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Form 990-PF

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

2010

Department of the Treasury Internal Revenue Service

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

For calendar year 2010, or tax year beginning 01-01-2010, and ending 12-31-2010

Check all that apply: Initial return, Amended return, Initial return of a former public charity, Address change, Final return, Name change

Name of foundation: The Hatterscheidt Foundation Inc, C/O Wells Fargo Bank South Dakota NA. Employer identification number: 46-6012543. Telephone number: (605) 229-8250. City or town, state, and ZIP code: Aberdeen, SD 574020849. Check type of organization: Section 501(c)(3) exempt private foundation. Fair market value of all assets at end of year: \$4,624,580. Accounting method: Cash.

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12), Operating and Administrative Expenses (13-26), and Summary (27-29).

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

Part II Balance Sheets		Beginning of year			End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing						
	2 Savings and temporary cash investments	47,160	6,145	6,145			
	3 Accounts receivable <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____						
	4 Pledges receivable <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____						
	5 Grants receivable						
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)						
	7 Other notes and loans receivable (attach schedule) <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____						
	8 Inventories for sale or use						
	9 Prepaid expenses and deferred charges						
	10a Investments—U S and state government obligations (attach schedule)	0 <input checked="" type="checkbox"/>	50,000	50,163			
	b Investments—corporate stock (attach schedule)	831,317 <input checked="" type="checkbox"/>	702,353	809,453			
	c Investments—corporate bonds (attach schedule)	801,486 <input checked="" type="checkbox"/>	626,548	656,374			
	11 Investments—land, buildings, and equipment basis <input type="checkbox"/> _____ Less accumulated depreciation (attach schedule) <input type="checkbox"/> _____						
	12 Investments—mortgage loans						
	13 Investments—other (attach schedule)	2,510,365 <input checked="" type="checkbox"/>	2,675,416	3,102,445			
	14 Land, buildings, and equipment basis <input type="checkbox"/> _____ Less accumulated depreciation (attach schedule) <input type="checkbox"/> _____						
15 Other assets (describe <input type="checkbox"/> _____)							
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	4,190,328	4,060,462	4,624,580				
Liabilities	17 Accounts payable and accrued expenses						
	18 Grants payable						
	19 Deferred revenue						
	20 Loans from officers, directors, trustees, and other disqualified persons						
	21 Mortgages and other notes payable (attach schedule)						
	22 Other liabilities (describe <input type="checkbox"/> _____)						
	23 Total liabilities (add lines 17 through 22)	0	0				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and complete lines 27 through 31.						
	27 Capital stock, trust principal, or current funds	0	0				
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0	0				
	29 Retained earnings, accumulated income, endowment, or other funds	4,190,328	4,060,462				
30 Total net assets or fund balances (see page 17 of the instructions)	4,190,328	4,060,462					
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	4,190,328	4,060,462					

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	4,190,328
2	Enter amount from Part I, line 27a	2	-96,464
3	Other increases not included in line 2 (itemize) <input checked="" type="checkbox"/> _____	3	9,697
4	Add lines 1, 2, and 3	4	4,103,561
5	Decreases not included in line 2 (itemize) <input checked="" type="checkbox"/> _____	5	43,099
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	4,060,462

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 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1 a Publicly Traded Securities	P		
b Capital Gains Dividends	P		
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 1,555,457		1,508,148	47,309
b 1,775			1,775
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) 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			47,309
b			1,775
c			
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	49,084
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 pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	

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 page 18 of 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))
2009	241,934	4,052,788	0.059696
2008	263,773	4,837,883	0.054522
2007	259,198	5,629,530	0.046043
2006	246,185	5,256,084	0.046838
2005	234,241	5,091,198	0.046009

2 Total of line 1, column (d).	2	0.253108
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	0.050622
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.	4	4,358,368
5 Multiply line 4 by line 3.	5	220,629
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	1,236
7 Add lines 5 and 6.	7	221,865
8 Enter qualifying distributions from Part XII, line 4.	8	213,632

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 on page 18.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	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	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	2,471
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (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	2,471
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	2,471
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,800
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	844
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d.	7	2,644
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	173
11	Enter the amount of line 10 to be Credited to 2011 estimated tax ▶ 173 Refunded ▶	11	0

Part VII-A Statements Regarding Activities

	Yes	No
1a 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?		No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>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.</i>		No
c Did the foundation file Form 1120-POL for this year?		No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ \$ <u>0</u> (2) On foundation managers ▶ \$ <u>0</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ <u>0</u>		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		No
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? <i>If "Yes," attach a conformed copy of the changes</i>		No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		No
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		No
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?	Yes	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	Yes	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the 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? <i>If "No," attach explanation .</i>	Yes	
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		No

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 page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	Yes	
14	The books are in care of WELLS FARGO BANK Telephone no (605) 229-8223 Located at 204 SOUTH FIRST STREET PO Box 849 ABERDEEN SD ZIP+4 574020849			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year.	15		
16	At any time during calendar year 2010, 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		No

See page 20 of 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
1a	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 checked="" type="checkbox"/> Yes <input 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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/>	1b	No
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 2010?	1c	No
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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 page 20 of the instructions).	2b	
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___		
3a	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 2010 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 2010).	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	No
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 2010?	4b	No

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

<p>5a During the year did the foundation pay or incur any amount to</p> <p>(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(3) Provide a grant to an individual for travel, study, or other similar purposes? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(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 page 22 of the instructions). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>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? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach the statement required by Regulations section 53.4945–5(d).</p> <p>6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes" to 6b, file Form 8870.</p> <p>7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>			
	5b		No
	6b		No
	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 page 22 of the 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 Additional Data Table				

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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 page 23 of the 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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
3 All other program-related investments. See page 24 of the instructions	

Total. Add lines 1 through 3. **0**

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	4,370,392
b	Average of monthly cash balances.	1b	54,347
c	Fair market value of all other assets (see page 24 of the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	4,424,739
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	4,424,739
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	66,371
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	4,358,368
6	Minimum investment return. Enter 5% of line 5.	6	217,918

Part XI Distributable Amount (see page 25 of the 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	217,918
2a	Tax on investment income for 2010 from Part VI, line 5.	2a	2,471
b	Income tax for 2010 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	2,471
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	215,447
4	Recoveries of amounts treated as qualifying distributions.	4	7,200
5	Add lines 3 and 4.	5	222,647
6	Deduction from distributable amount (see page 25 of the instructions).	6	0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	222,647

Part XII Qualifying Distributions (see page 25 of the 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	213,632
b	Program-related investments—total from Part IX-B.	1b	0
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	213,632
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 page 26 of the instructions).	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	213,632

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				222,647
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only.			184,502	
b Total for prior years 20___, 20___, 20___		0		
3 Excess distributions carryover, if any, to 2010				
a From 2005.				
b From 2006.				
c From 2007.				
d From 2008.				
e From 2009.				
f Total of lines 3a through e.	0			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ <u>213,632</u>				
a Applied to 2009, but not more than line 2a			184,502	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions).	0			
d Applied to 2010 distributable amount.				29,130
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2010 (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	0			
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 page 27 of the instructions.		0		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions.			0	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011.				193,517
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions).	0			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions).	0			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a.	0			
10 Analysis of line 9				
a Excess from 2006.				
b Excess from 2007.				
c Excess from 2008.				
d Excess from 2009.				
e Excess from 2010.				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling.

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

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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 page 27 of the 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))

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

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 page 28 of the 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

Charles Habhab
 204 South 1st Street PO Box 849
 Aberdeen, SD 574020849
 (605) 229-8223

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

Applications should be submitted on forms available from the Foundation, Aberdeen Central High School and Roncalli High School or the college or university the student plans to attend

c Any submission deadlines

There are no deadlines for submitting applications, but each application should be submitted sufficient

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

Scholarships are made only to South Dakota residents, except for scholarships to the two schools in North Dakota, and the applicant must be a current high school graduate. The scholarship is for one year and cannot be renewed. Most of the grants made by the Foundation are for scholarship purposes except to the extent funds are available, grants may be made for other charitable and educational purposes

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 <i>Paid during the year</i> See Additional Data Table				
Total				▶ 3a 207,800
b <i>Approved for future payment</i>				
Total				▶ 3b 0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Table with 5 columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include Program service revenue, Fees and contracts from government agencies, Membership dues and assessments, Interest on savings and temporary cash investments, Dividends and interest from securities, Net rental income from real estate, Net rental income from personal property, Other investment income, Gain or loss from sales of assets, Net income from special events, Gross profit from sales of inventory, and Other revenue. Totals for (b), (d), and (e) are 0, 169,007, and 0 respectively. Total is 13 169,007.

(See worksheet in line 13 instructions on page 28 to verify calculations)

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

Table with 2 columns: 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 organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)

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

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... 1a(1) Cash... 1a(2) Other assets... 1b(1) Sales of assets... 1b(2) Purchases of assets... 1b(3) Rental of facilities... 1b(4) Reimbursement arrangements... 1b(5) Loans or loan guarantees... 1b(6) Performance of services... 1c Sharing of facilities... Yes No

Table with 4 columns: (a) Line No, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements

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... Yes No

b If "Yes," complete the following schedule (a) Name of organization (b) Type of organization (c) Description of relationship

Under penalties of perjury, I declare that I have examined this return... Signature of officer or trustee: ***** Date: 2011-08-29 Title: ***** Preparer's Signature: Melissa White CPA Date: 2011-08-29 Firm's name: EIDE BAILLY LLP Firm's address: 24 2ND AVE SW PO BOX 430 ABERDEEN, SD 574020430 Firm's EIN: Phone no: (605) 225-8783

Sign Here

TY 2010 Accounting Fees Schedule

Name: The Hatterscheidt Foundation Inc

C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Tax Preparation Fee	4,576	0		3,432

**TY 2010 Investments Corporate
Bonds Schedule**

Name: The Hatterscheidt Foundation Inc
C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

Name of Bond	End of Year Book Value	End of Year Fair Market Value
Bank of New York Mellon Med Term Note	50,526	53,514
Caterpillar Financial Serv Corp Med Term Note Serf	51,073	51,770
ConocoPhillips	50,509	54,313
General Elec Cap Corp	74,903	76,672
General Elec Cap Corp Med Term Note	50,780	51,622
HSBC Bank USA Ser EEM Zero CPN	150,000	157,065
Morgan ST Dean Witter	123,833	133,184
Pepsico Inc	74,924	78,234

**TY 2010 Investments Corporate
Stock Schedule**

Name: The Hatterscheidt Foundation Inc
C/O Wells Fargo Bank South Dakota NA
EIN: 46-6012543

Name of Stock	End of Year Book Value	End of Year Fair Market Value
Home Depot Inc	18,862	22,964
Kohls Corp	10,093	10,325
Target Corp	13,378	16,536
Walt Disney Co	14,391	16,504
CVS/Caremark Corporation	15,785	18,254
Kraft Foods Inc Cl A	20,747	21,742
Pepsico Inc	15,268	16,006
Procter & Gamble Co	20,630	21,229
Apache Corp	14,120	17,288
Baker Hughes Inc Com	14,234	19,438
Chevron Corp	14,451	16,881
ConocoPhillips	12,397	16,003
EOG Resources, Inc	9,967	8,684
Peabody Energy Corporation	11,191	15,675
AFLAC Inc	20,867	26,240
Bank New York Mellon Corp Com	20,193	22,650
Bank of America Corp	13,734	11,873
Berkshire Hathaway Inc	23,606	26,436
JPMorgan Chase & Co	25,339	25,664
State Street Corp	14,703	17,146
UNUM Group	16,553	19,134
Celgene Corp Com	13,401	14,785
Johnson & Johnson	18,186	18,555
Stryker Corp	13,439	14,767
Thermo Fisher Scientific Inc	12,839	15,778
Danaher Corp	9,818	12,736
Deere & Co	11,949	20,347
General Electric Co	14,164	16,278
L-3 Communications Corp Com	15,716	16,213
Precision Castparts Corp	12,876	16,705

Name of Stock	End of Year Book Value	End of Year Fair Market Value
Apple Inc	15,441	24,192
Cisco Systems Inc	14,957	12,745
E M C Corp Mass	8,125	9,732
FISERV Inc	17,278	20,789
Hewlett Packard Co	17,229	14,525
Intel Corp Comm	17,816	17,981
International Business Machs Corp Com	14,670	16,877
Microsoft Corp	18,719	17,862
Texas Instruments Inc	17,069	21,775
Carnival Corp	12,399	17,752
Cooper Industries PLC New Ireland	16,429	22,150
Marvell Technology Group	7,947	8,719
Nestle S.A. Registered Shares - ADR Sponsored ADR	16,096	19,999
Novartis AG - ADR Spronsored ADR	16,135	17,980
Schlumberger LTD	11,821	17,118
TEVA Pharmaceutical Industries - ADR Sponsored ADR	17,325	16,421

**TY 2010 Investments Government
Obligations Schedule**

Name: The Hatterscheidt Foundation Inc
C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

US Government Securities - End of Year Book Value:	0
US Government Securities - End of Year Fair Market Value:	0
State & Local Government Securities - End of Year Book Value:	50,000
State & Local Government Securities - End of Year Fair Market Value:	50,163

TY 2010 Investments - Other Schedule

Name: The Hatterscheidt Foundation Inc
C/O Wells Fargo Bank South Dakota NA
EIN: 46-6012543

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
Artio Global High Income-I #1525	AT COST	89,653	88,748
Goldman Sachs High Yield Fund Institutional Shares #527	AT COST	88,800	92,598
Principal Preferred Securities Fund Class Ins #4929	AT COST	60,602	66,847
T Rowe Price Short Term Bond Fund #55	AT COST	30,715	30,628
Fidelity Advisors Emerging Markets Income Fund Class I	AT COST	112,813	115,243
PIMCO Foreign Bond (Unhedged) Fund #1853	AT COST	114,444	115,716
Templeton Global Bond Fund - Advisor Class #616	AT COST	57,266	66,441
AMEX Materials SPDR	AT COST	31,670	37,450
Ishares DJ US Telecommunication Index Fund	AT COST	11,909	14,957
AMEX Utilities SPDR	AT COST	12,623	13,320
Ishares Russell 2000	AT COST	43,412	60,245
Ishares Russell 2000 Growth Index Fund	AT COST	37,827	80,426
Ishares Russell 2000 Value Index Fund	AT COST	32,514	59,716
Ishares TR Russell Midcap Growth Index Fund	AT COST	43,114	98,218
Ishares TR Russell Midcap Index FD	AT COST	38,159	73,769
Ishares TR Russell Midcap Value Index FD	AT COST	36,537	73,591
Artisan International Fund #661	AT COST	143,811	217,556
First Eagle Overseas Fund-Class I #902	AT COST	54,349	60,250
Harbor International Fund Class Institutional #2011	AT COST	127,462	163,201
Ishares MSCI EAFE	AT COST	121,776	164,180
Vanguard Emerging Markets ETF	AT COST	86,961	102,792
Diamond Hills Long-Short Fund Clss I #11	AT COST	75,459	79,838
Partners Group Private Equity TEI Fund	AT COST	100,000	100,000
Powershares Listed Private Equity Portfolio	AT COST	79,944	88,311
The Endowment TEI Fund LP	AT COST	412,507	403,955
CB Richard Ellis Realty Trust	AT COST	181,334	217,391
FSP Phoenix Tower Corp	AT COST	212,943	207,500
Ipath Dow Jones-UBS Commodity Index Total Return ETN Due June 12, 2036	AT COST	87,952	107,327
Madison Harbor Private Equity Fund of Funds	AT COST	148,860	102,231

TY 2010 Legal Fees Schedule

Name: The Hatterscheidt Foundation Inc

C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Legal Fees	1,367	0		0

TY 2010 Other Decreases Schedule

Name: The Hatterscheidt Foundation Inc
 C/O Wells Fargo Bank South Dakota NA
EIN: 46-6012543

Description	Amount
2011 Dividends included in current year 1099	9,500
2011 Capital Gains distributions reported in current year 1099	1,129
Adjustment for prior year nondividend distribution (basis adjustment)	32,470

TY 2010 Other Expenses Schedule

Name: The Hatterscheidt Foundation Inc

C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Annual Report Fees	62	0		0
Insurance	1,660	0		0

TY 2010 Other Income Schedule

Name: The Hatterscheidt Foundation Inc

C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
Merrill Lynch Class Action Settlement	173	173	173

TY 2010 Other Increases Schedule

Name: The Hatterscheidt Foundation Inc
 C/O Wells Fargo Bank South Dakota NA
EIN: 46-6012543

Description	Amount
2010 Dividends not included in current year 1099	2,497
Prior year scholarships refunded	7,200

TY 2010 Other Professional Fees Schedule

Name: The Hatterscheidt Foundation Inc

C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
The Endowment Fund	4,202	4,202		0
Bank Fees	37,189	37,189		0

TY 2010 Taxes Schedule

Name: The Hatterscheidt Foundation Inc

C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Foreign Taxes	1,649	1,649		0
Private Foundation Tax	688	0		0
Estimated tax payments	1,478	0		0

TY 2010 Taxation of Excess Distribution Statement

Name: The Hatterscheidt Foundation Inc
C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

Statement: Tax on Form 8621, line 11c = \$6. Net Tax on Form 8621, line 11e
= \$6.

TY 2010 Taxation of Excess Distribution Statement

Name: The Hatterscheidt Foundation Inc
C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

Statement: Total allocable to each year in holding period = \$19. Total allocable to current year and pre-PFIC tax years = \$19. Total to Form 8621, line 11b = \$19. Tax on Form 8621, line 11c = \$19. Net Tax on Form 8621, line 11e = \$19. Interest on Form 8621, line 11f = \$1.

TY 2010 Taxation of Excess Distribution Statement

Name: The Hatterscheidt Foundation Inc
C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

Statement: Total allocable to each year in holding period = \$2. Total to Form 8621, line 11b = \$2. Tax on Form 8621, line 11c = \$2. Net Tax on Form 8621, line 11e = \$2.

TY 2010 Taxation of Excess Distribution Statement

Name: The Hatterscheidt Foundation Inc
C/O Wells Fargo Bank South Dakota NA

EIN: 46-6012543

Statement: Tax on Form 8621, line 11c = \$1. Net Tax on Form 8621, line 11e
= \$1.

Additional Data**Software ID:****Software Version:****EIN:** 46-6012543**Name:** The Hatterscheidt Foundation Inc
C/O Wells Fargo Bank South Dakota NA**Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation**

(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
HARRY JASINSKI 204 SOUTH FIRST STREET ABERDEEN, SD 574020849	TRUSTEE 1 00	1,200	0	0
JACK THOMPSON 204 SOUTH FIRST STREET ABERDEEN, SD 574020849	TRUSTEE 1 00	800	0	0
HARVEY JEWETT 204 SOUTH FIRST STREET ABERDEEN, SD 574020849	TRUSTEE 1 00	800	0	0
DOROTHY O'KEEFE 204 SOUTH FIRST STREET ABERDEEN, SD 574020849	TRUSTEE 1 00	1,200	0	0
DENNIS KRAFT 204 SOUTH FIRST STREET ABERDEEN, SD 574020849	TRUSTEE 1 00	800	0	0

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	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
Name and address (home or business)				
a <i>Paid during the year</i>				
Augustana College 2001 South Summit Avenue Sioux Falls, SD 57197	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	9,000
Black Hills State University 1200 University Street Spearfish, SD 57799	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	7,500
Brown County United Way 12 4th Avenue SE Aberdeen, SD 57401	NONE	PUBLIC CHARITIES	Financial Support	8,000
Dakota State University 820 North Washington Avenue Madison, SD 57042	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	6,000
Dakota Wesleyan University 1200 West University Avenue Mitchell, SD 57301	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	6,000
Ducks Unlimited One Waterfowl Way Memphis, TN 38120	NONE	PUBLIC CHARITIES	Financial Support	500
Lake Area Vo-Tech 230 11th Avenue NE Watertown, SD 57201	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	4,500
Minnesota State University - MANKATO 228 Wieking Ctr Mankato, MN 56001	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	1,500
Mitchell Technical Institute 821 North Capital Street Mitchell, SD 57301	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	4,500
Mount Marty 1105 West 8th Street Yankton, SD 57078	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	6,000
Mount MartyHarmony Hill 1105 West 8th Street Yankton, SD 57078	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	1,500
ND College of Science 800 6th Street North Wahpeton, ND 58076	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	4,500
Northwestern College 3003 Snelling Ave N St Paul, MN 55113	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	1,500
North Dakota State University 1340 Administration Avenue Fargo, ND 58102	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	1,500
Northern State University 1200 South Jay Street Aberdeen, SD 57401	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	66,800
Total				207,800

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	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
Name and address (home or business)				
a <i>Paid during the year</i>				
Presentation College 1500 North Main Street Aberdeen, SD 57401	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	3,000
SD School of Mines 501 East Saint Joseph Street Rapid City, SD 57701	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	10,500
SD State University Box 2201 Admn 106 Brookings, SD 57006	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	30,000
Spurs Therapeutic Riding Center 38815 130th Street Aberdeen, SD 57401	NONE	PUBLIC CHARITIES	Financial Support	5,000
University of MN - Twin Cities 200 Fraser Hall 106 Pleasant St Minneapolis, MN 55455	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	1,500
University of ND Twamleg Hall Rm 216 264 Cent Dr Grand Forks, ND 58202	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	4,500
University of Nebraska PO Box 880411 Lincoln, NE 68588	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	1,500
University of Sioux Falls 1101 West 22nd Street Sioux Falls, SD 57105	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	4,500
University of South Dakota Belbas Ctr 204 414 E Clark Vermillion, SD 57069	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	16,500
Crown College 8700 College View Dr St Bonifacius, MN 55375	NONE	PUBLIC CHARITIES	SCHOLARSHIPS	1,500
Total			3a	207,800