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OMB No. 1545-0052

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.
▶ Go to *www.irs.gov/Form990PF* for instructions and the latest information.

2020

Open to Public Inspection

For calendar year 2020, or tax year beginning 01-01-2020 , and ending 12-31-2020

Name of foundation
HIGHLANDS FOUNDATION INC

A Employer identification number
20-3941123

Number and street (or P.O. box number if mail is not delivered to street address) Room/suite
4717 HAMMERSLEY ROAD

B Telephone number (see instructions)
(608) 271-2233

City or town, state or province, country, and ZIP or foreign postal code
MADISON, WI 537112708

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 ... ▶ ☐

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), *line 16)* ▶$ 24,047,238

J Accounting method: ☑ 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) (see instructions).)*

	Line	Description	(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 (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	406,127	398,240		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	1,186,888			
	b	Gross sales price for all assets on line 6a 14,724,534				
	7	Capital gain net income (from Part IV, line 2)		1,186,888		
	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) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	1,593,015	1,585,128		
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 (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)	70,214	70,214		0
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	24,227	2,227		0
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	1,471	1,411		60
	24	**Total operating and administrative expenses.** Add lines 13 through 23	95,912	73,852		60
	25	Contributions, gifts, grants paid	1,289,500			1,289,500
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,385,412	73,852		1,289,560
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	207,603			
	b	**Net investment income** (if negative, enter -0-)		1,511,276		
	c	**Adjusted net income** (if negative, enter -0-)				

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Part II	Balance Sheets — Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
1	Cash—non-interest-bearing	34,982	93,426	93,426
2	Savings and temporary cash investments	84,146	6,959,930	6,959,941
3	Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
4	Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
7	Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U.S. and state government obligations (attach schedule)	5,990,044	6,813,591	6,931,442
b	Investments—corporate stock (attach schedule)	7,949,756	2,959,405	3,882,220
c	Investments—corporate bonds (attach schedule)	8,241,075	5,903,547	6,069,800
11	Investments—land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)	322,562	100,840	110,409
14	Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	22,622,565	22,830,739	24,047,238
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 ▶)			
23	**Total liabilities** (add lines 17 through 22)	0	0	
	Foundations that follow FASB ASC 958, check here ▶ ☐ and complete lines 24, 25, 29 and 30.			
24	Net assets without donor restrictions			
25	Net assets with donor restrictions			
	Foundations that do not follow FASB ASC 958, check here ▶ ☑ and complete lines 26 through 30.			
26	Capital stock, trust principal, or current funds	0	0	
27	Paid-in or capital surplus, or land, bldg., and equipment fund	0	0	
28	Retained earnings, accumulated income, endowment, or other funds	22,622,565	22,830,739	
29	**Total net assets or fund balances** (see instructions)	22,622,565	22,830,739	
30	**Total liabilities and net assets/fund balances** (see instructions)	22,622,565	22,830,739	

Side labels: Assets (lines 1–16); Liabilities (lines 17–23); Net Assets or Fund Balances (lines 24–30)

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 29 (must agree with end-of-year figure reported on prior year's return)	1	22,622,565
2	Enter amount from Part I, line 27a	2	207,603
3	Other increases not included in line 2 (itemize) ▶	3	571
4	Add lines 1, 2, and 3	4	22,830,739
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 29	6	22,830,739

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	See Additional Data Table			
b				
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	See Additional Data Table			
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) **or** Losses (from col.(h))
	(i) 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	
a	See Additional Data Table			
b				
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	1,186,888
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

SECTION 4940(e) REPEALED ON DECEMBER 20, 2019 - DO NOT COMPLETE

1 Reserved

(a) Reserved	(b) Reserved	(c) Reserved	(d) Reserved

2 Reserved	2	
3 Reserved.	3	
4 Reserved	4	
5 Reserved	5	
6 Reserved	6	
7 Reserved	7	
8 Reserved , ...	8	

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	Reserved.			1	21,007
c	All other domestic foundations enter 1.39% 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	21,007
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	21,007
6	Credits/Payments:				
a	2020 estimated tax payments and 2019 overpayment credited to 2020	6a	25,056		
b	Exempt foreign organizations—tax withheld at source	6b	0		
c	Tax paid with application for extension of time to file (Form 8868)	6c	18,000		
d	Backup withholding erroneously withheld	6d	0		
7	Total credits and payments. Add lines 6a through 6d.			7	43,056
8	Enter any **penalty** for underpayment of estimated tax. Check here ☑ if Form 2220 is attached.			8	0
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	22,049
11	Enter the amount of line 10 to be: **Credited to 2021 estimated tax** ▶ 22,049 **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		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes? (see Instructions for definition).	1b		No
	*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		No
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		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? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?.	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?.	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		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?	6	Yes	
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	Yes	
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	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 2020 or the taxable year beginning in 2020? See the instructions for Part XIV. If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses.*	10		No

Part VII-A Statements Regarding Activities (continued)

		Line	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		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶JAMES J BAKKE Telephone no. ▶(608) 271-2233

Located at ▶4717 HAMMERSLEY ROAD MADISON WI ZIP+4 ▶537172708

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 |

		Line	Yes	No
16	At any time during calendar year 2020, 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 the instructions for exceptions and filing requirements for FinCEN Form 114. 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.	Line	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	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 2020?.	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 2020, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2020?. ☐ Yes ☑ No If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)	2b		
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?. ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2020 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 2020.)*.	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 2020?	4b		No

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

			Yes	No
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	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? ☐ 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		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?	7b		
8	Is the foundation subject to the section 4960 tax on payment(s) of more than $1,000,000 in remuneration or excess parachute payment during the year? ☐ Yes ☑ No			

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

1 List all officers, directors, trustees, foundation managers and their compensation. See instructions

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
SUSAN A BAKKE 4717 HAMMERSLEY ROAD MADISON, WI 537112708	PRESIDENT 1.00	0	0	0
JAMES J BAKKE 4717 HAMMERSLEY ROAD MADISON, WI 537112708	VICE PRESIDENT 1.00	0	0	0
BLAINE R RENFERT 4717 HAMMERSLEY ROAD MADISON, WI 537112708	SECRETARY & TREASURER 1.00	0	0	0

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

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

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

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
GOLDMAN SACHS & CO LLC 71 S WACKER DRIVE SUITE 500 CHICAGO, IL 60606	INVESTMENT MANAGEMENT	54,397
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 instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1	
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	23,455,560
b	Average of monthly cash balances.			1b	477,387
c	Fair market value of all other assets (see instructions).			1c	0
d	**Total** (add lines 1a, b, and c).			1d	23,932,947
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	23,932,947
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).			4	358,994
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4			5	23,573,953
6	**Minimum investment return.** Enter 5% of line 5.			6	1,178,698

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	1,178,698
2a	Tax on investment income for 2020 from Part VI, line 5.	2a	21,007		
b	Income tax for 2020. (This does not include the tax from Part VI.).	2b			
c	Add lines 2a and 2b.			2c	21,007
3	Distributable amount before adjustments. Subtract line 2c from line 1.			3	1,157,691
4	Recoveries of amounts treated as qualifying distributions.			4	0
5	Add lines 3 and 4.			5	1,157,691
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	1,157,691

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	1,289,560
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	1,289,560
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions.	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4.	6	1,289,560

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 2019	(c) 2019	(d) 2020
1 Distributable amount for 2020 from Part XI, line 7				1,157,691
2 Undistributed income, if any, as of the end of 2020:				
a Enter amount for 2019 only.			1,126,602	
b Total for prior years: 20___ , 20___ , 20___		0		
3 Excess distributions carryover, if any, to 2020:				
a From 2015.				
b From 2016.				
c From 2017.				
d From 2018.				
e From 2019.				
f **Total** of lines 3a through e.	0			
4 Qualifying distributions for 2020 from Part XII, line 4: ▶ $ 1,289,560				
a Applied to 2019, but not more than line 2a			1,126,602	
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 2020 distributable amount.				162,958
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2020. *(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 instructions		0		
e Undistributed income for 2019. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f Undistributed income for 2021. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2020				994,733
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 2015 not applied on line 5 or line 7 (see instructions) . . .	0			
9 **Excess distributions carryover to 2021.** Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9:				
a Excess from 2016. . . .				
b Excess from 2017. . . .				
c Excess from 2018. . . .				
d Excess from 2019. . . .				
e Excess from 2020. . . .				

Part XIV **Private Operating Foundations** (see 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 2020, 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) 2020	**(b)** 2019	**(c)** 2018	**(d)** 2017	
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 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 Additional Data Table

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. to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions

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

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 Additional Data Table				
Total . . . . ▶ **3a**				1,289,500
b *Approved for future payment*				
Total . . . . ▶ **3b**				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments.					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities.			14	406,127	
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	1,186,888	
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		1,593,015	0

13 Total. Add line 12, columns (b), (d), and (e). 13 1,593,015

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

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

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

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) (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)		No
	(2) Other assets.	1a(2)		No
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
	(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
	(3) Rental of facilities, equipment, or other assets.	1b(3)		No
	(4) Reimbursement arrangements.	1b(4)		No
	(5) Loans or loan guarantees.	1b(5)		No
	(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) (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

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.

******	2021-11-10	******
Signature of officer or trustee	Date	Title

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
BRIGID ELLIOTT-BOGER CPA		2021-11-10		P00089494
Firm's name ▶ BAKER TILLY US LLP				Firm's EIN ▶39-0859910
Firm's address ▶ PO BOX 7398 MADISON, WI 537077398				Phone no. (608) 249-6622

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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.)
PUBLICLY TRADED SECURITIES - USB ST			
PUBLICLY TRADED SECURITIES - USB LT			
PUBLICLY TRADED SECURITIES - GS ST			
PUBLICLY TRADED SECURITIES - GS LT			
PUBLICLY TRADED SECURITIES - GS ORD			
PUBLICLY TRADED SECURITIES - GS NONCOVERED			
CAPITAL GAINS DIVIDENDS	P		

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
294,029		290,336	3,693
1,550,080		1,537,283	12,797
3,187,477		3,219,341	-31,864
8,914,918		7,723,952	1,190,966
650,000		641,734	8,266
124,960		125,000	-40
3,070			3,070

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) **or** Losses (from col.(h))
(i) 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	
			3,693
			12,797
			-31,864
			1,190,966
			8,266
			-40
			3,070

Form 990PF Part XV Line 1a - 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).

SUSAN A BAKKE
JAMES J BAKKE

Form 990PF Part XV Line 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*				
BETHEL HORIZONS FOUNDATION INC 312 WISCONSIN AVENUE MADISON, WI 53703		PC	CAPITAL FUND	100,000
DOMESTIC ABUSE INTERVENTION SERVICES (DAIS) PO BOX 1761 MADISON, WI 53701		PC	HUMAN SERVICES	10,000
EDGEWOOD HIGH SCHOOL OF THE SACRED HEART 2219 MONROE STREET MADISON, WI 53711		PC	EDUCATIONAL SUPPORT	100,000
Total . . . . ▶ **3a**				1,289,500

Form 990PF Part XV Line 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*				
JOHN F KENNEDY CENTER FOR THE PERFORMING ARTS 2700 F STREET NW WASHINGTON, DC 20566		PC	ARTS SUPPORT	300,000
MADISON MUSEUM OF CONTEMPORARY ART (MMOCA) 227 STATE STREET MADISON, WI 53703		PC	ARTS SUPPORT	2,000
MADISON SYMPHONY ORCHESTRA LEAGUE 222 WEST WASHINGTON AVENUE SUITE 460 MADISON, WI 53703		PC	ARTS SUPPORT	5,000
Total . . . . ▶ **3a**				1,289,500

Form 990PF Part XV Line 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*				
SAFE HARBOR CHILD ADVOCACY CENTER INC 1457 EAST WASHINGTON AVENUE SUITE 102 MADISON, WI 53704		PC	HUMAN SERVICES	5,000
UNITED WAY OF DANE COUNTY PO BOX 7548 MADISON, WI 53704		PC	HUMAN SERVICES	25,000
UNIVERSITY OF WISCONSIN FOUNDATION 1848 UNIVERSITY AVENUE MADISON, WI 53726		PC	NATATORIUM	700,000
Total . . . . ▶ **3a**				1,289,500

Form 990PF Part XV Line 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*				
UNIVERSITY OF WISCONSIN FOUNDATION 1848 UNIVERSITY AVENUE MADISON, WI 53726		PC	GRADUATE FELLOWSHIP	40,000
WISCONSIN CHAMBER ORCHESTRA INC 321 EAST MAIN STREET SUITE 104 MADISON, WI 53703		PC	ARTS SUPPORT	2,500
Total . . . . ▶ **3a**				1,289,500

TY 2020 Investments Corporate Bonds Schedule

Name: HIGHLANDS FOUNDATION INC

EIN: 20-3941123

Investments Corporate Bonds Schedule

Name of Bond	End of Year Book Value	End of Year Fair Market Value
BAGIX	456,102	500,089
GS BDA	206,918	206,918
AUTONATION INC 3.35%	224,980	228,604
EXXON MOBIL CORPORATION 2.222%	39,997	40,353
KINDER MORGAN ENERGY PART 5.8%	150,638	154,121
UNILEVER CAPITAL CORP 2.75%	198,978	202,621
SUNOCO LOGISTICS PTNRS OPER LP 4.4%	84,902	86,466
UNITED PARCEL SERVICE, INC. 2.05%	149,763	151,370
APPLE INC. 2.85%	200,322	202,497
CHARLES SCHWAB CORPORATION 3.25%	199,994	202,512
TOYOTA MOTOR CREDIT CORP MTN 1.8%	189,977	192,898
CREDIT SUISSE AG-NEW YORK BRAN 2.1%	249,970	254,575
AMAZON.COM INC 3.3%	126,512	128,179
AMGEN INC 2.65%	202,316	206,924
GLAXOSMITHKLINE CAPITAL PLC 2.875%	374,707	388,660
MONDELEZ INTERNATINAL INC .0625%	139,980	141,043
HONEYWELL INTERNATIONAL 2.15%	224,773	232,895
PAYPAL HOLDINGS, INC. 2.2%	99,873	103,904
ORACLE CORPORATION 2.5%	250,727	261,177
CITIGROUP INC. HYBRID 2.312%	300,000	305,892

Investments Corporate Bonds Schedule

Name of Bond	End of Year Book Value	End of Year Fair Market Value
DH EUROPE FINANCE II 2.05%	200,434	206,826
BANK OF AMERICA CORPORATION MTN 3.3%	163,920	166,748
BANK OF NOVA SCOTIA 1.95%	99,875	104,086
BANK OF NOVA SCOTIA 1.625%	124,800	128,935
KIMCO REALTY CORPORATION 3.125%	125,575	132,007
HP ENTERPRISE CO 4.45%	98,075	105,553
ROYAL BANK OF CANADA MTN 0.5%	164,898	166,060
AMERICAN TOWER CORP 0.6%	84,852	85,147
GS BDA	14,182	14,182
MARSH & MCCLENNAN COMPANIES 4.8%	15,208	15,539
MITSUBISHI UFJ FINANCIAL GROUP 3.535%	10,183	10,334
CITIGROUP INC. 2.35%	20,247	20,428
EL PASO PIPELINE PARTNERS OPER 5.0%	5,116	5,171
AIR LEASE CORP 3.5%	10,288	10,452
JPMORGAN CHASE & CO HYBRID 3.514%	5,078	5,075
MORGAN STANLEY 3.125%	10,544	10,691
BANK OF NOVA SCOTIA 0.55%	24,982	25,137
WEC ENERGY GROUP INC 0.55%	24,991	25,165
XCEL ENERGY INC 0.5%	9,991	10,042
ROYAL BANK OF CANADA 0.5%	9,994	10,064

Investments Corporate Bonds Schedule

Name of Bond	End of Year Book Value	End of Year Fair Market Value
UNITED TECHNOLOGIES CORP 3.95%	17,002	17,426
AMERICAN HONDA FINANCE 1.0%	14,999	15,275
TORONTO-DOMINION BANK 0.75%	24,930	25,151
EQUINIX INC 1.0%	19,980	20,102
BANK OF AMERICA CORPORATION HYBRID 0.981%	25,000	25,337
MORGAN STANLEY HYBRID 0.864%	10,000	10,099
CANADIAN IMPERIAL BAK OF COMM 0.95%	9,996	10,160
EMERSON ELECTRIC CO 0.875%	24,928	25,224
KROGER CO 2.65%	21,821	21,958
CATERPILLAR FINL SERVICE 1.1%	24,951	25,341
KIMBERLY-CLARK CORPORATION 1.05%	25,000	25,420
ADVANCE AUTO PARTS INC 1.75%	14,951	15,301
GILEAD SCIENCES INC 1.2%	19,982	20,199
COCA-COLA COMPANY 1.0%	24,980	25,211
DKE ENERGY CORP 2.45%	21,177	21,322
VERIZON COMMUNICATIONS 1.5%	19,978	19,788
CENTERPOINT ENERGY RES 1.75%	19,990	20,280
AMERICAN TOWER CORP 1.875%	19,911	20,271
LOWE'S COMPANIES INC 1.7%	15,061	15,247
FRANKLIN RESOURCES INC 1.6%	9,976	9,978

Investments Corporate Bonds Schedule

Name of Bond	End of Year Book Value	End of Year Fair Market Value
B.A.T. CAPITAL CORPORATON 2.726%	15,000	15,645
JPMORGAN CHASE & CO HYBRID 2.965%	21,510	22,011
EATON VANCE GROUP MUTUAL FUND CLASS I	93,957	96,837
FEDERATED HERMES HIGH YIELD BOND FUND	93,805	96,877

TY 2020 Investments Corporate Stock Schedule

Name: HIGHLANDS FOUNDATION INC
EIN: 20-3941123

Investments Corporation Stock Schedule

Name of Stock	End of Year Book Value	End of Year Fair Market Value
IVV	836,761	1,044,335
AY	1,043	1,899
VIMAX	200,139	257,933
CMSCX	165,780	172,140
ABB	3,617	3,747
AHEXY	1,328	1,530
ADDYY	1,411	5,124
ASX	834	858
ALPMY	3,002	3,798
BIDU	5,426	6,920
SAN	449	692
CAJ	6,284	7,026
CX	3,078	4,038
CIG	1,001	1,048
CHKP	4,008	4,519
SNP	1,377	1,382
CS	5,862	7,539
CRH	7,570	8,473
CRTO	9,998	8,409
DBSDY	2,030	2,510
ERIC	7,529	8,401
FERGY	2,833	5,147
FINV	1,327	1,039
FLY	7,203	5,457
HMC	2,927	2,910
IBA	5,106	5,645
INFY	4,035	4,373
IEFA	324,956	333,705
ADRNY	5,164	10,189
PHG	25,387	30,389

Investments Corporation Stock Schedule

Name of Stock	End of Year Book Value	End of Year Fair Market Value
KT	11,331	10,228
MFGP	1,398	2,090
MFG	6,656	4,932
NICE	7,567	23,250
NTDOY	13,548	19,405
NTTYY	9,759	11,668
NOK	17,016	17,227
NOMD	7,702	8,719
NVS	18,664	19,925
NVO	5,341	5,448
IX	2,011	2,165
PKK	1,128	1,122
QGEN	2,814	3,065
RIO	10,317	12,863
RHHBY	23,661	28,847
SSL	1,032	1,923
SIMO	12,196	13,867
SNE	8,100	11,020
STM	4,573	6,756
SMFG	15,790	13,346
TARO	2,073	1,542
UOVEY	809	718
WIT	1,681	1,853
WNS	2,437	5,332
BEXIX	80,984	135,469
SPY	528,071	881,580
IWM	76,947	133,321
RWO	74,520	82,606
BTMKX	318,877	404,024
SSKEX	44,937	66,734

TY 2020 Investments Government Obligations Schedule

Name:	HIGHLANDS FOUNDATION INC
EIN:	20-3941123
US Government Securities - End of Year Book Value:	6,813,591
US Government Securities - End of Year Fair Market Value:	6,931,442
State & Local Government Securities - End of Year Book Value:	0
State & Local Government Securities - End of Year Fair Market Value:	0

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TY 2020 Investments - Other Schedule

Name: HIGHLANDS FOUNDATION INC

EIN: 20-3941123

Investments Other Schedule 2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
VNQ	AT COST	100,840	110,409

TY 2020 Other Expenses Schedule

Name: HIGHLANDS FOUNDATION INC

EIN: 20-3941123

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
US BANK - THIRD PARTY & ADR FEES	1,411	1,411		0
US BANK CHECKING - MONTHLY FEES	60	0		60

TY 2020 Other Increases Schedule

Name: HIGHLANDS FOUNDATION INC

EIN: 20-3941123

Other Increases Schedule

Description	Amount
ADJUSTMENT FOR TIMING DIFFERENCES ON INTEREST/DIVIDENDS	571

TY 2020 Other Professional Fees Schedule

Name: HIGHLANDS FOUNDATION INC

EIN: 20-3941123

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
US BANK - INVESTMENT MANAGEMENT	15,517	15,517		0
GOLDMAN SACHS - INVESTMENT MANAGEMENT	54,397	54,397		0
US BANK - TAX LETTER	300	300		0

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TY 2020 Taxes Schedule

Name: HIGHLANDS FOUNDATION INC

EIN: 20-3941123

Taxes Schedule

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
US BANK - FOREIGN TAXES PAID	1,229	1,229		0
GOLDMAN SACHS - FOREIGN TAXES PAID	998	998		0
DEPARTMENT OF TREASURY - 2019 EXCISE TAX EXTENSION PAYMENT	22,000	0		0