC COAST II LLC P.O. BOX 826 ILWACO WA 98624 20-1179589	LENDING	WA	N/A	Related	26	784		X		X
SHOREBANK CASCADIA DEV FUND LLC P.O. BOX 826 ILWACO WA 98624 20-8330060	LENDING	WA	N/A	Related	14	806		X		X
SHOREBANK ENT PAC COAST III LLC P.O. BOX 826 ILWACO WA 98624 20-8211202	LENDING	WA	N/A	Related	16	1,174		X		X

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
.....							
.....							
.....							
.....							
.....							

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	X	
b Gift, grant, or capital contribution to other organization(s)	X	
c Gift, grant, or capital contribution from other organization(s)		X
d Loans or loan guarantees to or for other organization(s)		X
e Loans or loan guarantees by other organization(s)		X
f Sale of assets to other organization(s)		X
g Purchase of assets from other organization(s)		X
h Exchange of assets		X
i Lease of facilities, equipment, or other assets to other organization(s)		X
j Lease of facilities, equipment, or other assets from other organization(s)		X
k Performance of services or membership or fundraising solicitations for other organization(s)	X	
l Performance of services or membership or fundraising solicitations by other organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets		X
n Sharing of paid employees		X
o Reimbursement paid to other organization for expenses		X
p Reimbursement paid by other organization for expenses		X
q Other transfer of cash or property to other organization(s)		X
r Other transfer of cash or property from other organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (a-f)	(C) Amount involved
(1)	SHOREBANK ENT PAC COAST I LLC	a	7
(2)	SHOREBANK ENT PAC COAST I LLC	k	136,472
(3)	SHOREBANK ENT PAC COAST II LLC	a	6
(4)	SHOREBANK ENT PAC COAST II LLC	k	58,333
(5)	SHOREBANK CASCADIA DEV FUND LLC	a	6
(6)	SHOREBANK ENT PAC COAST III LLC	a	6

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

	(A) Name of other organization	(B) Transaction type (a-f)	(C) Amount involved
(7)	SHOREBANK ENT PAC COAST III DEV LLC	a	5
(8)	SHOREBANK ENT PAC COAST IV LLC	a	3
(9)	SHOREBANK CASCADIA DEV FUND IV LLC	a	3
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

Forms 990 / 990-PF	Other Notes and Loans Receivable	2008
For calendar year 2008, or tax year beginning _____, and ending _____		

Name SHOREBANK ENTERPRISE GROUP, PACIFIC	Employer Identification Number 91-1662698
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Form 990, Part X, Line 7 - Additional Information

Name of borrower	Relationship to disqualified person
(1) VARIOUS	
(2) LOAN RECEIVABLE TO PROGRAM BORROWERS	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)	Various	Various	DEPENDS ON TYPE OF LOAN	
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) VARIOUS	COMMUNITY DEVELOPMENT
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)			
(2)	17,101,953	22,662,247	
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	17,101,953	22,662,247	

Federal Statements

Taxable Interest on Investments

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
	\$ 287,573		1	
Total	<u>\$ 287,573</u>			

Federal Statements

Form 990, Part IX, Line 24f - All Other Expenses

Description	Total Expenses	Program Service	Management & General	Fund Raising
MISCELLANEOUS EXPENSES	\$ 5,371	\$ 2,188	\$ 3,061	\$ 122
DUES & MEMBERSHIPS	4,318	1,636	2,499	183
POSTAGE & COURIER	2,155	1,106	933	116
REPAIRS & MAINTENANCE	1,983	680	1,303	
Total	\$ 13,827	\$ 5,610	\$ 7,796	\$ 421