

**Return of Private Foundation  
or Section 4947(a)(1) Trust Treated as Private Foundation**

**2017**

Department of the Treasury  
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.  
Go to [www.irs.gov/Form990PF](http://www.irs.gov/Form990PF) for instructions and the latest information

Open to Public Inspection

For calendar year 2017 or tax year beginning , 2017, and ending

**BLACK HILLS CORPORATION FOUNDATION**  
7001 MT. RUSHMORE ROAD, PO BOX 1400  
RAPID CITY, SD 57709-1400

**A** Employer identification number  
75-2986866

**B** Telephone number (see instructions)  
605-721-2371

**C** If exemption application is pending, check here

**D** 1 Foreign organizations, check here.   
2 Foreign organizations meeting the 85% test, check here and attach computation.

**E** If private foundation status was terminated under section 507(b)(1)(A), check here

**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here.

**G** Check all that apply

<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change

**H** Check type of organization.  Section 501(c)(3) exempt private foundation *04*  
 Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundation

**I** Fair market value of all assets at end of year (from Part II, column (c), line 16)  
\$ 6,119,835.

**J** Accounting method  Cash  Accrual  
 Other (specify) \_\_\_\_\_  
(Part I, column (d) must be on cash basis)

<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>1</b>	Contributions, gifts, grants, etc., received (attach schedule)	423,540.			
<b>2</b>	Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
<b>3</b>	Interest on savings and temporary cash investments	512.	512.	512.	
<b>4</b>	Dividends and interest from securities	182,843.	182,843.	182,843.	
<b>5a</b>	Gross rents				
<b>b</b>	Net rental income or (loss)				
<b>6a</b>	Net gain or (loss) from sale of assets not on line 10	211,231.			
<b>b</b>	Gross sales price for all assets on line 6a	400,231.			
<b>7</b>	Capital gain net income (from Part IV, line 2)		211,231.		
<b>8</b>	Net short-term capital gain				
<b>9</b>	Income modifications				
<b>10a</b>	Gross sales less returns and allowances				
<b>b</b>	Less: Cost of goods sold				
<b>c</b>	Gross profit or (loss) (attach schedule)				
<b>11</b>	Other income (attach schedule)				
<b>12</b>	<b>Total.</b> Add lines 1 through 11	818,126.	394,586.	183,355.	
<b>13</b>	Compensation of officers, directors, trustees, etc.	0.			
<b>14</b>	Other employee salaries and wages				
<b>15</b>	Pension plans, employee benefits				
<b>16a</b>	Legal fees (attach schedule)				
<b>b</b>	Accounting fees (attach sch)				
<b>c</b>	Other professional fees (attach sch)				
<b>17</b>	Interest				
<b>18</b>	Taxes (attach schedule) (see instructions)	3,575.			
<b>19</b>	Depreciation (attach schedule) and depletion				
<b>20</b>	Occupancy				
<b>21</b>	Travel, conferences, and meetings				
<b>22</b>	Printing and publications				
<b>23</b>	Other expenses (attach schedule)	445.	445.	445.	445.
<b>24</b>	<b>Total operating and administrative expenses.</b> Add lines 13 through 23	4,020.	445.	445.	445.
<b>25</b>	Contributions, gifts, grants paid <i>Part XV</i>	675,674.			675,674.
<b>26</b>	<b>Total expenses and disbursements.</b> Add lines 24 and 25	679,694.	445.	445.	676,119.
<b>27</b>	Subtract line 26 from line 12:				
<b>a</b>	<b>Excess of revenue over expenses and disbursements</b>	138,432.			
<b>b</b>	<b>Net investment income</b> (if negative, enter -0-)		394,141.		
<b>c</b>	<b>Adjusted net income</b> (if negative, enter -0-)			182,910.	

SCANNED JUL 10 2018 ADMINISTRATIVE EXPENSES

RECEIVED  
MAY 10 2018  
ORDER UT  
See Statement-2  
IRS-OSC

g/r 24

<b>Part II Balance Sheets</b>		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>A S S E T S</b>	1 Cash – non-interest-bearing	542,456.	860,255.	860,255.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) <b>Statement 3</b>	985,309.	796,309.	1,099,833.
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment basis ▶			
Less accumulated depreciation (attach schedule) ▶				
12 Investments – mortgage loans				
13 Investments – other (attach schedule) <b>Statement 4</b>	3,508,195.	3,517,828.	4,159,474.	
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶ )				
16 <b>Total assets</b> (to be completed by all filers – see the instructions Also, see page 1, item I)	5,035,960.	5,174,392.	6,119,562.	
<b>L I A B I L I T I E S</b>	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶ )			
	23 <b>Total liabilities</b> (add lines 17 through 22)	0.	0.	
<b>N E T A S S E T A N D F U N D B A L A N C E S</b>	<b>Foundations that follow SFAS 117, check here and complete lines 24 through 26, and lines 30 and 31.</b> <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	5,035,960.	5,174,392.	
30 <b>Total net assets or fund balances</b> (see instructions)	5,035,960.	5,174,392.		
31 <b>Total liabilities and net assets/fund balances</b> (see instructions)	5,035,960.	5,174,392.		

**Part III Analysis of Changes in Net Assets or Fund Balances**

1 Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	5,035,960.
2 Enter amount from Part I, line 27a	2	138,432.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	5,174,392.
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	5,174,392.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1 a 4000 shares BH CORPORATION	D	12/01/00	3/06/17
b 2000 shares BH CORPORATION	D	12/01/00	8/23/17
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))
a 262,740.		126,000.	136,740.
b 137,491.		63,000.	74,491.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			136,740.
b			74,491.
c			
d			
e			

2 Capital gain net income or (net capital loss) <span style="float:right">[ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ]</span>	2	211,231.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)  If gain, also enter in Part I, line 8, column (c) See instructions. If (loss), enter -0- in Part I, line 8 <span style="float:right">]</span>	3	0.

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No

If 'Yes,' the foundation doesn't qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2016	503,438.	5,278,400.	0.095377
2015	600,948.	4,894,511.	0.122780
2014	243,850.	4,751,014.	0.051326
2013	245,261.	4,283,774.	0.057253
2012	266,545.	3,830,232.	0.069590
2 Total of line 1, column (d)			0.396326
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5 0, or by the number of years the foundation has been in existence if less than 5 years			0.079265
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5			5,966,967.
5 Multiply line 4 by line 3			472,972.
6 Enter 1% of net investment income (1% of Part I, line 27b)			3,941.
7 Add lines 5 and 6			476,913.
8 Enter qualifying distributions from Part XII, line 4			676,119.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

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**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)**

<b>1 a</b> Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter. (attach copy of letter if necessary – see instructions)		
<b>b</b> Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	3,941.
<b>c</b> All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only; others, enter -0-)	2	0.
<b>3</b> Add lines 1 and 2	3	3,941.
<b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)	4	0.
<b>5</b> Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	3,941.
<b>6</b> Credits/Payments.		
<b>a</b> 2017 estimated tax pmts and 2016 overpayment credited to 2017	6 a	2,920.
<b>b</b> Exempt foreign organizations – tax withheld at source	6 b	
<b>c</b> Tax paid with application for extension of time to file (Form 8868)	6 c	
<b>d</b> Backup withholding erroneously withheld	6 d	
<b>7</b> Total credits and payments. Add lines 6a through 6d	7	2,920.
<b>8</b> Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
<b>9</b> Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1,021.
<b>10</b> Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
<b>11</b> Enter the amount of line 10 to be Credited to 2018 estimated tax. Refunded	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1 a</b> During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition		X
If the answer is 'Yes' to <b>1 a</b> or <b>1 b</b> , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
<b>c</b> Did the foundation file Form 1120-POL for this year?		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ \$ 0. (2) On foundation managers ▶ \$ 0.		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ 0.		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities		X
<b>3</b> Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		X
<b>4 a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b> If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		X
<b>6</b> Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, col. (c), and Part XV	X	
<b>8 a</b> Enter the states to which the foundation reports or with which it is registered. See instructions SD		
<b>b</b> If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation	X	
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2017 or the tax year beginning in 2017? See the instructions for Part XIV. If 'Yes,' complete Part XIV.		X
<b>10</b> Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses		X

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**Part VII-A Statements Regarding Activities (continued)**

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' attach schedule. See instructions	11	Yes	No
				X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement. See instructions	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address	13	X	
				N/A
14	The books are in care of ▶ <u>PERRY KRUSH, TREASURER</u> Telephone no. ▶ <u>605-721-1700</u> Located at ▶ <u>7001 MT RUSHMORE ROAD RAPID CITY SD</u> ZIP + 4 ▶ <u>57709-1400</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - check here and enter the amount of tax-exempt interest received or accrued during the year	15		N/A
				N/A
16	At any time during calendar year 2017, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If 'Yes,' enter the name of the foreign country ▶	16	Yes	No
				X

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

		Yes	No
1 a	During the year, did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions. Organizations relying on a current notice regarding disaster assistance, check here <input type="checkbox"/>	1 b	N/A
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017?	1 c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).		
a	At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? If 'Yes,' list the years ▶ 20 __ , 20 __ , 20 __ , 20 __		
b	Are there any years listed in 2a for which the foundation is <b>not</b> applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see instructions)	2 b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20 __ , 20 __ , 20 __ , 20 __		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2017 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2017)	3 b	N/A
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2017?	4 b	X



**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)

**3 Five highest-paid independent contractors for professional services. See instructions. If none, enter 'NONE.'**

(a) Name and address of each person 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 IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 The Foundation has no direct charitable activities as it merely provides contributions to recipients.	
2 -----	
3 -----	
4 -----	

**Part IX-B Summary of Program-Related Investments** (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2 -----	
All other program-related investments See instructions	
3 -----	
<b>Total.</b> Add lines 1 through 3	<b>0.</b>

BAA

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

<b>1</b> Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b> Average monthly fair market value of securities	<b>1a</b>	5,341,836.
<b>b</b> Average of monthly cash balances	<b>1b</b>	715,999.
<b>c</b> Fair market value of all other assets (see instructions)	<b>1c</b>	
<b>d</b> Total (add lines 1a, b, and c).	<b>1d</b>	6,057,835.
<b>e</b> Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b> Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b> Subtract line 2 from line 1d	<b>3</b>	6,057,835.
<b>4</b> Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	90,868.
<b>5</b> Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	5,966,967.
<b>6</b> Minimum investment return. Enter 5% of line 5	<b>6</b>	298,348.

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations, check here  and do not complete this part.)

<b>1</b> Minimum investment return from Part X, line 6		<b>1</b>	298,348.
<b>2a</b> Tax on investment income for 2017 from Part VI, line 5	<b>2a</b>	3,941.	
<b>b</b> Income tax for 2017. (This does not include the tax from Part VI.)	<b>2b</b>		
<b>c</b> Add lines 2a and 2b	<b>2c</b>	3,941.	
<b>3</b> Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	294,407.	
<b>4</b> Recoveries of amounts treated as qualifying distributions	<b>4</b>		
<b>5</b> Add lines 3 and 4	<b>5</b>	294,407.	
<b>6</b> Deduction from distributable amount (see instructions)	<b>6</b>		
<b>7</b> Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	294,407.	

**Part XII Qualifying Distributions** (see instructions)

<b>1</b> Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b> Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	<b>1a</b>	676,119.
<b>b</b> Program-related investments — total from Part IX-B	<b>1b</b>	
<b>2</b> Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b> Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b> Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b> Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b> Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	676,119.
<b>5</b> Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions	<b>5</b>	3,941.
<b>6</b> Adjusted qualifying distributions. Subtract line 5 from line 4	<b>6</b>	672,178.

**Note:** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

**Part XIII Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2016	(c) 2016	(d) 2017
<b>1</b> Distributable amount for 2017 from Part XI, line 7				294,407.
<b>2</b> Undistributed income, if any, as of the end of 2017:				
<b>a</b> Enter amount for 2016 only			0.	
<b>b</b> Total for prior years 20 __, 20 __, 20 __		0.		
<b>3</b> Excess distributions carryover, if any, to 2017:				
<b>a</b> From 2012	78,788.			
<b>b</b> From 2013	38,255.			
<b>c</b> From 2014	9,507.			
<b>d</b> From 2015	359,646.			
<b>e</b> From 2016	245,356.			
<b>f</b> Total of lines 3a through e	731,552.			
<b>4</b> Qualifying distributions for 2017 from Part XII, line 4 ▶ \$ 676,119.				
<b>a</b> Applied to 2016, but not more than line 2a			0.	
<b>b</b> Applied to undistributed income of prior years (Election required – see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required – see instructions)	0.			
<b>d</b> Applied to 2017 distributable amount				294,407.
<b>e</b> Remaining amount distributed out of corpus	381,712.			
<b>5</b> Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	1,113,264.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount – see instructions		0.		
<b>e</b> Undistributed income for 2016. Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
<b>f</b> Undistributed income for 2017. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2018				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required – see instructions)	0.			
<b>8</b> Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions)	78,788.			
<b>9</b> Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	1,034,476.			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2013	38,255.			
<b>b</b> Excess from 2014	9,507.			
<b>c</b> Excess from 2015	359,646.			
<b>d</b> Excess from 2016	245,356.			
<b>e</b> Excess from 2017	381,712.			

**Part XIV Private Operating Foundations** (see instructions and Part VII-A, question 9)

N/A

**1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017, enter the date of the ruling

**b** Check box to indicate whether the foundation is a private operating foundation described in section  4942(j)(3) or  4942(j)(5)

**2 a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
	(a) 2017	(b) 2016	(c) 2015	
<b>b</b> 85% of line 2a				
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed				
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities				
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c				
<b>3</b> Complete 3a, b, or c for the alternative test relied upon				
<b>a</b> 'Assets' alternative test - enter				
<b>(1)</b> Value of all assets				
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)				
<b>b</b> 'Endowment' alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
<b>c</b> 'Support' alternative test - enter				
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
<b>(3)</b> Largest amount of support from an exempt organization				
<b>(4)</b> Gross investment income				

**Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see instructions.)**

**1 Information Regarding Foundation Managers:**

**a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2) )

None

**b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

None

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

**a** The name, address, and telephone number or email address of the person to whom applications should be addressed

See Statement 6

**b** The form in which applications should be submitted and information and materials they should include

See Statement for Line 2a

**c** Any submission deadlines

See Statement for Line 2a

**d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

See Statement for Line 2a

**Part XV** Supplementary Information (continued)

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See Attached Statement		NP	Scholarship/Capital	675,674.
<b>Total</b>				▶ <b>3a</b> 675,674.
b Approved for future payment See Statement 7				
<b>Total</b>				▶ <b>3b</b> 506,333.





**Schedule B**  
**(Form 990, 990-EZ,**  
**or 990-PF)**

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**  
▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.**

OMB No 1545-0047

**2017**

Name of the organization

**BLACK HILLS CORPORATION FOUNDATION**

Employer identification number

**75-2986866**

Organization type (check one)

Filers of:

Form 990 or 990-EZ

Section:

501(c)( ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year. ▶ \$ \_\_\_\_\_

**Caution.** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer 'No' on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**BAA** For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF.

**Schedule B (Form 990, 990-EZ, or 990-PF) (2017)**

Name of organization <b>BLACK HILLS CORPORATION FOUNDATION</b>	Employer identification number <b>75-2986866</b>
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**Part I Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	BLACK HILLS SERVICE CO, LLC ----- 625 NINTH STREET ----- RAPID CITY, SD 57709-1400 -----	\$ 423,540.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization <b>BLACK HILLS CORPORATION FOUNDATION</b>	Employer identification number <b>75-2986866</b>
---	---

**Part II** **Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
	N/A ----- ----- ----- -----		
	----- ----- ----- -----	\$-----	-----
	----- ----- ----- -----	\$-----	-----
	----- ----- ----- -----	\$-----	-----
	----- ----- ----- -----	\$-----	-----
	----- ----- ----- -----	\$-----	-----
	----- ----- ----- -----	\$-----	-----
	----- ----- ----- -----	\$-----	-----

Name of organization: **BLACK HILLS CORPORATION FOUNDATION**  
 Employer identification number: **75-2986866**

**Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor.** Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ \$                      **N/A**  
 Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

## BLACK HILLS CORPORATION FOUNDATION

75-2986866

Statement 1  
Form 990-PF, Part I, Line 18  
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Income Taxes	\$ 3,575.			
Total	<u>\$ 3,575.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 2  
Form 990-PF, Part I, Line 23  
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Bank Service Charges	\$ 395.	\$ 395.	\$ 395.	\$ 395.
Transaction fee	50.	50.	50.	50.
Total	<u>\$ 445.</u>	<u>\$ 445.</u>	<u>\$ 445.</u>	<u>\$ 445.</u>

Statement 3  
Form 990-PF, Part II, Line 10b  
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
BLACK HILLS CORPORATION	Cost	\$ 796,309.	\$ 1,099,833.
	Total	<u>\$ 796,309.</u>	<u>\$ 1,099,833.</u>

Statement 4  
Form 990-PF, Part II, Line 13  
Investments - Other

Other Publicly Traded Securities	Valuation Method	Book Value	Fair Market Value
Charles Schwab Investment Portfolio	Cost	\$ 3,517,828.	\$ 4,159,747.
	Total	<u>\$ 3,517,828.</u>	<u>\$ 4,159,747.</u>

## BLACK HILLS CORPORATION FOUNDATION

75-2986866

Statement 5  
Form 990-PF, Part VIII, Line 1  
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP &amp; DC</u>	<u>Expense Account/ Other</u>	
Jafar Karim 625 Ninth Street Rapid City, SD 57701	President 0.50	\$ 0.	\$ 0.	\$ 0.	
Linden R. Evans 625 Ninth Street Rapid City, SD	Vice President 0.50	0.	0.	0.	
Mark Stege 1301 W 24th Street Cheyenne, WY 82001	Director 0.50	0.	0.	0.	
Perry Krush 625 Ninth Street Rapid City, SD 57701	Treasurer 1.00	0.	0.	0.	
David Emery 625 Ninth Street Rapid City, SD 57701	Director 0.50	0.	0.	0.	
Jeff Sylvester 1600 Windhoek Dr Lincoln, NE 68512	Director 0.50	0.	0.	0.	
Nick Gardner 601 North Iowa Street Lawrence, KS	Director 0.50	0.	0.	0.	
Susan Bailey 7060 Allegre Street Fountain, CO 80817	Director 0.50	0.	0.	0.	
Todd Jacobs 601 N Iowa St Lawrence, KS 66044	Director 0.50	0.	0.	0.	
Vance Crocker 625 Ninth Street Rapid City, SD 57701	Director 0.50	0.	0.	0.	
Tracy Peterson 1205 SW 37th Street Grimes, IA 50111	Secretary 0.50	0.	0.	0.	
Shirley Welte 1301 West 24th Street Cheyenne, WY	Director 0.50	0.	0.	0.	
		Total \$	0.	\$ 0.	\$ 0.

## BLACK HILLS CORPORATION FOUNDATION

75-2986866

**Statement 6**  
**Form 990-PF, Part XV, Line 2a-d**  
**Application Submission Information**

## Name of Grant Program:

Name: Black Hills Corporation Foundation

Care Of: Val Simpson

Street Address: P.O. Box 1400

City, State, Zip Code: Rapid City, SD 57709-1400

Telephone:

E-Mail Address:

Form and Content:

An application for funding must be requested. The application must include general history; purpose of grant; budget; other sources of funding; timeline; copy of recent financial statements.

Submission Deadlines:

None

Restrictions on Awards:

Sponsors must be 501(c)(3) exempt and nonpolitical. No awards are granted to individuals, endowments, memorials, religious organizations for religious purposes, or for advertising purposes.

**Statement 7**  
**Form 990-PF, Part XV, Line 3b**  
**Recipient Approved for Future Payment**

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found-ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Historic Arkansas Riverwalk Project		NC	Scholarship/Capital	\$ 20,000
Arkansas Childrens Hospital Foundation		NC	Scholarship/Capital	60,000
Arkansas Valley Resource Center		NC	Scholarship/Capital	9,000
Blue Hill Pool		NC	Scholarship/Capital	24,000
Chadron State College		NC	Scholarship/Capital	14,000
Iowa Valley Marshalltown CC		NC	Scholarship/Capital	3,000
Laramie County Comm College		NC	Scholarship/Capital	36,000
Energy Outreach Colorado		NC	Scholarship/Capital	35,000
Lincoln Public Schools Foundation		NC	Scholarship/Capital	10,000
City of Fountain, Colorado		NC	Scholarship/Capital	13,500

## BLACK HILLS CORPORATION FOUNDATION

75-2986866

Statement 7 (continued)  
Form 990-PF, Part XV, Line 3b  
Recipient Approved for Future Payment

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Northeast Iowa Community College		NC	Scholarship/Capital	\$ 3,000
David Street Plaza Station		NC	Scholarship/Capital	11,000
Weston County Health		NC	Scholarship/Capital	8,333
Northwest Arkansas Comm College		NC	Scholarship/Capital	100,000
Handley Recreation Center		NC	Scholarship/Capital	8,500
University of Wyo-School of Engineering		NC	Scholarship/Capital	75,000
Lander Chamber of Commerce		NC	Scholarship/Capital	13,000
Childrens Museum of Cheyenne		NC	Scholarship/Capital	25,000
Norfolk YMCA, Nebraska		NC	Scholarship/Capital	20,000
Wellfully		NC	Scholarship/Capital	18,000
			Total	<u>\$ 506,333</u>

Client 1

BLACK HILLS CORPORATION FOUNDATION

75-2986866

4/19/18

.02 24PM

**Average Monthly Fair Market Value of Securities  
Form 990-PF, Part X, Line 1a**

Security	January	February	March	April	May	June	July	August	September	October	November	December
Charles Schwab	5,304,656	5,414,116	5,365,312	5,285,650	5,357,716	5,372,243	5,403,655	5,402,211	5,343,646	5,327,450	5,276,349	5,249,031
Averages	<u>5,304,656</u>	<u>5,414,116</u>	<u>5,365,312</u>	<u>5,285,650</u>	<u>5,357,716</u>	<u>5,372,243</u>	<u>5,403,655</u>	<u>5,402,211</u>	<u>5,343,646</u>	<u>5,327,450</u>	<u>5,276,349</u>	<u>5,249,031</u>

Totals 64,102,035 Number of Months 12

Average Monthly Fair Market Value 5,341,836

Client 1

BLACK HILLS CORPORATION FOUNDATION

75-2986866

4/19/18

02 24PM

**Average Monthly Cash Balances  
Form 990-PF, Part X, Line 1b**

Cash Bal.	January	February	March	April	May	June	July	August	September	October	November	December
Charles Schwab	325,173	382,151	693,636	774,690	738,569	722,517	707,934	783,209	824,829	799,217	805,825	830,404
US Bank	41,051	4,586	9,096	18,616	14,769	14,711	19,461	8,291	18,131	24,101	18,071	12,951
Averages	<u>366,224</u>	<u>386,737</u>	<u>702,732</u>	<u>793,306</u>	<u>753,338</u>	<u>737,228</u>	<u>727,395</u>	<u>791,500</u>	<u>842,960</u>	<u>823,318</u>	<u>823,896</u>	<u>843,355</u>

Totals 8,591,989 Number of Months 12

Average Monthly Cash Balances 715,999