Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052

2011

For calendar year 2011, or tax year beginning , 2011, and ending ,

BLACK HILLS CORPORATION FOUNDATION
625 NINTH STREET, PO BOX 1400
RAPID CITY, SD 57709-1400

A Employer identification number 75-2986866

B Telephone number (see the 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 [ ] Initial return [ ] Initial Return of a former public charity [ ] Final return [ ] Amended return [ ] Address change [ ] Name change

H Check type of organization: [X] Section 501(c)(3) exempt private foundation [ ] 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)* ► $ 3,925,876.

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

Part I **Analysis of Revenue and Expenses** *(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)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)				
	2 Ck ► [X] if the foundn is **not** req to att Sch B				
	3 Interest on savings and temporary cash investments	24.	24.	24.	
	4 Dividends and interest from securities	164,045.	164,045.	164,045.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	44,314.			
	b Gross sales price for all assets on line 6a 991,133.				
	7 Capital gain net income (from Part IV, line 2)		44,314.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	208,383.	208,383.	164,069.	
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch)				
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instrs)				
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 1	185.			
	24 **Total operating and administrative expenses.** Add lines 13 through 23	185.			
	25 Contributions, gifts, grants paid Part XV	334,082.			334,082.
	26 **Total expenses and disbursements.** Add lines 24 and 25	334,267.	0.	0.	334,082.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-125,884.			
	b **Net investment income** (if negative, enter -0-)		208,383.		
	c **Adjusted net income** (if negative, enter -0-)			164,069.	

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Part II Balance Sheets 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
ASSETS	1 Cash – non-interest-bearing	243,617.	1,062,733.	1,062,733.
	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) Statement 2	2,835,000.	1,890,000.	2,014,800.
	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) Statement 3	881,089.	881,089.	848,343.
	14 Land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
	16 Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)	3,959,706.	3,833,822.	3,925,876.
LIABILITIES	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 **Total liabilities** (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	3,959,706.	3,833,822.	
	30 **Total net assets or fund balances** (see instructions)	3,959,706.	3,833,822.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	3,959,706.	3,833,822.	

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	3,959,706.
2	Enter amount from Part I, line 27a	2	-125,884.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	3,833,822.
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	3,833,822.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	10000 Black Hills Corporation	D	12/31/01	9/20/11
b	10000 Black Hills Corporation	D	12/31/01	10/26/11
c	10000 Black Hills Corporation	D	12/31/01	11/01/11
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	320,072.		315,606.	4,466.
b	330,079.		315,606.	14,473.
c	340,982.		315,607.	25,375.
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				4,466.
b				14,473.
c				25,375.
d				
e				

2	Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7	2	44,314.
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	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 does not 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 (column (b) divided by column (c))
2010	331,465.	3,843,618.	0.086238
2009	464,473.	3,513,087.	0.132212
2008	152,350.	4,616,687.	0.033000
2007	202,413.	4,291,286.	0.047168
2006	177,605.	3,474,025.	0.051124

2	Total of line 1, column (d)	2	0.349742
3	Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.069948
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	3,786,145.
5	Multiply line 4 by line 3	5	264,833.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	2,084.
7	Add lines 5 and 6	7	266,917.
8	Enter qualifying distributions from Part XII, line 4	8	334,082.

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.

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► [X] and enter 1% of Part I, line 27b		1	2,084.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	2,084.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-		5	2,084.
6 Credits/Payments.			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a 1,488.		
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d		7	1,488.
8 Enter any **penalty** for underpayment of estimated tax Check here [X] if Form 2220 is attached		8	20.
9 **Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►		9	616.
10 **Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►		10	
11 Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ►	**Refunded** ►	11	

Part VII-A Statements Regarding Activities

		Yes	No
1 a 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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d 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.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
2 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*	2		X
3 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*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		X
6 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?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► SD			
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*	8b	X	
9 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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses.*	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
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		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?	13	X	

Website address ► N/A

14 The books are in care of ► PERRY KRUSH, TREASURER Telephone no ► 605-721-1700

Located at ► 625 NINTH STREET RAPID CITY SD ZIP + 4 ► 57709-1400

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			Yes	No
16	At any time during calendar year 2011, 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?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1. If 'Yes,' enter the name of the foreign country ►			

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?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ 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)?	☐ Yes ☒ 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)	☐ Yes ☒ 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)?		1b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ► ☐				
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 2011?		1c		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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ No			
	If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__				
b	Are there any years listed in 2a for which the foundation is **not** 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)		2b	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?	☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2011 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 2011)*		3b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		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 2011?		4b		X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **5b** N/A

Organizations relying on a current notice regarding disaster assistance check here ► ☐

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53 4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X

If 'Yes' to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
See Statement 4		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than $50,000	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
None				

Total number of other employees paid over $50,000 ► 0

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	
Total. Add lines 1 through 3 ►	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:		
a	Average monthly fair market value of securities	1a	3,552,398.
b	Average of monthly cash balances	1b	291,404.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	3,843,802.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	3,843,802.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	57,657.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,786,145.
6	**Minimum investment return.** Enter 5% of line 5	6	189,307.

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.)

1	Minimum investment return from Part X, line 6			1	189,307.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	2,084.		
b	Income tax for 2011. (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	2,084.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	187,223.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	187,223.
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	187,223.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes		
a	Expenses, contributions, gifts, etc — total from Part I, column (d), line 26	1a	334,082.
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	334,082.
5	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)	5	2,084.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	331,998.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7					187,223.
2 Undistributed income, if any, as of the end of 2011:					
a Enter amount for 2010 only				0.	
b Total for prior years: 20___, 20___, 20___			0.		
3 Excess distributions carryover, if any, to 2011:					
a From 2006					
b From 2007					
c From 2008					
d From 2009	64,658.				
e From 2010	142,256.				
f **Total** of lines 3a through e		206,914.			
4 Qualifying distributions for 2011 from Part XII, line 4. ► $ 334,082.					
a Applied to 2010, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required — see instructions)			0.		
c Treated as distributions out of corpus (Election required — see instructions)		0.			
d Applied to 2011 distributable amount					187,223.
e Remaining amount distributed out of corpus		146,859.			
5 Excess distributions carryover applied to 2011 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		0.			0.
6 **Enter the net total of each column as indicated below:**					
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		353,773.			
b Prior years' undistributed income Subtract line 4b from line 2b			0.		
c 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.		
d Subtract line 6c from line 6b Taxable amount — see instructions			0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount — see instructions				0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)		0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)		0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		353,773.			
10 Analysis of line 9:					
a Excess from 2007					
b Excess from 2008					
c Excess from 2009	64,658.				
d Excess from 2010	142,256.				
e Excess from 2011	146,859.				

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 2011, 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)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test – enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization 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, (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

See Statement 5

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	334,082.
Total			► 3a	334,082.
b Approved for future payment				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	24.	
4 Dividends and interest from securities			14	164,045.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	44,314.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				208,383.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 208,383.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
N/A	

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1a(1)		X
(2) Other assets	1a(2)		X
b Other transactions.			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
(3) Rental of facilities, equipment, or other assets	1b(3)		X
(4) Reimbursement arrangements	1b(4)		X
(5) Loans or loan guarantees	1b(5)		X
(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is 'Yes,' complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If 'Yes,' complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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 taxpayer) is based on all information of which preparer has any knowledge

X [signature] Signature of officer or trustee | X 5-1-12 Date | Treasurer Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ► Black Hills Corporation | Firm's EIN ►

Firm's address ► 625 9th Street, Rapid City, SD 57701 | Phone no (605) 721-2367

TEEA0503L 07/15/11

Statement 1
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 Charge	$ 185.			
Total	$ 185.	$ 0.	$ 0.	$ 0.

Statement 2
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
BLACK HILLS CORPORATION	Cost	$ 1,890,000.	$ 2,014,800.
	Total	$ 1,890,000.	$ 2,014,800.

Statement 3
Form 990-PF, Part II, Line 13
Investments - Other

	Valuation Method	Book Value	Fair Market Value
Other Publicly Traded Securities			
Charles Schwab Investment Portfolio	Cost	$ 881,089.	$ 848,343.
	Total	$ 881,089.	$ 848,343.

Statement 4
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen-sation	Contri-bution to EBP & DC	Expense Account/ Other
Jerome Nichols 625 Ninth Street Rapid City, SD	President 4.00	$ 0.	$ 0.	$ 0.
Linden R. Evans 625 Ninth Street Rapid City, SD	Vice President 1.00	0.	0.	0.

Statement 4 (continued)
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contribution to EBP & DC	Expense Account/ Other
Mark Lux 1515 Wynkoop Street Denver, CO 80202	Secretary 2.00	$ 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 1.00	0.	0.	0.
Steve Pella 1600 Windhoek Dr Lincoln, NE 68512	Director 1.00	0.	0.	0.
Stuart Wevik 625 Ninth Street Rapid City, SD 57701	Director 1.00	0.	0.	0.
Jafar Karim 625 Ninth Street Rapid City, SD 57701	Director 1.00	0.	0.	0.
Susan Bailey 7060 Allegre Street Fountain, CO 80817	Director 1.00	0.	0.	0.
Penny Schild 3338 N Garner Lake Rd Gillette, WY 82716	Director 1.00	0.	0.	0.
Jason Ketchum 625 Ninth Street Rapid City, SD 57701	Director 1.00	0.	0.	0.
Greg Hager 13151 Highway 51 Gillette, WY 82718	Director 1.00	0.	0.	0.
	Total	$ 0.	$ 0.	$ 0.

Statement 5
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:	
Name:	Black Hills Corporation Foundation
Care Of:	Hillary Dobbs
Street Address:	P.O. Box 1400

Statement 5 (continued)
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

City, State, Zip Code: Rapid City, SD 57709-1400
Telephone:
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 6
Form 990-PF, Part XV, Line 3b
Recipient Approved for Future Payment

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
Oglala Lakota College 537 Piya Wiconi Rd Kyle, SD 57752		NP	Scholarship/Capital	$ 5,000.
Black Hills State University 1200 University Unit 9506 Spearfish, SD 57799		NP	Scholarship/Capital	50,000.
SD Parks & Wildlife Foundation 523 E. Capitol Pierre, SD 57501		NP	Scholarship/Capital	12,500.
Boys and Girls Club of council Bluffs 815 N. 16th Street Council Bluffs, IA 51501		NP	Scholarship/Capital	14,000.
City of Deadwood (Recreation Center) 102 Sherman Street Deadwood, SD 57732		NP	Scholarship/Capital	5,000.
Brande Foundation (Images of the World) 612 St. James Street Rapid City, SD 57701		NP	Scholarship/Capital	5,000.
Laramie County College Foundation 1400 East College Drive Cheyenne, WY 82007		NP	Scholarship/Capital	20,000.

Statement 6 (continued)
Form 990-PF, Part XV, Line 3b
Recipient Approved for Future Payment

Name and Address	Donee Relationship	Found-ation Status	Purpose of Grant	Amount
Rushmore Hockey Association 5611 Old Folsom Road Rapid City, SD 57701		NP	Scholarship/Capital	$ 2,500
South Dakota 4-H Foundation Box 525, SDSU Brookings, SD 57007		NP	Scholarship/Capital	4,000
University of South Dakota Foundation PO Box 5555 Vermillion, SD 57069		NP	Scholarship/Capital	80,000
			Total	$ 198,000

BLACK HILLS CORPORATION FOUNDATION
Checks Written 2011
December 31, 2011

Date	Check Issued To	Amount	Check #
1/4/11	SD Public Policy Institute, 1641 Deadwood Avenue, Rapid City, SD 57702	$ 2,500 00	1383
1/4/11	United Way of the Plains, 245 N Water Street, Wichita, KS 67202	4,000 00	1384
1/4/11	United Way of Seward County, PO Box 273, Liberal, KS 67905-0273	2,000 00	1385
1/4/11	Finney County United Way, 1511 E Fulton Terrace, Garden City, KS 67846	1,250 00	1386
1/4/11	United Way of Dodge City, 2010 1st Avenue, Suite A, Dodge City, KS 67801	2,000 00	1387
1/4/11	Pikes Peak United Way, 518 N Nevada Avenue, Colorado Springs, CO 80903	4,000 00	1388
1/4/11	United Way of Laramie County, PO Box 20301, Cheyenne, WY 82003	6,400 00	1389
1/4/11	United Way of Douglas County, Inc., 2518 Ridge Court, Lawrence, KS 66046	4,100 00	1390
1/4/11	United Way of Jasper County, PO Box 844, Newton, IA 50208	500 00	1391
1/4/11	United Way Services Inc Dubuque, 215 W 6th, Dubuque, IA 52001	500 00	1392
1/10/11	United Way of Campbell County, PO Box 2905, Gillette, WY 82717-2905	10,000 00	1393
1/10/11	University of South Dakota Foundation, Attn Karen Davies, PO Box 5555, Vermillion, SD 57069	100 00	1394
1/10/11	Brande Foundation / IOW, 612 St James Street, Rapid City, SD 57701	2,500 00	1395
1/20/11	Wichita Children's Home, 810 N Holyoke, Wichita, KS 67208	2,500 00	1396
1/20/11	South Dakota State University Foundation, Attn Steve Erpenbach, 815 Medary Avenue, Brookings, SD 57007	100 00	1397
1/20/11	South Dakota Parks & Wildlife Foundation, 523 E Capitol, Pierre, SD 57501	12,500 00	1398
1/31/11	Young Life, Attn Corey Harouff, 318 Mt. Rushmore Road, Suite C2, Rapid City, SD 57701	7,500 00	1399
1/31/11	Inter-Faith Ministries Wichita, Inc, 829 N Market, Wichita, KS 67214	4,000 00	1400
1/31/11	American Cancer Society, Attn Heidi Hershly, PO Box 2631, Rapid City, SD 57709	2,500 00	1401
1/31/11	University of Nebraska Foundation, Attn Jason Kennedy, PO Box 82555, Lincoln, NE 68501	100 00	1402
2/17/11	Boys and Girls Club of Council Bluffs, Charles E Lakin Human Services Campus, 815 N 16th Street, Council Bluffs, IA 51501	14,000 00	1403
2/17/11	South Dakota 4-H Foundation, Box 525, SDSU, Brookings, SD 57007	2,000 00	1404
2/23/11	University of Wyoming Foundation, 1200 East Ivinson St., Laramie, WY 82070	100 00	1405
2/23/11	SDSMT - Foundation, 501 E St. Joseph Street, Rapid City, SD 57701	50 00	1406
2/28/11	City of Deadwood, 102 Sherman Street, Deadwood, SD 57732 (Rec Center)	5,000 00	1407
2/28/11	Junior Achievement, 285 S 68th Street Place, #309, Lincoln, NE 68510	540 00	1408
2/11/11	Deposit - United Way of Laramie County returned payment to us as we pd them twice	(6,400 00)	Refund-1389
3/4/11	Wyoming Land Trust, PO Box 1580, Pinedale, WY 82941	2,500 00	1409
3/4/11	RMEL Foundation, 6855 S Havana, Suite 430, Centennial, CO 80112	10,000 00	1410
3/23/11	United Way of Black Hills, 621 6th Street, Suite 100, Rapid City, SD 57701-2745	777 00	1411
3/23/11	United Way of Black Hills, 621 6th Street, Suite 100, Rapid City, SD 57701-2745	3,495 00	1412
3/23/11	City of Lewis, 506 Main Street, Lewis IA 51544	4,000 00	1413
3/28/11	United Way of Black Hills, 621 6th Street, Suite 100, Rapid City, SD 57701-2745	7,766 00	1414
3/28/11	Project Angel Heart, 4190 Garfield Street, Unit 5, Denver, CO 80216	5,000 00	1415
3/30/11	Iowa Community Action Partnership, Attn Lana Ross, 1620 Pleasant Street, Suite 227, Des Moines, IA 50314	20,000 00	1416
3/30/11	Black Hills Workshop, 3650 Range Road, Rapid City, SD 57709	15,000 00	1417
4/4/11	Dubuque County Historical Society, 350 E 3rd Street, Dubuque, IA 52001	16,666 00	1418
4/4/11	Sumner Community Club, 1701 48th Street, Suite 260, West Des Moines, IA 50266	11,250 00	1419
4/4/11	Hamilton Hospital, PO Box 430, Webster City, IA 50595	6,666 00	1420
4/4/11	Black Hills Playhouse, PO Box 2513, Rapid City, SD 57709	50,000 00	1421
4/19/11	Day of Excellence, PO Box 3222, Rapid City, SD 57709	7,500 00	1422
5/2/11	Iowa State University Foundation, PO Box 2230 2505 University Blvd, Ames, IA 50010-2230	100 00	1423
5/25/11	Big Brothers Big Sisters, 425 Kansas City Street, Rapid City SD 57701	220 00	1424
6/9/11	Young Life, Attn Corey Harouff, 318 Mt. Rushmore Road, Suite C2, Rapid City, SD 57701	1,774 44	1425
6/16/11	American Cancer Society, Attn George Larson, II, 2465 West Chicago St., RC SD 57702	1,120 00	1426
6/16/11	March of Dimes, 1000 N West Ave Suite 230, Sioux Falls, SD 57104	220 00	1427
6/16/11	Humane Society of the BH - 1820 E St Patrick Street, RC SD 57703-4142	100 00	1428
6/22/11	SD Community Foundation, PO Box 296, Pierre, SD 57501	1,200 00	1429
6/22/11	Habitat for Humanity of Laramie County, Inc, PO Box 2809, Cheyenne, WY 82003	2,500 00	1430
6/22/11	Post 22 Baseball, Rapid City, SD - Check sent to Mutch Usera for presentation	5,000 00	1431
6/28/11	USD Foundation, PO Box 5555, Vermillion, SD 57069	20,000 00	1432
7/11/11	Boys & Girls Club of Cheyenne, 1700 Snyder Ave, Cheyenne, WY 82001	100 00	1433
7/11/11	Rapid City Performing Arts Center, PO Box 4007, Rapid City, SD 57709-4007	15,000 00	1434
7/22/11	American Cancer Society - Check sent to Kelly Dittmer at Lincoln office	160 00	1435
7/22/11	Fremont County Historical Society, Box 671, Sidney, IA 51652	2,500 00	1436
8/5/11	Crazy Horse Memorial Foundation, Custer, SD - Check delivered to Dave Emery	5,000.00	1437
8/23/11	USD Foundation, PO Box 5555, Vermillion, SD 57069	100 00	1438
8/26/11	Foundation for Leadership & Learning, 1500 E 11th, Hutchinson, KS 67501	1,000 00	1439
8/29/11	Oglala Lakota College, PO Box 537, Kyle, SD 57732-0537	5,000 00	1440
8/29/11	United Way of the Black Hills, 621 6th Street, Suite 100, Rapid City, SD 57701-2745	1,000 00	1441
8/31/11	12/30/10 - Lead Area Chamber of Commerce, 160 W Main Street, Lead, SD 57754 - Check Voided	(5,000 00)	1381
9/1/11	Wichita Children's Home, 810 N Holyoke, Wichita, KS 67208	(2,500 00)	1396
9/20/11	Laramie County Fire District #5 - Void	(200 00)	1293
9/28/11	Safehouse - 704 West Fox Farm Road, Cheyenne, WY 82007	2,500 00	1442
9/21/11	Post 22 Baseball, Rapid City, SD - Check sent to Mutch Usera for presentation	(5,000 00)	1431
9/21/11	Post 22 Baseball, Rapid City, SD - Replacement check sent to Mutch Usera	5,000 00	1443
10/20/11	YMCA of Rapid City - 815 Kansas City Street, Rapid City, SD 57701	5,000 00	1444
10/20/11	Juvenile Diabetes Research Foundation - 2120 S 56th St. Suite 206, Lincoln, NE 68506	600 00	1445
11/21/11	SDSMT - Foundation, 501 E. St. Joseph Street, Rapid City, SD 57701	100 00	1446
11/21/11	University of Wyoming Foundation, 1200 East Ivinson St., Laramie, WY 82070	50 00	1447
11/21/11	Energy Resource Center, Attn Howard Brooks, 5920 Paonia Court, Colorado Springs, CO 80915	1,000 00	1448
11/21/11	South Dakota School of Mines Foundation, 306 E St. Joseph Street, STE 200, Rapid City, SD 57701	1,000 00	1449
11/21/11	Communities in Schools of Kansas, Inc - 2711 W Sixth Street, Suite E, Lawrence, KS 66049	2,300 00	1450
11/23/11	SDSMT - Foundation, 501 E. St. Joseph Street, Rapid City, SD 57701	50 00	1451
12/11/11	United Way of the Black Hills, 621 6th Street, Suite 100, Rapid City, SD 57701-2745	26,794 00	1452
12/28/11	Dubuque County Historical Society, 350 E 3rd Street, Dubuque, IA 52001 (Overpayment Refund from IAG)	(3,333 00)	Deposit
12/28/11	Hamilton Hospital, PO Box 430, Webster City, IA 50595 (Overpayment Refund from IAG)	(1,333 00)	Deposit
		$ 334,082.44	