CONTENTS

LOCAL GIVERS

P.11 Kay Jorgensen and Roger Wilson, 2016 Black Hills Area Community Foundation Board of Directors members and Black Hills by Choice members at a Fall grant making gathering, hosted by Kay in Spearfish.

2016 IN REVIEW

The visibility of our Black Hills Area Community Foundation has grown in multiple and significant ways this year:

- Our new office location on a prominent corner in downtown Rapid City has room for continued growth while being easy to find for folks from across the Black Hills area. Please stop in and see us!

- In 2016, thirteen nonprofits newly partnered with BHACF as their investment manager after their respective organization’s boards of directors elected to invest with us as a partner in their success.

- Twenty-one nonprofits received grants from both our competitive grants process and our Black Hills By Choice giving circle.

Our Board has taken steps to ensure fiscal responsibility commensurate with our asset growth, meeting all the accreditation requirements of the Council on Foundations.

We all live in our beautiful Black Hills region because of the quality of life we enjoy here. Your community foundation helps ensure that our quality of life is maintained and enhanced. BHACF is well-positioned to support the charitable needs of our partners as well as the philanthropic interests of our donors as we grow together.

I encourage you to check out our new website http://www.bhacf.org/, visit our new office, support our partner nonprofits, consider joining our Black Hills By Choice giving circle(s), and ask about how BHACF can enhance your philanthropy.

~ Bob Paulson, 2016 Board Chair

YOUTH IN RAPID CITY

P.2 Black Hills Youth Philanthropy students gather together to give their grants for the 2016-2017 school year.
YOUNG AND GIVING

YOUTH PHILANTHROPY

Black Hills Youth Philanthropy provides high school students with an opportunity to learn about philanthropy and participate in the grant making process. Students form a group that will research school-based and community needs and issues. Through surveys, interviews and consensus, the group will develop a portfolio of grant investments that they determine will provide results measured in changed lives.

Purpose of Youth Philanthropy
- Teach high school students about philanthropy, its roots, how it is carried out today and the importance of community involvement.
- Give students an opportunity to engage in philanthropy and make a difference through grants.
- Gain knowledge of the local non-profit world.
- Create a grant application and make it available for groups and organizations to apply.
- Review grant applications, determine grant distribution and present to the Foundation Board.
- Present the awards, share with community and publicize grants.

During the 2016-17 school year the Black Hills Youth Philanthropy students chose to focus on the environment as a field of interest. They researched local organizations within that field of interest and invited several to apply for their grants. After reviewing the grants they were excited to announce their final decisions: Trinity Eco Prayer Park and the Black Hills Raptor Center each received grants for $2,500!

The Black Hills Area Community Foundation works to grow long term philanthropic assets to support the needs of our region. The Black Hills Area Community Foundation hosts a variety of giving circles: Black Hills by Choice, Black Hills by Choice - Southern Hills, Black Hills IMPACT and Black Hills Youth Philanthropy. Learn more at BHACF.org or call us at 605-718-0112.
Dignity is placed high on a bluff above the Missouri River with the earth, sky and water surrounding her. Dignity is meant to honor all people, by celebrating the native cultures of this land. Upon completion, she was given as a gift to the state of South Dakota by Norm and Eunabel McKie.

The celebration of the installation of Dignity was September 17th, 2016.

“This is very meaningful to our state. This will mean a lot to South Dakota, in addition to being the state of Mount Rushmore and Crazy Horse, South Dakota will also be the state of the Dignity statue.” ~Gov. Dennis Daugaard

High atop a bluff overlooking the Missouri River, Chamberlain's newest resident has found her home. After 2 years of planning, designing and creating the 50-foot-tall “Dignity - of Earth and Sky” - a memorable multi-cultural celebration was attended by more than 1,000 people. Attendees converged on the Chamberlain rest stop on Interstate 90 to recognize the state's newest landmark, a stainless steel statue depicting a Native American woman draped in a star quilt.

The statue was a $1 million gift from Norm and Eunabel McKie of Rapid City to all people of South Dakota. The couple announced the gift in 2014 to celebrate South Dakota’s 125th anniversary of statehood. Norm McKie joked that it's not always easy to spend a million dollars but, when Dignity was announced, McKie said he was “all smiles.”

Since its installation in 2016, Dignity has wowed visitors from across the globe. Word has spread across the country about South Dakota's newest sculpture, Dignity leaves an impression on visitors. Her gaze will never break and her beauty — and message — will be celebrated for generations. Dignity stands proudly with an air of peace and tolerance, inviting you to join her in taking in a sweeping view of the Missouri River and the beautiful South Dakota landscape.

Black Hills Area Community Foundation served as a fiscal sponsor for this work by Norm and Eunabel McKie. Facilitating this contribution through BHACF offered tax benefits without the expenses related to establishing a private foundation.
"Everyone working together to build a better city."

Rapid City Collective Impact

We are proud to be a part of this work. Taking a systemic approach, our city is working together to address the root causes of social issues.

An important role of community foundations all over the country is that of community leadership. Since the fall of 2015, our Executive Director, Liz Hamburg, has been a part of the Guiding Council for Rapid City Collective Impact. Other members of the Guiding Council include Mayor Steve Allender, John T Vucurevich Foundation CEO Sandy Diegel, Regional Health’s Communications Director Tiffany Smith, Pennington County Commissioner Lloyd LaCroix, Sheriff Kevin Thom, Executive Director of the United Way of the Black Hills, Jamie Toennies, and Linn Evans, COO of Black Hills Corporation.

Rapid City Collective Impact recognizes that large scale social change comes from better cross-sector coordination rather than from the isolated intervention of individual organizations. Rapid City Collective Impact works to catalyze and engage the talent, skill, and perspective of grass roots citizens, businesses, nonprofits, government, and faith communities; creating collaborative ways to make Rapid City a more caring community.

Community Members during a round table discussion at a May 2016 workshop.

Rapid City Collective Impact has defined three priority areas of work:

- Food Security
- Behavioral Health
- Homelessness/Housing
A charity car show hosted by G3 Rods benefitting the Children's Home Society took place on Saturday, May 3rd, 2016. The event was held in honor of Ryan Gruba's 40th birthday. In lieu of gifts, Ryan asked everyone who attended to make a donation to benefit the Children's Home Society. The event raised a total of $12,347.24.

We are so very proud to have delivered this check to the Black Hills Area Community Foundation on behalf of the Children's Home Society of South Dakota,” says Ryan Gruba. Their first car show was a success and the outpouring of support for G3 Rods and the cause it supported was overwhelming. The entire crew at G3 Rods was so thankful to all of the people who traveled great distances to be here and support them and for bringing top quality builds for the show.

Funds were designated to establish a Children's Home Child Advocacy Center Endowment at the Black Hills Area Community Foundation, which created the opportunity for the Children's Home Society to receive an additional gift of $3,087 through a matching opportunity from BHACF.

Thank you G3 Rods, the many donors and major local sponsors like Rapid City Dairy Queen and Admiral Beverage (Pepsi) for donating food and drinks.

Pictured left to right: Theresa Schreiner - CHS Volunteer Coordinator; Tyler Nelson, Ryan Gruba and Jay Gruba - G3 Rods co-owners; Ella Shafer - CHS Development Officer; and Liz Hamburg - BHACF Executive Director.
Sonya Harrison recalls the night on February 25, 2016 when her friend and neighbor lost her son, two-year-old Seth Brien, to a tragic accident along Country Road in Rapid City. It’s what inspired her to begin a fundraising campaign to give kids in Country Village Estates their own neighborhood playground. Donations were gathered but the amount she had raised wasn’t enough. That’s when the Rapid City Fire Department stepped in to help. Chief Mike Mallaverne said, “Anytime you deal with children, and especially when they lose their life or they’re seriously injured, it touches those first responders on a deep level. We are proud to help in any way possible.”

Through the Rapid City Fire Department’s LIFE Fund at the Black Hills Area Community Foundation, donors were able to make tax-deductible contributions to the project. “We want a safe place for our kids to play and also to honor a beloved son and little brother,” stated Sonya Harrison. Through the RCFD’s donations, the family was able to pick out the equipment to make a dream a reality. The community joined together to give these children a safe place to play and a place where all can go to remember such a wonderful boy.

As part of the United Way ‘Day of Caring’, off-duty firefighters helped build the playground when equipment arrived.

Thank you to all who donated time, money, materials, equipment and support for the playground. We hope you enjoy it!

The team spent the day piecing together the play area with the goal of opening it in the coming days. Now, in honor of Seth, the community has a safe place for its future children to play.

The official “hose cutting” performed by Seth’s little sister, who was with him the day he died, marked the beginning of a new chapter for this neighborhood.

GIVE
Don’t give to get, give to inspire others to give.

2016 QUALITY OF LIFE GRANTS
Totaling Over $77K Awarded to:

Black Hills Community Loan Fund, Inc. - Rapid City
Black Hills Mining Museum - Lead
Black Hills Works - Rapid City
Boys & Girls Clubs of the Black Hills - Hill City / Hot Springs
Chiesman Center for Democracy, Inc. - Rapid City
Community Services Connection of the Black Hills - Rapid City
The HOPE Center - Rapid City
Love, INC. - Rapid City
Women Escaping A Violent Environment (WEAVE) - Custer
Spearfish Nutrition Site - Spearfish
Rapid City Public Library Foundation - Rapid City
Wellfully - Rapid City
YMCA of the Black Hills - Hot Springs / Edgemont
2016 SCHOLARSHIP RECIPIENTS

Arete Scholarship in memory of Kevin J. Morsching - St. Thomas More Award - $1,500
- Delaney Carlson of Rapid City, SD

Arete Scholarship in memory of Kevin J. Morsching - Post 22 Award - $1,000
- Justin Kraemer of Rapid City, SD

Arete Scholarship in memory of Kevin J. Morsching - SDSU Baseball Award - $500
- Landon Busch of Rapid City, SD

Hunter J. Lewis Memorials Scholarship - $1,000
- Ben Marchand of Custer, SD

Rapid City Chamber- Workforce Development Scholarships - 6 scholarships of $1,000 each
- George Bernard
- Danielle Koppmann
- Jessica Dial
- Tasa Sorelo
- Miranda Mikkelson
- Catherine Borketey

The Walt Award - $1,000
- Joseph Gibson of Rapid City, SD

Harold & George “Elbert” Newton Memorial Music Scholarship - $2,000
- Kaylee DuPont of Rapid City, SD

Sarah Stevens Scholarship - $500
- Megan Wilson of Rapid City, SD

Black Hills Chapter - South Dakota Engineering Society - $2,000
- Austin Maus of Dickinson, ND

2016 ENDOWED ORGANIZATIONAL FUNDS

Arlene Ham Fund for Women and Children (2016)
Big Brothers Big Sisters Agency Endowment (2006)
Black Hills Area Habitat for Humanity (2016)
Black Hills Raptor Center (2016)
Black Hills Works Foundation (2016)
Canyon Lake Senior Center (2016)
Central States Fair (2016)
Chamber Music Festival (2011)
Chapel in the Hills (2009)
Children’s Home Foundation (2007)
Dakota Choral Union (2010)
Diabetes, Inc. (2010)
Fall River County Historical Society (2008)
Feeding South Dakota (2012)
Friends of South Dakota Public Broadcasting (2007)
Founders Park (2014)
Front Porch Coalition (2011)
Girl Scouts Dakota Horizons (2010)
HOPE Center (2015)
Historic Homestead Opera House (2012)
Humane Society of the Black Hills (2010)

Landon Fund for Black Hills Playhouse (2016)
Lifeways (2013)
Love, INC. (2016)
Make a Wish Foundation (2016)
Mammoth Site of Hot Springs (2006)
NAU Foundation (2016)
Rapid City Arts Council (2009)
Rapid City Chamber - Leadership Rapid City (2009)
Rapid City Chamber - Young Professionals Group (2016)
Rapid City Library Foundation (2007)
Re-Member (2015)
Rural America Initiatives (2015)
South Dakota Humanities Council (2016)
St. Francis Foundation (2012)
Working Against Violence Inc. (WAVI) (2007)
Western Dakota Technical Foundation (2007)
Wellspring, Inc. (2008)
Western Resources for Independent Living (2008)
Youth and Family Service (2008)
Hundreds came together for a BBQ fundraiser in the fall of 2016, to join the Philip Charities fundraising efforts to help the ranchers affected by the Cottonwood, SD Prairie Fire. The community enjoyed fantastic food, live music and supported this relief effort. Thank you to our former Board member, Dennis Anderson, and his wife Lavonne for joining us on November 5th!

Bernice Tacke Crew said “Our community lost 41,000 acres of grassland and hundreds of miles of fence, tons of hay and many cattle to the disastrous Cottonwood fire. How blessed we are to have such charitable neighbors in the Black Hills Area Community Foundation.” Eighteen families were directly affected by the fire ranging from total devastation to small losses. No matter the effects, this fundraiser was a way to get together and help those affected in this humble community.

* * *  

“At the public reaction to the death of Prince. During his “Purple Rain” years, I recognized his musical talents, but can’t say that I was or was not a Prince fan. With his passing, we all learned about the songs he’s written for others, his musical legacy, his health, and his habits, good and bad. Prince was not just an award-winning musical genius; the world is now learning that he was working to change the world through philanthropy as well as his music.

Environmental and human rights activist Van Jones is sharing stories of Prince’s commitment to giving — quietly, anonymously — to causes he cared about. Millions of dollars. Jones admits to returning the first contribution his organization received from the “anonymous” donor. When he learned the identity of the donor, he suggested that he might frame the check rather than cash it. The two became fast friends.

Prince’s philanthropic causes were on both sides of the political aisle, both red and blue — his charitable intents were purple. From economic development and job creation initiatives to environmental issues and programs for disadvantaged youth, Prince was immensley charitable. And another lesson from Prince — he did not leave a will. His siblings are now working through the legal process to distribute his estate, estimated at hundreds of millions of dollars. In addition to being saddened by the loss of a musical genius, we can also be said that this generous philanthropist did not create a charitable legacy that would have benefited the causes he cared about — forever.

There is a television commercial airing now that clearly demonstrates how people will go out of their way to avoid creating a financial plan — cleaning the gutters, power-washing the roses, etc. It’s true — two of the most anxiety-ridden topics of conversations are money and death. Nobody wants to address this, but reality is reality. We are all going to die. And what is put in place now through a will can provide for surviving family members as well as offer a vehicle to leave a charitable legacy.

Over 60 years ago, a gentleman named Harry S. Williams of Fremont, Michigan (2010 population 4,050, average household income, $37,510), left a gift of $5,700 at the time of his death in a charitable trust to provide for his sister and to distribute shoes to needy children and Christmas gifts for the patients in the infirmary.

Today, the Harry S. Williams Charitable Trust, housed with the Fremont Community Foundation, has grown to $6.8 million and in 2015 distributed $371,600 in grants to the region’s nonprofit community. Over time, a small gift left in a long term charitable fund can change the landscape of a community and its people, honoring the donor with a lasting legacy.

We live in an amazing region. Many live in the Black Hills because we choose to be here for reasons of natural beauty, simplicity and quality of life. Our Black Hills Area community foundation supports our donors and our nonprofit organizations throughout the region by managing funds that honor our donors’ wishes. Our legacy donors are planning for the future, beyond their own existence, and creating a better Black Hills for generations to come.

Through a will, Prince could have continued to change the futures of many — leaving an impact beyond the legacy of his music. Hopefully his siblings will work to sustain Prince’s purple philanthropy for future generations. — written by Liz Hamburg, May 2016 published and shared nationally.

CHARITABLE LEGACIES WILL KEEP ON GIVING
$55K+
BLACK HILLS BY CHOICE
GRANTS AWARDED TO LOCAL AREA NONPROFIT ORGANIZATIONS SINCE ITS INCEPTION IN 2013!

HELP US GROW! WHAT, WHY, HOW:

WHAT ARE THE MEMBER BENEFITS? You will be invited to several exclusive events each year. These social events provide opportunities to learn about philanthropy as well as to mix & mingle with BHBC members. At two of the events, the group will choose to fund grants for non-profit organizations in the Black Hills.

WHY SHOULD I JOIN? BHBC is a fun way to give and to learn about the work being done to serve the needs in our area. Working together, we grow philanthropy throughout the Black Hills area. Meet others who live in our Black Hills by choice.

HOW DO I GET STARTED? A membership requires an annual unrestricted gift to the BHACF of a minimum of $1,000 per membership (couple or single). These funds will be used by Black Hills by Choice members to direct grants twice a year and to help grow the philanthropic efforts of our foundation. BHACF will remind you annually when your membership is due.
Black Hills by Choice grew in 2016 and they were able to gift more than $23,000 to Black Hills area non-profit organizations.

Black Hills by Choice is the Black Hills Area Community Foundation's giving circle; comprised of people who care deeply about our community and understand that philanthropy helps enhance the unique heritage and character of this region. Roger Wilson, member of BHBC and member of the board of directors of Black Hills Area Community Foundation said “It is wonderful to be able to get together with like-minded people who share their love of the Black Hills region. Pooling our funds together gives us a larger reach to help our communities. We are excited about the growth of our giving circle and welcome new members to join!”

Our goal is to create a community of givers who enjoy socializing together and sharing their views on how philanthropy improves our community.

**BLACK HILLS BY CHOICE HAS THREE OBJECTIVES**

1. Socialize, learn and work together to make grants that support the non-profit organizations in our region.
2. Build a strong community of philanthropists who share their passions and giving preferences.
3. Educate people about the philanthropic work of the Black Hills Area Community Foundation.

Sharon Hasvold at a Black Hills By Choice social gathering in March of 2016. Members and new members were invited to view the progress of the Dignity statue and enjoy a private tour of the Lampert Studio in Sturgis, SD.
Thank you to our 2016 Supporters

Anonymous (10)

Rochell and Jane Aaron
Duane and Karen Aloha
Eric Altemus and Lois Favor
Ben, Stafford Adelson and Lynda Clark
Norma Allen
Kathy Audu-Oduma
Bill Amore
Jerome and Eavyn Baer
Dan and Jackie Baker
Paul and Julie Baldwin
Bill and Kristi Barber
Dr. RJL and Manrowe Barnes
Steven Basnett and Jemima Koo
Margaret Becker
Frances and Timothy Becker
Weisley and Wilma Ehren
Jennie and Jerry Benson
Bernard Labiner Revocable Trust
Angel Rotella
Black Hills Area Habitat For Humanity
Black Hills Federal Credit Union
Bluff Hills Radio Center
Black Hills Works Foundation
Harold Bradon
Richard and Sue Brown
Gary Brown
Kent and Peggy Bygatter
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Denise Bruck
Patrick and Lucy Burchill
Mary and Ray Burnett
Robo and Efika Cunagbas
Canyon Lake Senior Center
Central States Fair Foundation
Children's Home Foundation
Carol Chinohrisman
Rick and Jacqui Clerc
Clemency Voeks, Voices of Violence in Action
Daily and Barbara Clement
Climb Hot Springs

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Coulee Car Club
Finn and Dougherty
Creative Holdings LLC
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Dakota Hills Counseling Inc.
Dakota Sealants, Inc.
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First Interstate BancSystem Foundation
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Krisitn Ham
Jamie Ham
Steve and Lisa Hanley
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Hugo Henman
Marnie and Doug Hermann
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Highmark Federal Credit Union
Leslie Hishly
David and Carla Hillard
Joseph and Bonnie Hill
Historic Homeowners' Opera House
Sharon Hoope
Everett and Roberta Hoyt
Andrew Huang and Ling Lai
Joanne and Joel Iwulifich
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John T. Vucicich Foundation
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Marni Katz
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Madhu Kumar
Kusbosch Truck and Auto, Inc.
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Kendra and Gary Larson
Denise LaRue
Lausen Office of Sheila Sturzen-Reita FPA
Linda Leal
Cindy Levin
Eric and Shoshann Low
Shawn Low
Mikel Lewis
Kim Leben
Lolty Red Styling Studio
Michelle Luman
LV Hospitability
Linda Lockner
Curtis and Pamela Loomis
Lorey INC
Anthony Luborskis and Christine Pham
MAC Contracting Company
Make A Wish Foundation Of South Dakota
Lara Marcus
Peter and Mary McCloud
Norman Mixon
Marie and Patrick McCallin
Stan and Alice Metter
Dr. Richard and Gayle Meyer D.O., B.S.
Gregory Miller
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Mandy and Adam Monroe
Spencer and Amanda Morses
NAU Foundation
Janette Nelson
James and Gloria Nelson
Myrna Nelson
Jilry L. Newton
Dr. Robert and Gerda Nixson
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David and Patricia Poole
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Jon and Mary Poole
Margaret Prall and Tam Patterson
Owen and Julie Pray
Madelon Price
David and Lisa Purkalevsky
Linda Ribak
Rithard Rajagopal
P. Kamal and Caroline Reo
Rapid City Arts Council
Rapid City Chamber Of Commerce
Rapid City Firefighters Union
Ronda RO. Reubens
RCS Construction
Dan and Maxine Redline
David Petersen and Teresa Rehmich
Thaddeus and Elizabeth Richards
Mary and Fred Rittoorger
Rocky Mountain Oilfield Warehouse
Rural America Initiatives
Don and Mary Sachs
Molly and Patrick Salone
Thord and Mary Saull
Dr. Ben and Stacy Sayler
Lisa Schiller
William and Charlotte Schmidt
James Court Sunshine Fund
Rhonda Schweitzer
Mary and James Scule
Roddent and Jennifer Seals
Paul and Maria Sebo
Joel H. and Tracy A. Severson
Gerald Shagin
Shernett-Williams
John and Shari
Judith Silkes
Karen Simmons-Parks
Linda Simons
Ciaovane and Catherine Simpkins
Sioux Falls Area Community Foundation
Verne and Anne Smith
Paul Simons
David Snyder
South Dakota Community Foundation
South Dakota Humanities Council
South Dakota Walleyes Unlimited
Spitzer Construction Inc.
Thomas Stiphenson
Pastel Studio
Terri and Harvey Stuck
Karen Stuck
Swan Family Foundation
Eleanor Swoek
Phil and Eva Sverson
Tennison Family Foundation
The Hope Center
The Speed Center, LLC
M Brysant and Nancy Thompson
Arthur and Leigh Tideman
Tooper's Custom Car Club
Tow Pros
Mike and Lenta Tuchten
Peter and Susan Tidore
Janet Van Houzen
Tom Van Flett
Lottinger Mix
Claudia Vidal and John Lind
Cathy and Ken Vogel
W.D. and Carol Voris
James and Jaffe Wagner
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Stanley and Frances Wald
Mesha Wallyshot
Sally and Michael Wensler
Patricia and Harold Whalen
Whipple Racing Products
Windcat Classic Adventures Inc.
William D. Rhodes Foundation
Janet and Tony Wupper
Dr. Roger and Diane Wilson
Pat Wyss and Jean Seely
Haysley Yang
Zazzoo
Steve Zeller
Bridget Zuidema

BLACK HILLS AREA COMMUNITY FOUNDATION
A LEGACY FUND MAY BE AN EFFECTIVE WAY FOR YOU TO GIFT TO A CHARITY AND LESSEN THE BURDEN OF TAXES ON YOUR FAMILY AND ESTATE.

Many of us have a desire to leave a lasting impact on the people in our lives and the community we live in.

Creating a legacy fund may be a great way to have a lasting impact on the people and organizations we care about most. A legacy gift, through a will, a trust, property, a retirement account or life insurance policy, are becoming more popular as an effective way to leave an ongoing charitable gift while lessening the tax burden on your family and friends.

A charitable legacy is an instruction written in a will or a trust that directs a gift to be made to a qualified charitable organization at the end of your life. Gifting to the Black Hills Area Community Foundation through your will allows you to identify organizations and areas of interest that you would like to impact forever. Your legacy agreement with us can be modified at any time by you, and then by your successors, to direct your contributions without having to revise your will.

You are able to increase the impact of your charitable giving through your estate, without affecting your cash flow today.

LEGACY FUNDS CAN BE CREATED IN SEVERAL WAYS:
- gift a percentage of your estate
- gift a specific asset (ranch, home, stock, etc.)
- gift a specific dollar amount
- gift an IRA account
- gift an insurance policy

Ed McLaughlin and the late Doris Marie Strom made significant contributions to our region with time, talents and treasure. To continue their locally focused legacy, they established an agreement with the Black Hills Area Community Foundation to manage a portion of their estate’s assets upon their passing and distribute grants to benefit future generations. Ed McLaughlin explains “Working with the Black Hills Area Community Foundation provides assurance that our funds will be responsibly managed and that our giving will continue. By working with our local community foundation, we know that our assets will continue to benefit the Black Hills region.”

Retirement assets, like an IRA account, make excellent gifts to charity. Whereas, if an IRA were given to family, unfortunately, most of the value could be depleted through estate and income taxes. By making a charity the beneficiary of part or all of your IRA, the full value of the gift is given tax free at the end of your life and your estate receives a charitable deduction as well.

An insurance policy, as an asset of your estate, is taxable upon death. However, if the policy is gifted to charity, your estate avoids paying tax on the value of the policy and also receives a charitable deduction.

For a relatively small premium payment, life insurance can help you leave a sizable financial legacy to a cause that you care for deeply.

LEAVING A LEGACY

“is like planting trees under whose shade you do not expect to sit.”

—Nelson Henderson
2016 Board of Directors

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THE NATURE CONSERVANCY
RAPID CITY, SD

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WILSON KLOOSING NASH PC
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Margaret Prahl
CUSTER, SD

Dr. Roger Wilson DDS
RAPID CITY, SD

Liz Hamburg
Executive Director

Becky Monnens
Operations & Program Manager

Karabeth Borresen
Communications Specialist
## BLACK HILLS AREA COMMUNITY FOUNDATION
### 2016 FINANCIAL SUMMARY

Financial Highlights for the Fiscal Years ended December 31, 2016 and 2015

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<th>GRANTS PAID AND COMMUNITY BENEFIT DISTRIBUTIONS</th>
<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td>Grants to Other Organizations</td>
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<tr>
<td>Awards and Grants to Individuals</td>
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<td>Fiscal Sponsorship and Program Expenditures</td>
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<td>Expenses Incurred on Behalf of Specific Organizations</td>
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<td>Operations for Community Benefit</td>
<td>302,179</td>
<td>222,405</td>
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<td><strong>TOTAL</strong></td>
<td><strong>2,945,355</strong></td>
<td><strong>2,101,553</strong></td>
</tr>
</tbody>
</table>

### STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>3,178,802</td>
<td>3,143,187</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>1,200</td>
<td>4,093</td>
</tr>
<tr>
<td>Pledge Contributions Receivable</td>
<td>23,878</td>
<td>41,909</td>
</tr>
<tr>
<td>Investments</td>
<td>11,805,390</td>
<td>10,333,465</td>
</tr>
<tr>
<td>Mortgage and Interest Receivable</td>
<td>351,285</td>
<td>365,270</td>
</tr>
<tr>
<td>Cash Value Life Insurance</td>
<td>42,148</td>
<td>33,504</td>
</tr>
<tr>
<td>Deposits</td>
<td>1,700</td>
<td>500</td>
</tr>
<tr>
<td>Loan Receivable</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Property and Equipment, Net</td>
<td>24,577</td>
<td>6,749</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>15,488,980</strong></td>
<td><strong>13,988,677</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>7,015</td>
<td>10,582</td>
</tr>
<tr>
<td>Payroll Taxes Payable</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Sales Tax Payable</td>
<td>3,486</td>
<td>333</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>-</td>
<td>78,000</td>
</tr>
<tr>
<td>Amounts Held for Others</td>
<td>5,086,491</td>
<td>4,086,697</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>5,096,992</strong></td>
<td><strong>4,175,712</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>9,569,729</td>
<td>5,816,233</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>564,246</td>
<td>3,738,719</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>258,013</td>
<td>258,013</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>10,391,988</strong></td>
<td><strong>9,812,965</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITIES AND NET ASSETS</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>15,488,980</strong></td>
<td><strong>13,988,677</strong></td>
<td></td>
</tr>
</tbody>
</table>
The Black Hills Area Community Foundation provides a simple, powerful and highly personal approach to giving. It exists to help people easily and effectively support the charitable organizations and causes they care about - during their life or through their will.

1. **DONORS**
   Individuals, families or organizations give through Black Hills Area Community Foundation (BHACF) to achieve their charitable goals and leave a personal legacy.

2. **GIVE ALL TYPES OF ASSETS**
   Donors can give cash, appreciated securities, retirement assets, real estate or other assets. BHACF can also accept unusual assets from donors who are wealthy in unexpected ways. The donor receives the maximum charitable and tax benefits for their contributions.

3. **TO THE COMMUNITY FOUNDATION**
   The Black Hills Area Community Foundation is a 501(c)3 public charity and is accredited by the National Standards for U.S. Community Foundations.

4. **TO CREATE THEIR OWN FUND**
   Donors create their own fund. They recommend grants from their fund and choose who will advise their fund when they are no longer able.

5. **WHICH IS CAREFULLY INVESTED**
   BHACF provides high quality stewardship of funds, which are pooled for investment purposes. This enables less expensive access to high quality investment management.

6. **TO ALLOW FOR GRANTS IN PERPETUITY**
   Donors retain the privilege of recommending grants from their fund to nonprofits, religious organizations, educational institutions and government entities.

**WE ARE THE BLACK HILLS AREA COMMUNITY FOUNDATION**

(605) 718-0112 · 803 St. Joseph Street · Rapid City, SD 57701  Visit bhacf.org
Reflection from our Executive Director

This was an exciting year of change for the Black Hills Area Community Foundation. We are continuing to grow in our role, building community assets for the benefit of charitable causes as well as engaging with local leadership to offer solutions to our region’s social issues.

In addition to working with donors and the non-profit organizations in our region, we have made some significant changes to our infrastructure. Early in the year, our Board designated a task force to search for our own office space. In late August, the perfect location became available at 803 St. Joseph Street in Rapid City. Thanks to the commitment of some generous donors we were able to move in on December 1st, 2016. After enjoying space on the third floor of the Wells Fargo Bank building for nearly 10 years, we now have street front, visible space in downtown Rapid City. Our office provides a comfortable, private place for donor visits and committee meetings. Please stop in and say hello! Many thanks to all of you who helped to make this happen.

Also, on December 1st, we converted to a new fund accounting system and a new website. These two transformations are making a big difference in our operations, allowing us to be more efficient and cost effective as we grow.

And grow we have! Thanks to the commitment of matching funds from a generous donor, we added 13 new endowed funds for Black Hills based organizations in 2016 and grew our total assets by $1.5 million. Following the best practices of other community foundations, we developed new fund options for organizations and individual donors that have already proven to fit well within our region. This year was only our third year of a competitive grants process, but we were able to distribute over $77,000 to support the nonprofit sector in the Black Hills. In addition, our Black Hills By Choice giving circle directed $22,000 to support the good work of local non-profit organizations.

I hope you enjoy the stories we share in this annual report. Our Board of Directors, our staff, and our donors are committed to promoting and growing philanthropy in our region. We are helping to take care of our beautiful Black Hills and all of the people who live here. We connect people who care to causes that matter.

~ Liz Hamburg, Executive Director
DO YOU WANT TO HAVE AN IMPACT ON CAUSES YOU CARE ABOUT, AND INCREASE YOUR PHILANTHROPIC GIVING?

Join BH Impact!
Our Young Professionals Giving Circle

- CONNECTED -
You will receive information & invitations to special events through Black Hills Area Community Foundation.

- IMPACTFUL -
You will be able to pool your dollars together with others to give more to local nonprofits. The grants will allow nonprofits to execute meaningful work, programs and projects in our community.

- INFORMED -
You will learn about community issues, the nonprofits within the Black Hills area & how we work with them.

- FLEXIBLE -
Members may be as active as they would like. Some may just want to contribute financially, while others may also join the grant review team or the membership team.

- EDUCATED -
Through the grant review team, you will learn more about grantmaking and philanthropy - how to look critically at potential grantees & make funding decisions designed for maximum impact.

LEARN MORE ABOUT BLACK HILLS IMPACT AT WWW.BHACF.ORG
2016 Quality of Life Grant Recipients at our 10 year Celebration and Awards Ceremony.

Liz Hamburg and Scott Engmann from BH Habitat for Humanity seal the deal creating their Endowed fund with BHACF.
GRANTS & SCHOLARSHIPS
FIELD OF INTEREST FUNDS
DONOR ADVISED FUNDS
FISCAL SPONSORSHIPS
LEGACY GIFTING
AGENCY FUNDS
ENDOWMENTS

BLACK HILLS
AREA COMMUNITY FOUNDATION

WWW.BHACF.ORG

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Rapid City, SD 57709

605-718-0112