EXTENDED TO NOVEMBER 16, 2015

Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2014

Open to Public Inspection

For calendar year 2014 or tax year beginning , and ending

Name of foundation		A Employer identification number
HIGHLANDS FOUNDATION, INC.		20-3941123
Number and street (or P O box number if mail is not delivered to street address): 4717 HAMMERSLEY ROAD	Room/suite	B Telephone number: 608.271.2233
City or town, state or province, country, and ZIP or foreign postal code: MADISON, WI 53711-2708		C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization: [X] Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶$ 5,167,763.

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

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

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).)

Section	Line	(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			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	105,968.	104,113.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	281,891.			
	b Gross sales price for all assets on line 6a 2,361,861.				
	7 Capital gain net income (from Part IV, line 2)		281,891.		
	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 or (loss)				
	11 Other income				
	12 **Total.** Add lines 1 through 11	387,859.	386,004.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees				
	c Other professional fees STMT 2	31,721.	31,721.		0.
	17 Interest				
	18 Taxes STMT 3	12,636.	2,471.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 4	653.	562.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	45,010.	34,754.		0.
	25 Contributions, gifts, grants paid	319,000.			319,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	364,010.	34,754.		319,000.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	23,849.			
	b **Net investment income** (if negative, enter -0-)		351,250.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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423501 11-24-14 LHA For Paperwork Reduction Act Notice, see instructions. Form **990-PF** (2014)

14180814 727132 89124 2014.04010 HIGHLANDS FOUNDATION, INC. 891241

Part II Balance Sheets (Attached schedules and amounts in the description column should be for end-of-year amounts only)		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	99,687.	125,000.	125,000.
	2 Savings and temporary cash investments	167,053.	76,599.	76,599.
	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			
	7 Other notes and loans receivable ▶			
	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			
	b Investments - corporate stock STMT 5	2,785,623.	2,986,808.	3,561,734.
	c Investments - corporate bonds STMT 6	1,514,529.	1,400,130.	1,404,430.
	11 Investments - land buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	4,566,892.	4,588,537.	5,167,763.
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			
	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	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	4,566,892.	4,588,537.	
	30 **Total net assets or fund balances**	4,566,892.	4,588,537.	
	31 **Total liabilities and net assets/fund balances**	4,566,892.	4,588,537.	

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	4,566,892.
2 Enter amount from Part I, line 27a	2	23,849.
3 Other increases not included in line 2 (itemize) ▶ ADJUSTMENT FOR TIMING DIFFERENCE	3	131.
4 Add lines 1, 2, and 3	4	4,590,872.
5 Decreases not included in line 2 (itemize) ▶ ADJUSTMENT FOR WASH SALES	5	2,335.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,588,537.

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)
1a				
b	SEE ATTACHED STATEMENT			
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				
b				
c				
d				
e	2,361,861.		2,079,970.	281,891.

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

	(i) F M.V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				281,891.

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 — 281,891.

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). If (loss), enter -0- in Part I, line 8 — 3 — N/A

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 (col. (b) divided by col (c))
2013	251,700.	4,979,716.	.050545
2012	159,931.	4,685,237.	.034135
2011	192,500.	4,587,771.	.041959
2010	158,000.	4,345,348.	.036361
2009	264,705.	3,812,590.	.069429

2	Total of line 1, column (d)	2	.232429
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	.046486
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	5,200,008.
5	Multiply line 4 by line 3	5	241,728.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	3,513.
7	Add lines 5 and 6	7	245,241.
8	Enter qualifying distributions from Part XII, line 4	8	319,000.

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)

1a	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 instructions)			
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	3,513.
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	3,513.
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	3,513.
6	Credits/Payments			
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a 8,720.		
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	8,720.
8	Enter any **penalty** for underpayment of estimated tax Check here [X] 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	5,207.
11	Enter the amount of line 10 to be: **Credited to 2015 estimated tax** ▶ 5,207. **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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the 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? N/A	4b		
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, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ WI			
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 2014 or the taxable year beginning in 2014 (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 ▶ JAMES BAKKE Telephone no. ▶ 608.271.2233

Located at ▶ 4717 HAMMERSLEY ROAD, MADISON, WI ZIP+4 ▶ 53717-2708

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐

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

			Yes	No
16	At any time during calendar year 2014, 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 FinCEN Form 114, (formerly 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? ☐ 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)? N/A	1b		
	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 2014?	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______			
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) N/A	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 ▶ ______, ______, ______, ______			
3a	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 2014 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 2014)* N/A	3b		
4a	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 2014?	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 4945(d)(4)(A)? (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)? N/A **5b**

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 (No)

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.

(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
SUSAN A. BAKKE 4717 HAMMERSLEY ROAD MADISON, WI 53711-2708	PRESIDENT 1.00	0.	0.	0.
JAMES J. BAKKE 4717 HAMMERSLEY ROAD MADISON, WI 53711-2708	VICE PRESIDENT 1.00	0.	0.	0.
BLAINE R. RENFERT 4717 HAMMERSLEY ROAD MADISON, WI 53711-2708	SECRETARY & TREASURER 1.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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. 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 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

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	5,029,929.
b	Average of monthly cash balances	1b	249,267.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	5,279,196.
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	5,279,196.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	79,188.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	5,200,008.
6	**Minimum investment return** Enter 5% of line 5	6	260,000.

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	260,000.
2a	Tax on investment income for 2014 from Part VI, line 5 2a 3,513.		
b	Income tax for 2014 (This does not include the tax from Part VI) 2b		
c	Add lines 2a and 2b	2c	3,513.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	256,487.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	256,487.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	256,487.

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	319,000.
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	319,000.
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	5	3,513.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	315,487.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				256,487.
2 Undistributed income if any, as of the end of 2014				
a Enter amount for 2013 only			0.	
b Total for prior years: ___ , ___ , ___		0.		
3 Excess distributions carryover, if any, to 2014:				
a From 2009 76,223.				
b From 2010				
c From 2011				
d From 2012				
e From 2013 11,399.				
f **Total** of lines 3a through e	87,622.			
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ $ 319,000.				
a Applied to 2013, 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 2014 distributable amount				256,487.
e Remaining amount distributed out of corpus	62,513.			
5 Excess distributions carryover applied to 2014 (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	150,135.			
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 2013 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7	76,223.			
9 **Excess distributions carryover to 2015** Subtract lines 7 and 8 from line 6a	73,912.			
10 Analysis of line 9:				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013 11,399.				
e Excess from 2014 62,513.				

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 2014, 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) 2014	(b) 2013	(c) 2012	(d) 2011	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
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 foundation had $5,000 or more in assets at any time during the year-see instructions.)

1 **Information Regarding Foundation Managers:**

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

SEE STATEMENT 7

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 ▶ [X] 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 or e-mail address of the person to whom applications should be addressed.

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

c Any submission deadlines

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

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 STATEMENT 8	NOT APPLICABLE	PC		319,000.
Total			▶ 3a	319,000.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

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Form **990-PF** (2014)

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
	(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					
4 Dividends and interest from securities			14	105,968.	
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	281,891.	
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)		0.		387,859.	0.

13 Total Add line 12, columns (b), (d), and (e) 13 387,859.

(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)

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

Signature of officer or trustee: James J Kuehl (signature) Date: 9/10/15 Title: Trustee

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed	PTIN
RUSSELL L. WOLFF, CPA, PARTNER	RUSSELL L. WOLFF,	08/03/15	X	P00089483

Firm's name ▶ BAKER TILLY VIRCHOW KRAUSE, LLP — Firm's EIN ▶ 39-0859910

Firm's address ▶ PO BOX 7398 MADISON, WI 53707-7398 — Phone no. (608)249-6622

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)
1a	PUBLICLY TRADED SECURITIES-ST	P		
b	PUBLICLY TRADED SECURITIES-ST WASH SALES DISALLOW	P		
c	PUBLICLY TRADED SECURITIES-LT	P		
d	PUBLICLY TRADED SECURITIES-LT WASH SALES	P		
e	CAPITAL GAINS DIVIDENDS			
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	(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	605,515.		585,745.	19,770.
b	2,053.			2,053.
c	1,710,772.		1,494,225.	216,547.
d	282.			282.
e	43,239.			43,239.
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

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

	(i) F M V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col (k), but not less than "-0-")
a				19,770.
b				2,053.
c				216,547.
d				282.
e				43,239.
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

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	281,891.
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) If (loss), enter "-0-" in Part I, line 8	3	N/A

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FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
US BANK - CGD	43,239.	43,239.	0.	0.	
US BANK - DIVIDENDS	101,888.	0.	101,888.	101,888.	
US BANK - NONDIVIDEND DISTRIBUTIONS	1,855.	0.	1,855.	0.	
US BANK - US GOVERNMENT DIVIDENDS	2,225.	0.	2,225.	2,225.	
TO PART I, LINE 4	149,207.	43,239.	105,968.	104,113.	

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
US BANK - AGENCY FEES	31,721.	31,721.		0.
TO FORM 990-PF, PG 1, LN 16C	31,721.	31,721.		0.

FORM 990-PF TAXES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
US BANK - FOREIGN TAXES PAID	2,471.	2,471.		0.
UNITED STATES TREASURY-2013 990-PF EXCISE TAX BALANCE DUE	1,445.	0.		0.
UNITED STATES TREASURY-2014 990-PF EXCISE TAX ESTIMATE PAID	8,720.	0.		0.
TO FORM 990-PF, PG 1, LN 18	12,636.	2,471.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
US BANK - TAX LETTER FEE	300.	300.		0.
US BANK - OTHER INVESTMENT EXPENSES	262.	262.		0.
MISCELLANEOUS EXPENSE	91.	0.		0.
TO FORM 990-PF, PG 1, LN 23	653.	562.		0.

FORM 990-PF CORPORATE STOCK STATEMENT 5

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
US BANK - STOCKS	2,986,808.	3,561,734.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,986,808.	3,561,734.

FORM 990-PF CORPORATE BONDS STATEMENT 6

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
US BANK - BONDS	1,400,130.	1,404,430.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,400,130.	1,404,430.

FORM 990-PF PART XV - LINE 1A LIST OF FOUNDATION MANAGERS STATEMENT 7

NAME OF MANAGER

SUSAN A. BAKKE
JAMES J. BAKKE

Highlands Foundation, Inc. | 20-3941123

FORM 990-PF Part XV Supplementary Information — STATEMENT 8

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
Bethel Lutheran Church 312 Wisconsin Avenue Madison WI 53703	N/A	Public Charity	Religious Support	50,000
Domestic Abuse Intervention Services PO Box 1761 Madison WI 53701	N/A	Public Charity	Social Services Celebrate Independence Dress for DAIS	100,000 10,000 1,500
Junior League of Madison, Inc 517 North Segoe Road, Suite 201 Madison WI 53705	N/A	Public Charity	25th Anniversary Support Community Improvement	5,000
Madison Art Center, Inc 227 State Street Madison, WI 53703	N/A	Public Charity	Madison Museum of Contemporary Art Arts Support	2,000
Madison Symphony Orchestra League 222 West Washington Avenue, Suite 460 Madison, WI 53703	N/A	Public Charity	Concert on the Green Arts Support	2,500
National Center for Performing Arts 2440 Reservoir Avenue Trumbull CT 06611	N/A	Public Charity	Kennedy Center Arts Support	40,000
Madison Metro Youth Golf Initiative, Inc 1245 East Washington Avenue, Suite 211 Madison WI 53703	N/A	Public Charity	The First Tee of South Central Wisconsin	5,000
United Way of Dane County 2059 Atwood Avenue Madison WI 53704	N/A	Public Charity	Human Services Support	25,000
University of Wisconsin Foundation 1848 University Avenue Madison, WI	N/A	Public Charity	Carbone Cancer Center	25,000
University of Wisconsin Foundation 1848 University Avenue Madison, WI	N/A	Public Charity	School of Human Ecology	50,000
Wisconsin Chamber Orchestra, Inc 321 East Main Street, Suite 104 Madison WI 53703	N/A	Public Charity	Arts Support	500
YMCA of Dane County, Inc 8001 Excelsior Drive, Suite 200 Madison WI 53717	N/A	Public Charity	Support Healthy & Active Lifestyles	2,500
Total Grants and Contributions				319,000

PORTFOLIO DETAIL

Security Description Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Cash and Cash Equivalents								
Cash								
Principal Cash		-24,526 26	-24,526 26		-0 5			
Income Cash		24,922 64	24,922 64		0 5			
Total Cash		**$396.38**	**$396.38**	**$0.00**	**0.0%**		**$0.00**	**$0.00**
Taxable Cash Equivalents								
First Amer Prime Oblig Fund Cl Y - 31846V104 *HIGHLANDS FOUNDATION INC*								
17,694 050	1 0000	17,694.05	17,694 05	0 00	0 4	0 02	2 84	0 17
First Amer Prime Oblig Fund Cl Y - 31846V104 *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
27,789 910	1 0000	27,789 91	27,789 91	0 00	0 6	0 02	4.45	0 48
First Amer Prime Oblig Fund Cl Y - 31846V104 *HIGHLANDS FND AGY-SMA ROBECO*								
26,220 200	1 0000	26,220 20	26,220.20	0.00	0.5	0 02	4 20	0.34
First Amer Prime Oblig Fund Cl Y - 31846V104 *HIGHLANDS FND AGY-SMA ACADIAN*								
4,498.810	1.0000	4,498 81	4,498.81	0.00	0 1	0 02	0.72	0.06
Total First Amer Prime Oblig Fund Cl Y		**$76,202.97**	**$76,202.97**	**$0.00**	**1.5%**		**$12.21**	**$1.05**
Total Taxable Cash Equivalents		**$76,202.97**	**$76,202.97**	**$0.00**	**1.5%**		**$12.21**	**$1.05**
Total Cash and Cash Equivalents		**$76,599.35**	**$76,599.35**	**$0.00**	**1.5%**		**$12.21**	**$1.05**
Equity								
U.S. Equity								
A E S Corp - AES *HIGHLANDS FND AGY-SMA ROBECO*								
505 000	13 7700	6,953 85	6,519.27	434 58	0.1	2 90	202 00	0 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Abbvie Inc - ABBV *HIGHLANDS FND AGY-SMA ROBECO*								
94 000	65 4400	6,151 36	3 868 24	2,283 12	0 1	2 99	184 24	0 00
Activision Blizzard Inc - ATVI *HIGHLANDS FND AGY-SMA ROBECO*								
251 000	20 1500	5 057 65	5 579 31	-521 66	0 1	0 99	50 20	0 00
Agco Corp - AGCO *HIGHLANDS FND AGY-SMA ROBECO*								
15 000	45 2000	678 00	656 10	21 90	0 0	0 97	6 60	0 00
Allstate Corp - ALL *HIGHLANDS FND AGY-SMA ROBECO*								
175 000	70 2500	12,293.75	9,407 46	2 886 29	0 2	1 59	196 00	49 00
Apollo Education Group Inc - APOL *HIGHLANDS FND AGY-SMA ROBECO*								
157 000	34.1100	5,355 27	4,690 56	664 71	0 1	0.00	0 00	0 00
Apple Inc - AAPL *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
359 000	110 3800	39,626.42	3,800 77	35,825 65	0 8	1 70	674 92	0 00
Apple Inc - AAPL *HIGHLANDS FND AGY-SMA ROBECO*								
147 000	110 3800	16,225 86	11,932 78	4,293 08	0 3	1,70	276 36	0 00
Total Apple Inc		**$55,852.28**	**$15,733.55**	**$40,118.73**	**1.1%**		**$951.28**	**$0.00**
Avery Dennison Corp - AVY *HIGHLANDS FND AGY-SMA ROBECO*								
67.000	51 8800	3 475 96	3,246 22	229.74	0 1	2 70	93 80	0 00
Avon Prods Inc - AVP *HIGHLANDS FND AGY-SMA ROBECO*								
69 000	9.3900	647 91	679 65	-31 74	0 0	2 56	16 56	0 00
Bbt Corp - BBT *HIGHLANDS FND AGY-SMA ROBECO*								
83 000	38 8900	3,227 87	2,289 14	938 73	0.1	2 47	79 68	0 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Berkshire Hathaway Inc Cl B - BRKB *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
328 000	150 1500	49,249 20	31,428 77	17,820.43	1 0	0 00	0 00	0 00
Berkshire Hathaway Inc Cl B - BRKB *HIGHLANDS FND AGY-SMA ROBECO*								
178 000	150 1500	26,726 70	15,634 51	11,092.19	0 5	0 00	0 00	0 00
Total Berkshire Hathaway Inc Cl B		**$75,975.90**	**$47,063.28**	**$28,912.62**	**1.5%**		**$0.00**	**$0.00**
Brocade Communications Sys - BRCD *HIGHLANDS FND AGY-SMA ROBECO*								
530 000	11 8400	6,275.20	3,482 61	2,792.59	0 1	1 18	74 20	18 55
Capital One Financial Corp - COF *HIGHLANDS FND AGY-SMA ROBECO*								
241 000	82,5500	19,894.55	15,749.41	4,145 14	0,4	1 45	289 20	0 00
Cisco Systems Inc - CSCO *HIGHLANDS FND AGY-SMA ROBECO*								
535 000	27 8150	14,881 03	9,664.77	5,216 26	0 3	2.73	406 60	0 00
Citigroup Inc - C *HIGHLANDS FND AGY-SMA ROBECO*								
489 000	54 1100	26,459 79	18,855 19	7,604.60	0 5	0 07	19.56	0 00
Coach Inc - COH *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
859 000	37 5600	32,264.04	37,785.98	-5,521 94	0.6	3.59	1,159 65	0 00
Coach Inc - COH *HIGHLANDS FND AGY-SMA ROBECO*								
18 000	37 5600	676 08	654 08	22 00	0 0	3 59	24 30	0 00
Total Coach Inc		**$32,940.12**	**$38,440.06**	**-$5,499.94**	**0.7%**		**$1,183.95**	**$0 00**
Cognizant Tech Solutions Cl A - CTSH *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
815 000	52 6600	42,917 90	27,081 21	15,836 69	0 9	0 00	0 00	0 00
Comcast Corp Cl A - CMCSA *HIGHLANDS FND AGY-SMA ROBECO*								
207 000	58 0100	12,008 07	6,126 98	5,881 09	0 2	1 55	186 30	0 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Crane Co - CR *HIGHLANDS FND AGY-SMA ROBECO*								
68 000	58 7000	3,991 60	4,561 18	-569 58	0.1	2 25	89 76	0 00
Crown Holdings Inc - CCK *HIGHLANDS FND AGY-SMA ROBECO*								
88 000	50 9000	4,479 20	3,712 29	766 91	0.1	0 00	0 00	0 00
Cummins Inc - CMI *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
117 000	144.1700	16,867,89	10,311 52	6,556,37	0.3	2.16	365 04	0 00
Cvs Health Corporation - CVS *HIGHLANDS FND AGY-SMA ROBECO*								
148 000	96 3100	14,253 88	6,350,59	7,903 29	0 3	1 45	207 20	0 00
Delta Air Lines Inc - DAL *HIGHLANDS FND AGY-SMA ROBECO*								
165 000	49 1900	8,116.35	6,143.41	1,972 94	0 2	0 73	59 40	0 00
Discover Finl Svcs - DFS *HIGHLANDS FND AGY-SMA ROBECO*								
130 000	65 4900	8,513 70	5,754 57	2,759 13	0 2	1 47	124 80	0 00
Discovery Communications Inc Cl A - DISCA *HIGHLANDS FND AGY-SMA ROBECO*								
20 000	34 4500	689 00	680 37	8.63	0 0	0 00	0,00	0 00
Dover Corp - DOV *HIGHLANDS FND AGY-SMA ROBECO*								
19 000	71.7200	1,362 68	904 47	458 21	0 0	2 23	30 40	0 00
E O G Res Inc - EOG *HIGHLANDS FND AGY-SMA ROBECO*								
64 000	92 0700	5,892 48	4,067 12	1,825 36	0 1	0 73	42 88	0 00
Emc Corporation - EMC *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
636 000	29 7400	18 914 64	10,747 76	8,166 88	0 4	1 55	292 56	73 14

PORTFOLIO DETAIL (continued)

Security Description Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Emc Corporation - EMC *HIGHLANDS FND AGY-SMA ROBECO*								
418,000	29.7400	12,431.32	11,255.82	1,175 50	0 2	1 55	192 28	48.07
Total Emc Corporation		**$31,345.96**	**$22,003.58**	**$9,342.38**	**0.6%**		**$484.84**	**$121.21**
Emerson Elec Co - EMR *HIGHLANDS FND AGY-SMA ROBECO*								
47 000	61 7300	2,901.31	3,187.54	-286.23	0 1	3 05	88 36	0.00
Energen Corp - EGN *HIGHLANDS FND AGY-SMA ROBECO*								
58 000	63.7600	3,698 08	4,321.92	-623.84	0.1	0.13	4 64	0 00
Equitable Corp - EQT *HIGHLANDS FND AGY-SMA ROBECO*								
63,000	75.7000	4,769.10	6,593.83	-1 824 73	0.1	0.16	7.56	0 00
Express Scripts Hldgs C - ESRX *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
575 000	84 6700	48,685 25	27,376 57	21,308 68	1 0	0 00	0 00	0 00
Express Scripts Hldgs C - ESRX *HIGHLANDS FND AGY-SMA ROBECO*								
135.000	84 6700	11,430 45	7,935 40	3,495 05	0 2	0 00	0 00	0 00
Total Express Scripts Hldgs C		**$60,115.70**	**$35,311.97**	**$24,803.73**	**1.2%**		**$0 00**	**$0.00**
Exxon Mobil Corp - XOM *HIGHLANDS FND AGY-SMA ROBECO*								
53 000	92 4500	4,899 85	3,265 60	1,634 25	0 1	2 98	146 28	0 00
Fidelity Natl Information Svcs Inc - FIS *HIGHLANDS FND AGY-SMA ROBECO*								
46 000	62 2000	2,861 20	2,406 90	454 30	0 1	1 54	44 16	0 00
Fifth Third Bancorp - FITB *HIGHLANDS FND AGY-SMA ROBECO*								
485 000	20 3750	9,881 88	6,955.67	2,926 21	0.2	2 55	252 20	63 05
Fluor Corp - FLR *HIGHLANDS FND AGY-SMA ROBECO*								
11.000	60 6300	666 93	644.79	22 14	0 0	1 38	9 24	0 00

PORTFOLIO DETAIL (continued)

Security Description Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Freeport McMoran Inc - FCX *HIGHLANDS FND AGY-SMA ROBECO*								
55 000	23.3600	1,284 80	1,337 39	-52.59	0 0	5 35	68 75	0 00
General Dynamics Corp - GD *HIGHLANDS FND AGY-SMA ROBECO*								
41 000	137 6200	5,642 42	4,954 61	687 81	0 1	1 80	101 68	0 00
Gilead Sciences Inc - GILD *HIGHLANDS FND AGY-SMA ROBECO*								
17 000	94 2600	1,602,42	1,497 53	104 89	0 0	0 00	0 00	0 00
Glenmede Sc Equity Port Adv - GTCSX #5526 *HIGHLANDS FOUNDATION INC*								
3,523 529	25 9200	91,329 87	93,525 56	-2,195 69	1 8	0 07	66 95	0 00
Google Inc Cl A - GOOGL *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
22 000	530 6600	11,674 52	5,287 38	6,387 14	0 2	0 00	0 00	0 00
Google Inc Cl C - GOOG *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
22 000	526 4000	11,580 80	5,270 48	6,310 32	0 2	0 00	0 00	0 00
Home Depot Inc - HD *HIGHLANDS FND AGY-SMA ROBECO*								
61 000	104,9700	6,403 17	4,907 87	1,495 30	0 1	1 79	114 68	0 00
Honeywell International Inc - HON *HIGHLANDS FND AGY-SMA ROBECO*								
29 000	99 9200	2,897 68	1,655 29	1,242 39	0 1	2 07	60 03	0 00
Huntsman Corp - HUN *HIGHLANDS FND AGY-SMA ROBECO*								
222 000	22 7800	5,057 16	5,620 60	-563 44	0.1	2 19	111 00	0 00
International Paper Co - IP *HIGHLANDS FND AGY-SMA ROBECO*								
92 000	53 5800	4,929 36	3,928 67	1,000 69	0 1	2 99	147 20	0,00
J P Morgan Chase Co - JPM *HIGHLANDS FND AGY-SMA ROBECO*								
390 000	62.5800	24,406.20	15,204 31	9,201 89	0 5	2 56	624.00	0 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Johnson Johnson - JNJ *HIGHLANDS FND AGY-SMA ROBECO*								
156 000	104 5700	16,312 92	9,608 05	6,704 87	0 3	2 68	436.80	0,00
Lear Corp - LEA *HIGHLANDS FND AGY-SMA ROBECO*								
64 000	98 0800	6,277 12	2,615 04	3 662 08	0 1	0 82	51 20	0,00
Liberty Broadband A - LBRDA *HIGHLANDS FND AGY-SMA ROBECO*								
14 000	50 0900	701 26	454 90	246 36	0 0	0 00	0 00	0 00
Liberty Broadband C - LBDKV *HIGHLANDS FND AGY-SMA ROBECO*								
28 000	49 8200	1,394 96	902 42	492 54	0 0	0 00	0 00	0 00
Liberty Broadband Ris - LBRKR *HIGHLANDS FND AGY-SMA ROBECO*								
9.000	9 5000	85 50	0 00	85 50	0 0	0 00	0 00	0 00
Liberty Media Corp C - LMCK *HIGHLANDS FND AGY-SMA ROBECO*								
112 000	35 0300	3,923 36	2,637 20	1,286 16	0 1	0 00	0 00	0,00
Liberty Media Corp Delaware - LMCA *HIGHLANDS FND AGY-SMA ROBECO*								
56 000	35.2700	1,975 12	1,380 75	594 37	0 0	0 00	0 00	0 00
Lkq Corp - LKQ *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
753 000	28 1200	21,174 36	21,527 12	-352 76	0 4	0 00	0.00	0,00
Lockheed Martin Corp - LMT *HIGHLANDS FND AGY-SMA ROBECO*								
68 000	192 5700	13,094 76	8,633.67	4 461 09	0 3	3 12	408 00	0,00
M T Bank Corp - MTB *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
247 000	125 6200	31,028.14	28,429.69	2,598.45	0 6	2 23	691 60	0 00
MacYs Inc - M *HIGHLANDS FND AGY-SMA ROBECO*								
64 000	65.7500	4,208 00	2,877 57	1,330 43	0.1	1 90	80 00	20 00

PORTFOLIO DETAIL (continued)

Security Description Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Marathon Petroleum Corp - MPC *HIGHLANDS FND AGY-SMA ROBECO*								
63 000	90 2600	5,686 38	5,791 48	-105 10	0.1	2 22	126 00	0 00
McKesson Corporation - MCK *HIGHLANDS FND AGY-SMA ROBECO*								
11 000	207 5800	2 283 38	989 01	1,294 37	0 0	0 46	10 56	2 64
Mead Johnson Nutrition Co - MJN *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
229 000	100 5400	23,023,66	19,115 72	3 907,94	0 5	1 49	343 50	85 88
Medtronic Inc - MDT *HIGHLANDS FND AGY-SMA ROBECO*								
115,000	72.2000	8,303 00	6,911 13	1,391 87	0 2	1 69	140 30	35,08
Metlife Inc - MET *HIGHLANDS FND AGY-SMA ROBECO*								
75 000	54 0900	4,056 75	2,628 75	1,428 00	0 1	2 59	105 00	0 00
Microsoft Corp - MSFT *HIGHLANDS FND AGY-SMA ROBECO*								
291 000	46 4500	13,516 95	7,140 35	6,376 60	0 3	2 67	360,84	0 00
National Oilwell Varco Inc - NOV *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
395 000	65 5300	25,884 35	22,631 77	3,252 58	0 5	2 81	726 80	0 00
NOW Inc De W I - DNOW *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
53 000	25 7300	1,363 69	1 202 68	161 01	0 0	0 00	0 00	0 00
Occidental Petroleum Corporation - OXY *HIGHLANDS FND AGY-SMA ROBECO*								
102 000	80 6100	8,222 22	5,849 22	2,373 00	0.2	3 57	293 76	73 44
Omnicare Inc - OCR *HIGHLANDS FND AGY-SMA ROBECO*								
86 000	72 9300	6,271 98	2,903 36	3,368 62	0 1	1 21	75 68	0 00
Omnicom Group Inc - OMC *HIGHLANDS FND AGY-SMA ROBECO*								
38 000	77 4700	2 943 86	1,836 92	1 106 94	0 1	2 58	76 00	19 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
On Semiconductor Corporation - ONNN *HIGHLANDS FND AGY-SMA ROBECO*								
320 000	10 1300	3,241 60	2,012 29	1,229 31	0 1	0 00	0 00	0 00
Oracle Corporation - ORCL *HIGHLANDS FND AGY-SMA ROBECO*								
221 000	44.9700	9,938.37	8,723 86	1,214 51	0 2	1 07	106 08	0 00
Owens Ill Inc - OI *HIGHLANDS FND AGY-SMA ROBECO*								
26 000	26 9900	701 74	664 52	37 22	0 0	0 00	0 00	0 00
Pfizer Inc - PFE *HIGHLANDS FND AGY-SMA ROBECO*								
613 000	31 1500	19,094 95	10,493 09	8,601 86	0 4	3 60	686 56	0.00
Phillips 66 - PSX *HIGHLANDS FND AGY-SMA ROBECO*								
153 000	71 7000	10,970 10	7,568 43	3,401 67	0 2	2 79	306 00	0 00
Priceline Com Inc - PCLN *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
17 000	1,140 2100	19,383 57	11,854 52	7,529 05	0 4	0 00	0 00	0.00
Prudential Financial Inc - PRU *HIGHLANDS FND AGY-SMA ROBECO*								
67 000	90.4600	6,060 82	5,919 94	140 88	0.1	2 56	155 44	0.00
Qep Resources Inc - QEP *HIGHLANDS FND AGY-SMA ROBECO*								
181 000	20 2200	3 659 82	5,242 47	-1,582.65	0.1	0 40	14.48	0 00
Qualcomm Inc - QCOM *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
674 000	74 3300	50,098.42	35,052 84	15,045 58	1 0	2 26	1,132.32	0 00
Qualcomm Inc - QCOM *HIGHLANDS FND AGY-SMA ROBECO*								
77 000	74 3300	5,723.41	4,958 69	764.72	0 1	2 26	129.36	0 00
Total Qualcomm Inc		**$55,821.83**	**$40,011.53**	**$15,810.30**	**1.1%**		**$1,261.68**	**$0.00**

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Quest Diagnostics Inc - DGX *HIGHLANDS FND AGY-SMA ROBECO*								
68 000	67 0600	4,560 08	3,723 19	836 89	0 1	1 97	89 76	0 00
Raytheon Company - RTN *HIGHLANDS FND AGY-SMA ROBECO*								
86,000	108,1700	9,302 62	5,156 56	4,146 06	0.2	2 24	208 12	0 00
Rice Energy Inc - RICE *HIGHLANDS FND AGY-SMA ROBECO*								
65 000	20 9700	1 363 05	1,767.64	-404 59	0 0	0 00	0 00	0 00
Scripps Networks Interactive Inc - SNI *HIGHLANDS FND AGY-SMA ROBECO*								
49 000	75.2700	3,688 23	3,805 04	-116 81	0.1	1,06	39 20	0 00
Six Flags Entertainment - SIX *HIGHLANDS FND AGY-SMA ROBECO*								
74 000	43.1500	3,193 10	2,841 60	351 50	0.1	4 82	153 92	0 00
Stericycle Inc - SRCL *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
237 000	131 0800	31,065.96	19,764 30	11,301 66	0 6	0 00	0 00	0 00
T Rowe Price Mid Cap Growth Fd #64 - RPMGX *HIGHLANDS FOUNDATION INC*								
2,151 579	75,4400	162,315 12	119,313.22	43 001 90	3 2	0 00	0.00	0 00
T Rowe Price Mid Cap Value Fd Inc - TRMCX #115 *HIGHLANDS FOUNDATION INC*								
5,320 647	28 8200	153,341 05	112,327 03	41,014.02	3 0	1 08	1,649 40	0 00
Terex Corp - TEX *HIGHLANDS FND AGY-SMA ROBECO*								
24 000	27 8800	669 12	667 81	1 31	0 0	0 72	4 80	0 00
The Gap Inc - GPS *HIGHLANDS FND AGY-SMA ROBECO*								
143 000	42 1100	6,021 73	5 397 55	624 18	0 1	2 09	125 84	0 00
Time Inc - TIME *HIGHLANDS FND AGY-SMA ROBECO*								
68 000	24 6100	1,673 48	1,475 43	198 05	0 0	3 09	51 68	0 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Time Warner Inc - TWX *HIGHLANDS FND AGY-SMA ROBECO*								
64 000	85 4200	5,466 88	2,657 63	2,809.25	0 1	1 49	81 28	0 00
Travelers Cos Inc - TRV *HIGHLANDS FND AGY-SMA ROBECO*								
72.000	105.8500	7,621.20	6,018.54	1,602 66	0.2	2 08	158 40	0 00
Tyson Foods Inc - TSN Cl A *HIGHLANDS FND AGY-SMA ROBECO*								
191 000	40.0900	7,657.19	6 608 82	1,048 37	0 2	1 00	76 40	0 00
United Continental Holdings Inc - UAL *HIGHLANDS FND AGY-SMA ROBECO*								
43 000	66.8900	2,876 27	1,819 33	1,056 94	0 1	0.00	0 00	0 00
Varian Med Sys Inc - VAR *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
253 000	86.5100	21,887 03	13,692 60	8,194 43	0 4	0 00	0 00	0 00
Verisk Analytics Inc Cl A - VRSK *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
351 000	64 0500	22,481 55	12 908 66	9 572 89	0 4	0 00	0 00	0 00
Verizon Communications Inc - VZ *HIGHLANDS FND AGY-SMA ROBECO*								
144 000	46 7800	6,736.32	7,090 79	-354 47	0 1	4 70	316 80	0 00
Visa Inc - V *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
92 000	262 2000	24,122 40	10,465.37	13,657 03	0.5	0.73	176 64	0 00
Wells Fargo Co - WFC *HIGHLANDS FND AGY-SMA ROBECO*								
477 000	54 8200	26,149.14	12,011 36	14,137 78	0 5	2 55	667.80	0 00
Western Digital Corp - WDC *HIGHLANDS FND AGY-SMA ROBECO*								
65 000	110.7000	7,195.50	4,874.42	2,321 08	0.1	1 44	104 00	26 00
Wynn Resorts Ltd - WYNN *HIGHLANDS FND AGY-SMA ROBECO*								
5 000	148.7600	743 80	756.31	-12.51	0 0	4 03	30 00	0 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Zimmer Holdings Inc - ZMH *HIGHLANDS FND AGY-SMA ROBECO*								
44 000	113 4200	4 990 48	4,266 13	724 35	0 1	0 78	38 72	9 68
Total U.S. Equity		**$1,528,887.47**	**$1,097,466.80**	**$431,420.67**	**30.3%**		**$17,620.26**	**$523.53**

Developed Foreign

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Ace Ltd - ACE *HIGHLANDS FND AGY-SMA ROBECO*								
84 000	114 8800	9,649 92	6,515 91	3,134 01	0 2	2 26	218 40	54 60
American Europacific Grth F2 - AEPFX #616 *HIGHLANDS FOUNDATION INC*								
8,970.803	47.0200	421,807.16	333,789 34	88,017 82	8.4	1 68	7,077 96	0 00
Aon Plc - AON *HIGHLANDS FND AGY-SMA ROBECO*								
42 000	94 8300	3,982 86	4,075 77	-92 91	0 1	1 05	42 00	0 00
Avianca Holdings A D R - AVH Repstg 8 Ord Shs *HIGHLANDS FND AGY-SMA ACADIAN*								
749 000	11 7300	8,785 77	10,528 04	-1,742 27	0 2	2 45	215 71	0 00
B H P Billiton Limited A D R - BHP Repstg 2 Ord Shs *HIGHLANDS FND AGY-SMA ACADIAN*								
61 000	47.3200	2,886.52	3,128 39	-241.87	0.1	5 11	147 62	0 00
B T Group P L C A D R - BT Repstg 10 Ord Shs *HIGHLANDS FND AGY-SMA ACADIAN*								
57 000	61.9900	3,533.43	3,671 35	-137 92	0 1	2 88	101 75	0 00
Barrick Gold Corp - ABX *HIGHLANDS FND AGY-SMA ROBECO*								
165 000	10.7500	1,773 75	3,1/9 52	-1,405 77	0 0	1 86	33 00	0 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
British Amern Tob Plc - BTI Sponsored Adr *HIGHLANDS FND AGY-SMA ACADIAN*								
382 000	107.8200	41,187 24	35,581 35	5,605 89	0 8	4.47	1,841 24	0 00
Canadian Natural Resources Ltd - CNQ *HIGHLANDS FND AGY-SMA ROBECO*								
163 000	30 8800	5,033.44	5 727.39	-693 95	0.1	2 56	128 77	32 20
Canon Inc Spons A D R - CAJ Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
1,329 000	31.6600	42,076.14	42,957.59	-881 45	0 8	3 76	1,582 84	0.00
Carnival Plc A D R - CUK Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
282 000	44 9900	12,687 18	10,564 33	2,122 85	0.3	2 22	282.00	0 00
Chunghwa Telecom Co Ltd A D R - CHT Repstg 10 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
467 000	29.4300	13,743.81	14,141 23	-397 42	0 3	2 09	287 67	0 00
City Telecom Hk Ltd A D R - HKTV Repstg 20 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
186 000	9 8000	1,822.80	1,152 57	670 23	0 0	0 00	0.00	0.00
Core Laboratories N V - CLB *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
190 000	120 3400	22,864 60	23,586 71	-722 11	0 5	1 66	380 00	0 00
Covidien Plc - COV *HIGHLANDS FND AGY-SMA ROBECO*								
54 000	102 2800	5,523 12	1,851 47	3,671 65	0 1	1.41	77 76	19 44
Delhaize Group Spons A D R - DEG Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
926 000	18.1200	16,779.12	15,408 40	1,370 72	0.3	2 09	350 03	0 00

PORTFOLIO DETAIL (continued)

Security Description Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Dr Reddys Laboratories Ltd A D R - RDY Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
124 000	50 4500	6,255 80	6,936 91	-681 11	0.1	0,54	33 73	0 00
Fly Leasing Ltd A D R - FLY Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
1,502 000	13 1500	19,751.30	21,526 20	-1,774 90	0 4	6 46	1,276 70	0 00
Fresenius Med Care - FMS Aktiengesellschaft Sponsored Adr *HIGHLANDS FND AGY-SMA ACADIAN*								
416,000	37 1400	15,450,24	14,254 11	1,196,13	0 3	0 99	153.09	0 00
Glaxo Smithkline P L C A D R - GSK Repstg 2 Ord Shs *HIGHLANDS FND AGY-SMA ACADIAN*								
81 000	42.7400	3,461.94	4,146 60	-684 66	0 1	6 20	214 73	109 73
Industrias Bachoco Sab De Cv A D R - IBA Repstg 1 Ser B & 1 Ser L Shs *HIGHLANDS FND AGY-SMA ACADIAN*								
676 000	49 8800	33,718 88	27,888 80	5,830 08	0 7	0 00	0.00	0 00
Infosys Technologies Sp A D R - INFY Repstg 1 Ord Shr *HIGHLANDS FND AGY-SMA ACADIAN*								
106 000	31 4600	3,334 76	3,637 48	-302 72	0 1	1 83	61 16	0 00
Intercontinental Hotels A D R - IHG Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
149 000	40 0500	5,967 45	5,882 09	85 36	0 1	1 84	109 96	0 00
Korea Elec Pwr Corp - KEP Sponsored Adr *HIGHLANDS FND AGY-SMA ACADIAN*								
151 000	19 3600	2,923 36	2,875 25	48 11	0 1	0 00	0 00	0 00
Lg Display Co Ltd A D R - LPL Repstg 5 Ord Shrs *HIGHLANDS FND AGY-SMA ACADIAN*								
265,000	15 1500	4,014 75	3,072 57	942 18	0.1	0 00	0 00	0 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Liberty Global Plc Series C - LBTYK *HIGHLANDS FND AGY-SMA ROBECO*								
225 000	48 3100	10,869 75	7,906 93	2,962 82	0 2	0 00	0 00	0 00
Mizuho Fnl Grp A D R - MFG One Adr Rprsnts 002 Ordinary Shrs *HIGHLANDS FND AGY-SMA ACADIAN*								
3,586 000	3 4000	12,192 40	15,303 47	-3,111 07	0 2	3 26	398 05	0.00
National Grid Plc Sp A D R - NGG Repstg 5 Ord Shs *HIGHLANDS FND AGY-SMA ACADIAN*								
603 000	70 6600	42,607 98	41,999 52	608.46	0 8	6 53	2,781 04	0 00
Nice Sys Ltd Sponsored A D R - NICE *HIGHLANDS FND AGY-SMA ACADIAN*								
311 000	50 6500	15,752 15	12 421 29	3,330 86	0 3	1.05	166 07	0 00
Nippon Telegraph Tele A D R - NTT Repstg 5 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
492.000	25.6100	12,600 12	13,103.26	-503 14	0.2	2 82	355 22	0 00
Novartis Ag A D R - NVS Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
445 000	92 6600	41,233.70	38,902 36	2,331 34	0.8	2.52	1,040 41	0 00
Ntt Docomo Inc A D R - DCM Repstg 1/100TH Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
2,021 000	14 6000	29,506 60	31,772 79	-2,266 19	0.6	3 30	974 12	0 00
Nxp Semiconductors Nv - NXPI *HIGHLANDS FND AGY-SMA ROBECO*								
39 000	76.4000	2,979 60	2,310 46	669 14	0 1	0 00	0.00	0 00
Orix Corp Spons A D R - IX Repstg 1/2 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
42.000	62 5300	2,626 26	3,145.94	-519 68	0 1	1 60	42 13	0.00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Perrigo Co Ltd - PRGO *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
120 000	167 1600	20,059 20	18,264 60	1,794 60	0 4	0 25	50 40	0 00
Reed Elsevier Nv A D R - ENL *HIGHLANDS FND AGY-SMA ACADIAN*								
345 000	47 6400	16,435 80	15,308.18	1 127 62	0 3	2 53	415.38	0 00
Sanofi A D R - SNY Repstg 0 5 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
210 000	45.6100	9,578 10	10,759 56	-1,181.46	0 2	2 89	276 57	0 00
Schlumberger Ltd - SLB *HIGHLANDS FOUNDATION-SMA WEDGEWOOD*								
347 000	85 4100	29,637 27	24,573 70	5,063 57	0 6	1 87	555 20	73.20
Seagate Technology - STX *HIGHLANDS FND AGY-SMA ROBECO*								
52 000	66 5000	3,458 00	1,800 07	1,657 93	0 1	3 25	112 32	0 00
Shire Plc A D R - SHPG Repstg 3 Ord Shs *HIGHLANDS FND AGY-SMA ROBECO*								
10 000	212 5400	2,125 40	2,478 00	-352.60	0 0	0 29	6 23	0 00
Smith & Nephew P L C A D R - SNN Repstg 10 Shrs *HIGHLANDS FND AGY-SMA ACADIAN*								
217 000	36 7400	7,972.58	5,251 96	2,720 62	0 2	1 13	90 27	0 00
Sumitomo Mitsui Finl Group A D R - SMFG Repstg 2 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
1,245 000	7.2800	9,063 60	12,106 53	-3,042 93	0 2	2 69	244 02	0 00
Te Connectivity Ltd - TEL *HIGHLANDS FND AGY-SMA ROBECO*								
87 000	63 2500	5,502 75	3,253 43	2,249 32	0 1	1 83	100 92	0 00
Teva Pharmaceutical Inds Ltd A D R - TEVA Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ROBECO*								
127 000	57 5100	7,303 77	6,927 42	376 35	0 1	2 00	146 18	0 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Teva Pharmaceutical Inds Ltd A D R - TEVA Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
488,000	57 5100	28,064 88	22,004 13	6,060 75	0 6	2 00	561 69	0 00
Total Teva Pharmaceutical Inds Ltd A D R		**$35,368.65**	**$28,931.55**	**$6,437.10**	**0.7%**		**$707.87**	**$0.00**
Toyota Mtr Corp A D R - TM Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
52 000	125 4800	6,524 96	5,877,61	647 35	0 1	2 30	150,12	0 00
Trinity Biotech Plc Spon A D R - TRIB Repstg 4 Ord Shrs *HIGHLANDS FND AGY-SMA ACADIAN*								
147 000	17 5100	2,573,97	2,897 39	-323 42	0,1	1 26	32 34	0 00
Validus Holdings Ltd - VR *HIGHLANDS FND AGY-SMA ROBECO*								
50,000	41 5600	2,078 00	1,812,04	265,96	0 0	2,89	60 00	0 00
Wacoal Holdings Corp A D R - WACLY Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
123 000	50,8500	6,254,55	6,319 68	-65,13	0 1	2,79	174 78	0 00
Westpac Banking Corp Sp Adr - WBK Repstg 5 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
311 000	26,9000	8,365,90	9,427,23	-1,061 33	0 2	5 90	493 56	0 00
Wns Holdings Ltd Adr - WNS Repstg 1 Ord Sh *HIGHLANDS FND AGY-SMA ACADIAN*								
373 000	20 6600	7,706,18	7,429 98	276 20	0 2	0 00	0 00	0 00
Total Developed Foreign		**$1,052,088.81**	**$929,436.90**	**$122,651 91**	**20 9%**		**$23,843.14**	**$289.17**

PORTFOLIO DETAIL (continued)

Security Description Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Emerging Foreign								
Aberdeen Fds Emrgn Mkt Instl - ABEMX #5840 *HIGHLANDS FOUNDATION INC*								
16,157 694	13 4900	217,967 29	214,334 19	3,633 10	4 3	1 47	3 215 38	0 00
Total Emerging Foreign		**$217,967.29**	**$214,334.19**	**$3,633.10**	**4.3%**		**$3,215.38**	**$0.00**
Hedged Equity								
Highland Long Short Equity Z - HEOZX *HIGHLANDS FOUNDATION INC*								
8,773 050	12.0600	105,802 98	95,747 60	10,055 38	2.1	0 00	0 00	0 00
Neuberger Berman Long Sh Ins - NLSIX *HIGHLANDS FOUNDATION INC*								
5,965 260	12 9700	77,369.42	72,682 88	4,686.54	1 5	0 20	156 89	0 00
Robeco Boston Partners L S Rsrch - BPIRX Instl *HIGHLANDS FOUNDATION INC*								
8,494 727	15 2900	129,884 38	126,691 93	3,192.45	2.6	0 00	0 00	0 00
Total Hedged Equity		**$313,056 78**	**$295,122.41**	**$17,934.37**	**6.2%**		**$156.89**	**$0.00**
Total Equity		**$3,112,000.35**	**$2,536,360.30**	**$575,640 05**	**61.7%**		**$44,835.67**	**$812 70**
Fixed Income-Taxable								
Taxable U.S.								
Baird Aggregate Bond Fund - BAGIX Institutional Shrs #72 Standard & Poors Rating N/A *HIGHLANDS FOUNDATION INC*								
37,183 578	10 8100	401,954 48	397,888 67	4,065 81	8 0	2 87	11 526 91	0 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Doubleline Total Ret Bd I - DBLTX Standard & Poors Rating. N/A *HIGHLANDS FOUNDATION INC*								
36,397 817	10 9700	399,284 05	399,285 03	0 98	7.9	4 94	19,727.62	0 00
Mainstay Floating Rate I - MXFIX Standard & Poors Rating. N/A *HIGHLANDS FOUNDATION INC*								
19,736 337	9 2900	183,350 57	188,781 09	-5,430 52	3 6	3 90	7,144 55	626.01
Total Taxable U.S.		**$984,589.10**	**$985,954.79**	**-$1,365.69**	**19.5%**		**$38,399.08**	**$626.01**
Taxable Foreign Sovereign								
Tcw Emerging Markets Income Fund - TGEIX #4721 Standard & Poors Rating N/A *HIGHLANDS FOUNDATION INC*								
11,325 028	8 0600	91,279 73	100,000.00	-8,720 27	1 8	5 21	4,756 51	0 00
Total Taxable Foreign Sovereign		**$91,279.73**	**$100,000.00**	**-$8,720.27**	**1.8%**		**$4,756.51**	**$0.00**
Taxable Hedged Fixed Income								
Loomis Sayles Strategic Alpha Fund Y - LASYX Standard & Poors Rating N/A *HIGHLANDS FOUNDATION INC*								
33 021 266	9 9500	328,561 60	314,175 12	14,386 48	6 5	3 53	11,590 46	0 00
Total Taxable Hedged Fixed Income		**$328,561.60**	**$314,175.12**	**$14,386.48**	**6 5%**		**$11,590.46**	**$0.00**
Total Fixed Income-Taxable		**$1,404,430.43**	**$1,400,129.91**	**$4,300.52**	**27 8%**		**$54,746.05**	**$626.01**

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Real Estate								
U.S. Listed Real Estate								
American Homes 4 Rent A - AMH *HIGHLANDS FND AGY-SMA ROBECO*								
120 000	17 0300	2,043 60	1,933.12	110.48	0.0	1 17	24 00	0 00
Total U.S. Listed Real Estate		**$2,043.60**	**$1,933.12**	**$110.48**	**0.0%**		**$24.00**	**$0.00**
Foreign Listed Real Estate								
Principal Gl R E Sec Ins - POSIX #4905 *HIGHLANDS FOUNDATION INC*								
40,317 808	9 1900	370,520.66	341,249 45	29,271 21	7 3	2 59	9,595 64	0 00
Total Foreign Listed Real Estate		**$370,520.66**	**$341,249.45**	**$29,271.21**	**7.3%**		**$9,595.64**	**$0.00**
Total Real Estate		**$372,564.26**	**$343,182.57**	**$29,381.69**	**7.4%**		**$9,619.64**	**$0.00**
Commodities								
Credit Suisse Comm Ret ST Co - CRSOX *HIGHLANDS FOUNDATION INC*								
5,929 062	6 0100	35,633 66	46,553 17	-10,919 51	0 7	0 00	0 00	0 00

PORTFOLIO DETAIL (continued)

Security Description / Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Current Yield	Estimated Annual Income	Accrued Income
Inv Balance Risk Comm Str Y - BRCYX *HIGHLANDS FOUNDATION INC*								
5,560.275	7 4700	41,535.25	60,711 58	-19,176 33	0 8	0 00	0 00	0 00
Total Commodities		**$77,168.91**	**$107,264.75**	**-$30,095.84**	**1.5%**		**$0.00**	**$0.00**
Total Assets		**$5,042,763.30**	**$4,463,536.88**	**$579,226.42**	**100.0%**		**$109,213.57**	**$1,439.76**

Form **8868**
(Rev January 2014)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**
▶ **Information about Form 8868 and its instructions is at** *www irs.gov/form8868* .

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3 month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit *www irs gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Enter filer's identifying number

Type or print	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	HIGHLANDS FOUNDATION, INC.	20-3941123
File by the due date for filing your return See instructions	Number, street, and room or suite no If a P O box, see instructions 4717 HAMMERSLEY ROAD	Social security number (SSN)
	City, town or post office, state, and ZIP code For a foreign address, see instructions MADISON, WI 53711-2708	

Enter the Return code for the return that this application is for (file a separate application for each return) [0 4]

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990 T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ JAMES BAKKE 4717 HAMMERSLEY ROAD - MADISON, WI 53717-2708
  Telephone No ▶ 608.271.2233 Fax No ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ If this is for the whole group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15, 2015 , to file the exempt organization return for the organization named above The extension is for the organization's return for
▶ [X] calendar year 2014 or
▶ [ ] tax year beginning ______ , and ending ______

2 If the tax year entered in line 1 is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Forms 990-BL, 990 PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$ 3,490.
b	If this application is for Forms 990-PF, 990 T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	$ 8,720.
c	**Balance due.** Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$ 0.

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1)

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions HIGHLANDS FOUNDATION, INC.	Employer identification number (EIN) or 20-3941123
	Number, street, and room or suite no. If a P O. box, see instructions 4717 HAMMERSLEY ROAD	Social security number (SSN)
	City, town or post office, state, and ZIP code For a foreign address, see instructions MADISON, WI 53711-2708	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ JAMES BAKKE 4717 HAMMERSLEY ROAD - MADISON, WI 53717-2708

  Telephone No ▶ 608.271.2233 Fax No. ▶

- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ If this is for the whole group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until NOVEMBER 15, 2015

5 For calendar year 2014 , or other tax year beginning ______, and ending ______.

6 If the tax year entered in line 5 is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension

AN ADDITIONAL AMOUNT OF TIME IS REQUIRED TO GATHER THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

8a	If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a	$ 3,513.
b	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	$ 8,720.
c	**Balance due.** Subtract line 8b from line 8a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	$ 0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Title ▶ CPA Date ▶ 8-14-15