Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable
- Address change
- Name change
- Initial return
- Terminated
- Amended return
- Application pending

C Name of organization
THE MS HERSHEY FOUNDATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
63 WEST CHOCOLATE AVENUE

City or town, state or country, and ZIP + 4
Hershey, PA 17033

D Employer identification number
23-6242734

E Telephone number
(717) 298-2200

G Gross receipts $ 28,947,425

F Name and address of principal officer
DONALD PAPSON
63 W CHOCOLATE AVENUE
HERSHEY, PA 17033

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www mshersheyfoundation org

K Form of organization ☐ Corporation ☑ Trust ☐ Association ☐ Other ▶

L Year of formation 1935

M State of legal domicile PA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
TO PRESERVE AND ENHANCE MILTON HERSHEY'S LEGACY AND COMMUNITY VISION AND TO PROVIDE EDUCATIONAL AND CULTURAL ENRICHMENT TO THE RESIDENTS OF THE HERSHEY AREA

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	5
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	0
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	127
6	Total number of volunteers (estimate if necessary)	6	701
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	-26,431
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-26,431

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	3,304,674	1,858,471
	9	Program service revenue (Part VIII, line 2g)	6,599,077	5,193,116
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,129,207	5,720,105
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	42,285	50,550
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	11,075,243	12,822,242
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	2,859,371	3,150,032
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	8,204,118	6,981,904
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	11,063,489	10,131,936
	19	Revenue less expenses Subtract line 18 from line 12	11,754	2,690,306

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	59,184,974	58,563,836
	21	Total liabilities (Part X, line 26)	20,570,431	22,487,802
	22	Net assets or fund balances Subtract line 21 from line 20	38,614,543	36,076,034

Part II Signature Block

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

Sign Here

▶ Signature of officer | 2012-11-14 Date

▶ DONALD C PAPSON EXECUTIVE DIRECTOR
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Eric M McNeil	Date	Check if self-employed ▶ ☐	Preparer's taxpayer identification number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	PricewaterhouseCoopers LLP 2001 MARKET ST SUITE 1700 PHILADELPHIA, PA 19103		EIN ▶ Phone no ▶ (267) 330-3000

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

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . ☑

1 Briefly describe the organization's mission

TO PRESERVE AND ENHANCE MILTON HERSHEY'S LEGACY AND COMMUNITY VISION AND TO PROVIDE EDUCATIONAL AND CULTURAL ENRICHMENT TO THE RESIDENTS OF THE HERSHEY AREA, THE FOUNDATION OPERATES THE HERSHEY STORY, HERSHEY GARDENS, HERSHEY THEATRE AND HERSHEY COMMUNITY ARCHIVES THROUGH COUNTLESS VOLUNTEERS AND GENEROUS CONTRIBUTIONS, THE NON-PROFIT M S HERSHEY FOUNDATION CONTINUES TO ENHANCE THE COMMUNITY MR HERSHEY BUILT

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 5,095,478 including grants of $) (Revenue $ 3,959,803)

SEE SCHEDULE O

4b (Code) (Expenses $ 3,688,879 including grants of $) (Revenue $ 1,157,558)

SEE SCHEDULE O

4c (Code) (Expenses $ 496,246 including grants of $) (Revenue $ 62,871)

SEE SCHEDULE O

4d Other program services (Describe in Schedule O)

(Expenses $ 244,840 including grants of $) (Revenue $ 12,884)

4e **Total program service expenses** ▶$ 9,525,443

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8	Yes	
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . ☑

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a 47			
b	Enter the number of Forms W-2G included in line 1a *Enter -0- if not applicable*	1b 0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a 127			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state		13a		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the aggregate amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .		14b		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 5			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 0			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Did the organization have members or stockholders?		6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶PA

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

DONALD PAPSON EXEC DIRECTO
63 WEST CHOCOLATE AVE
HERSHEY, PA 17033
(717) 298-2200

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII . . . . ☑

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) JAMES M SHEEHAN ESQ BD OF MGRS-PRESIDENT/CHAIRMAN	1 2	X		X				0	114,002	14,649
(2) RAYMOND L GOVER BD OF MGRS-PRES/CHRMN TO 3/11	4	X		X				0	51,875	2,367
(3) JAMES M MEAD BOARD OF MANAGERS	3	X						0	175,847	83,466
(4) VELMA A REDMOND ESQ BOARD OF MANAGERS	6	X						0	120,417	2,367
(5) ROBERT REESE BOARD OF MANAGERS TO 2/11	0 0	X						0	0	0
(6) LEROY S ZIMMERMAN BOARD OF MANAGERS	3	X						0	1,289,216	56,673
(7) RICHARD ZILMER BOARD OF MANAGERS BEG 6/11	5	X						0	91,667	2,367
(8) HERSHEY TRUST COMPANY INSTITUTIONAL TRUSTEE			X					1,000	0	0
(9) GAYLA M BUSH ACTING SEC 911-112 ASST TREASURER/ASST SECRETARY	2 0			X				0	235,949	44,262
(10) MARY LOUISE PORTER ESQ SECRETARY TO 9/11	5 0			X				0	316,086	56,801
(11) VINCENT B RUDISILL TREASURER TO 3/11	2 0			X				0	1,604,091	31,060
(12) DONALD PAPSON EXECUTIVE DIRECTOR	40 0			X				128,139	42,733	26,137
(13) WILLIAM DAVIES TREASURER BEG 3/11	1 0			X				0	307,494	56,825
(14) KENNETH GALL FORMER OFFICER (END 7/09)	0 0						X	0	129,830	40,834

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations

		(D)	(E)	(F)
1b	**Sub-Total** ▶			
c	**Total from continuation sheets to Part VII, Section A** ▶			
d	**Total (add lines 1b and 1c)** ▶	129,139	4,479,207	417,808

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶1

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
Pepper Hamilton llp 100 MARKET STREET HARRISBURG, PA 17108	legal services	108,572

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶1

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . 1a					
	b	Membership dues 1b	139,498				
	c	Fundraising events 1c					
	d	Related organizations . . . 1d	960,249				
	e	Government grants (contributions) 1e	615,649				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	143,075				
	g	Noncash contributions included in lines 1a-1f $ 43,849					
	h	**Total.** Add lines 1a-1f . . . . ▶		1,858,471			
Program Service Revenue			Business Code				
	2a	ADMISSIONS	713990	4,409,845	4,409,845		
	b	THEATRE COMMUNITY RENTAL INCOME	531120	171,358	171,358		
	c	THEATRE SERVICE FEE INCOME	900099	186,991	186,991		
	d	PROGRAM REVENUE FROM HE&R AGREEMENTS	900099	127,647	127,647		
	e	OTHER INCOME	900099	297,275	297,275		
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . ▶		5,193,116			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶		943,375	0	-26,431	969,806
	4	Income from investment of tax-exempt bond proceeds . . ▶		0	0		
	5	Royalties . . . . ▶		0	0		
			(i) Real / (ii) Personal				
	6a	Gross rents	(i) 10,000 / (ii)				
	b	Less rental expenses	(i) / (ii)				
	c	Rental income or (loss)	(i) 10,000 / (ii)				
	d	Net rental income or (loss) . . . . ▶		10,000			10,000
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	(i) 20,858,478 / (ii) 2,033				
	b	Less cost or other basis and sales expenses	(i) 16,083,781 / (ii)				
	c	Gain or (loss)	(i) 4,774,697 / (ii) 2,033				
	d	Net gain or (loss) . . . . ▶		4,776,730	0		4,776,730
	8a	Gross income from fundraising events (not including $ ____ of contributions reported on line 1c) See Part IV, line 18 . . . a	81,952				
	b	Less direct expenses . . . b	41,402				
	c	Net income or (loss) from fundraising events . . ▶		40,550			40,550
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . . ▶		0			
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶		0			
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . . ▶		0			
	12	**Total revenue.** See Instructions . . . ▶		12,822,242	5,193,116	-26,431	5,797,086

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question in this Part IX . . . . ☐

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	**(A)** Total expenses	**(B)** Program service expenses	**(C)** Management and general expenses	**(D)** Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	155,276	0	155,276	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	2,143,768	2,026,504	117,264	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	382,775	360,508	22,267	0
9	Other employee benefits	214,666	180,022	34,644	0
10	Payroll taxes	253,547	236,691	16,856	0
11	Fees for services (non-employees)				
a	Management	217,704	198,383	19,321	0
b	Legal	167,273	0	167,273	0
c	Accounting	0			
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	35,275	0	35,275	0
g	Other	0			
12	Advertising and promotion	474,171	471,686	2,485	0
13	Office expenses	48,530	46,165	2,365	0
14	Information technology	44,354	33,313	11,041	0
15	Royalties . .	0			
16	Occupancy	532,468	532,416	52	0
17	Travel	828	828	0	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	4,488	4,185	303	0
20	Interest	399,550	399,550	0	0
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	2,076,022	2,072,471	3,551	0
23	Insurance	106,820	96,551	10,269	0
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	COST OF ATTRACTIONS	2,339,760	2,339,760	0	0
b	PROGRAM SUPPLIES	165,780	164,070	1,710	0
c	COLLECTIONS MANAGEMENT	67,253	67,253	0	0
d	CREDIT CARD FEES	58,453	58,453	0	0
e					
f	All other expenses	243,175	236,634	6,541	
25	**Total functional expenses.** Add lines 1 through 24f	10,131,936	9,525,443	606,493	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

					(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			96,470	1	43,462
	2	Savings and temporary cash investments			2,777,698	2	4,519,619
	3	Pledges and grants receivable, net			429,717	3	215,833
	4	Accounts receivable, net			1,637,170	4	2,862,474
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			0	6	0
	7	Notes and loans receivable, net			0	7	0
	8	Inventories for sale or use			0	8	0
	9	Prepaid expenses and deferred charges			128,020	9	88,249
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a	32,449,742			
	b	Less accumulated depreciation	10b	10,558,567	23,771,036	10c	21,891,175
	11	Investments—publicly traded securities			27,629,968	11	28,152,621
	12	Investments—other securities See Part IV, line 11			2,714,895	12	790,403
	13	Investments—program-related See Part IV, line 11			0	13	0
	14	Intangible assets			0	14	0
	15	Other assets See Part IV, line 11			0	15	0
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)			59,184,974	16	58,563,836
Liabilities	17	Accounts payable and accrued expenses			377,881	17	1,108,764
	18	Grants payable			0	18	0
	19	Deferred revenue			1,321,214	19	1,689,587
	20	Tax-exempt bond liabilities			0	20	0
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties			0	23	0
	24	Unsecured notes and loans payable to unrelated third parties			0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			18,871,336	25	19,689,451
	26	**Total liabilities.** Add lines 17 through 25			20,570,431	26	22,487,802
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**					
	27	Unrestricted net assets			13,611,482	27	10,882,208
	28	Temporarily restricted net assets			25,003,061	28	25,193,826
	29	Permanently restricted net assets			0	29	0
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			38,614,543	33	36,076,034
	34	Total liabilities and net assets/fund balances			59,184,974	34	58,563,836

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	12,822,242
2	Total expenses (must equal Part IX, column (A), line 25)	2	10,131,936
3	Revenue less expenses Subtract line 2 from line 1	3	2,690,306
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	38,614,543
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-5,228,815
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	36,076,034

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ______________ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		

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SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE MS HERSHEY FOUNDATION

Employer identification number
23-6242734

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☑ An organization that normally receives (1) more than 331/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?	**11g(i)**		
(ii) a family member of a person described in (i) above?	**11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section (see instructions))	**(iv)** Is the organization in col (i) listed in your governing document?		**(v)** Did you notify the organization in col (i) of your support?		**(vi)** Is the organization in col (i) organized in the U S ?		**(vii)** Amount of support?
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) | 12 |

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) | 14 |

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 | 15 |

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in IRC 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	**(a)** 2007	**(b)** 2008	**(c)** 2009	**(d)** 2010	**(e)** 2011	**(f)** Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	485,587	6,730,327	1,603,659	3,348,260	1,940,423	14,108,256
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	5,637,596	5,634,437	2,672,057	6,599,077	5,193,188	25,736,355
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5	6,123,183	12,364,764	4,275,716	9,947,337	7,133,611	39,844,611
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	2,143,794	1,216,036	132,903	2,432,599	960,249	6,885,581
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b	2,143,794	1,216,036	132,903	2,432,599	960,249	6,885,581
8 **Public Support** (Subtract line 7c from line 6)						32,959,030

Section B. Total Support

Calendar year (or fiscal year beginning in)	**(a)** 2007	**(b)** 2008	**(c)** 2009	**(d)** 2010	**(e)** 2011	**(f)** Total
9 Amounts from line 6	6,123,183	12,364,764	4,275,716	9,947,337	7,133,611	39,844,611
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	813,389	720,883	312,030	840,028	953,375	3,639,705
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	813,389	720,883	312,030	840,028	953,375	3,639,705
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)	6,936,572	13,085,647	4,587,746	10,787,365	8,086,986	43,484,316

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	**15**	75 795 %
16	Public support percentage from 2010 Schedule A, Part III, line 15	**16**	76 747 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	**17**	8 370 %
18	Investment income percentage from **2010** Schedule A, Part III, line 17	**18**	8 572 %

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☑

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE MS HERSHEY FOUNDATION

Employer identification number
23-6242734

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
- ☐ Preservation of land for public use (e g , recreation or pleasure)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically importantly land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ ______

4 Number of states where property subject to conservation easement is located ▶ ______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ ______

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

(ii) Assets included in Form 990, Part X ▶ $ ______

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

b Assets included in Form 990, Part X ▶ $ ______

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☑ Public exhibition
b ☑ Scholarly research
c ☑ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☑ No

Part IV **Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☑ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

			Amount
c	Beginning balance	1c	
d	Additions during the year	1d	
e	Distributions during the year	1e	
f	Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V **Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance	25,003,061	21,949,743	20,214,188	28,927,435	
b	Contributions	25,910	34,320	1,686,453		
c	Investment earnings or losses	173,169	3,036,666	1,712,890	-3,996,038	
d	Grants or scholarships					
e	Other expenditures for facilities and programs	8,314	17,668	1,663,788	4,717,209	
f	Administrative expenses					
g	End of year balance	25,193,826	25,003,061	21,949,743	20,214,188	

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ►

b Permanent endowment ►

c Term endowment ► 100 000 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

			Yes	No
	(i) unrelated organizations	3a(i)		No
	(ii) related organizations	3a(ii)	Yes	
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes	

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI **Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,000		1,000
b Buildings		21,972,531	4,128,170	17,844,361
c Leasehold improvements		8,002,641	4,751,793	3,250,848
d Equipment		2,351,385	1,608,656	742,729
e Other		122,184	69,947	52,237
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ►				21,891,175

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
ACCRUED POST RETIREMENT BEN OB	3,984,147
LOAN GUARANTEE OBLIGATION	14,190,915
INTEREST RATE SWAP LIABILITY	1,514,389
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	19,689,451

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	12,822,242
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	10,131,936
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	2,690,306
4	Net unrealized gains (losses) on investments	4	-4,224,018
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-1,004,797
9	Total adjustments (net) Add lines 4 - 8	9	-5,228,815
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-2,538,509

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	8,639,626
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-4,224,018		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	-4,224,018
3	Subtract line **2e** from line **1**			3	12,863,644
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	-41,402		
c	Add lines **4a** and **4b**			4c	-41,402
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	12,822,242

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	11,178,135
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	1,046,199		
e	Add lines **2a** through **2d**			2e	1,046,199
3	Subtract line **2e** from line **1**			3	10,131,936
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	10,131,936

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Schedule D, Part III, Line 1a		Museum Collections The Museum's collections are comprised of historical items used as a means to educate the public about the lives of America's earliest inhabitants, the life of Milton S Hershey, and the Hershey community Each of these items is cataloged, preserved, and cared for The Foundation's policy is to expense collections when they are acquired Schedule D, Part III, Line 4 Collections of Art, Historical Treasures, and Other Similar Assets The M S Hershey Foundation's collection includes the following (1) artifacts and historical oral and written documents related to the life and legacy of Milton S Hershey from his personal life to his various businesses to his philanthropies (2) artifacts and historical oral and written documents related to the community of Hershey (3) artifacts that document Pennsylvania German culture (4) ethnographic materials related to indigenous people of the United States (5) plantings at the Hershey Garden The above collections further M S Hershey Foundation's exempt purpose of education and cultural enrichment for the residents of the Hershey area by being displayed in an accessible public museum, public archive and gardens
SCHEDULE D, PART V, LINE 4	INTENDED USES OF THE ORGANIZATION'S ENDOWMENT FUNDS	MILTON S HERSHEY MADE HIS GIFT TO THE M S HERSHEY FOUNDATION ON DECEMBER 5, 1935 WITH THE PURPOSE OF CREATING AND ENDOWING IN PERPETUITY THIS FOUNDATION FOR EDUCATIONAL PURPOSES THE TRUST WAS FUNDED FOR SEVERAL USES, INTENTS AND PURPOSES AS FOLLOWS (1) FOR THE ESTABLISHMENT AND MAINTENANCE IN WHOLE OR IN PART OF ONE OR MORE EDUCATIONAL INSTITUTIONS IN DERRY TOWNSHIP, PENNSYLVANIA, AND/OR (2) THE SUPPORT OF PUBLIC SCHOOLS OF DERRY TOWNSHIP AND THE IMPROVEMENT AND ELEVATION OF THE STANDARD OF EDUCATION, AND/OR (3) THE VOCATIONAL, CULTURAL OR PROFESSIONAL EDUCATION OF ANY RESIDENT OF DERRY TOWNSHIP IN ADDITION, upon approval by the Board of Managers, the endowment funds can be utilized to purchase land and erect a building or buildings upon such land
SCHEDULE D, PART X, OTHER LIABILITIES	LOAN GUARANTEE OBLIGATION	The M S HERSHEY Foundation (FOUNDATION) constructed a building, which is the site of The Hershey Story Museum In order to provide funding for the project, the Foundation entered into agreements dated March 1, 2007, with the Township of Derry Industrial and Commercial Development Authority (Authority) Under these agreements, the Foundation was responsible for the construction of the building UPON COMPLETION, The Foundation sold the building to the Authority at the cost to construct and leased it back for $20,000 per year for a period of 29 years, at which time the building ownership will revert back to the Foundation In addition, the Foundation guaranteed a $9,000,000 nonrecourse loan between the Authority and PNC Bank, National Association (PNC Bank) to fund the construction of the project During December 2007, the Foundation guaranteed a floating-to-fixed rate swap in the notional amount of $8,100,000 between the Authority and PNC Bank to manage the risk of increased debt service cost from rising interest rates During May 2008, the Foundation guaranteed an additional $6,000,000 nonrecourse loan between the Authority and PNC to further fund the construction of the project
Schedule D, Part XI, Line 8		INCREASE IN UNRECOGNIZED BENEFIT COST $231,269 INCREASE IN INTEREST RATE SWAP LIABILITY 773,528 -------- $1,004,797
Schedule D, Part XII, Line 4b		SPECIAL EVENT EXPENSES $41,402 (RECLASS)
Schedule D, Part XIII, Line 2d		Other Expenses not on return SPECIAL EVENT EXPENSES 41,402 (RECLASS) INCREASE IN UNRECOGNIZED BENEFIT COST $231,269 INCREASE IN INTEREST RATE SWAP LIABILITY 773,528 -------- $1,046,199

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE MS HERSHEY FOUNDATION

Employer identification number
23-6242734

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☐ Mail solicitations
- **b** ☐ Internet and e-mail solicitations
- **c** ☐ Phone solicitations
- **d** ☐ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Total . . . . ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

			(a) Event #1 Bynd Footlights (event type)	(b) Event #2 Cultural Exprs (event type)	(c) Other Events 1 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1	Gross receipts	40,197	23,125	18,630	81,952
	2	Less Charitable contributions				
	3	Gross income (line 1 minus line 2)	40,197	23,125	18,630	81,952
Direct Expenses	4	Cash prizes				
	5	Non-cash prizes				
	6	Rent/facility costs				
	7	Food and beverages				
	8	Entertainment				
	9	Other direct expenses	11,392	20,069	9,941	41,402
	10	Direct expense summary Add lines 4 through 9 in column (d)			▶	(41,402)
	11	Net income summary Combine lines 3 and 10 in column (d)			▶	40,550

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

			(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1	Gross revenue				
Direct Expenses	2	Cash prizes				
	3	Non-cash prizes				
	4	Rent/facility costs				
	5	Other direct expenses				
	6	Volunteer labor	☐ Yes ______ ☐ No	☐ Yes ______ ☐ No	☐ Yes ______ ☐ No	
	7	Direct expense summary Add lines 2 through 5 in column (d)			▶	( )
	8	Net gaming income summary Combine lines 1 and 7 in column (d)			▶	

9 Enter the state(s) in which the organization operates gaming activities ______

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain ______

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain ______

11 Does the organization operate gaming activities with nonmembers? . . . . Yes No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . Yes No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a	
b An outside facility	13b	

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . Yes No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ ____________ and the amount of gaming revenue retained by the third party ▶ $ ____________

c If "Yes," enter name and address

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ $

Description of services provided ▶

Director/officer Employee Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . Yes No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV Complete this part to provide additional information for responses to quuestion on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE MS HERSHEY FOUNDATION

Employer identification number
23-6242734

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☑ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**	Yes	
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
(1) GAYLA M BUSH ACTING SEC 911-1	(i)	0	0	0	0	0	0	0
	(ii)	164,005	69,651	2,293	35,168	9,094	280,211	0
(2) KENNETH GALL	(i)	0	0	0	0	0	0	0
	(ii)	107,726	21,600	504	19,926	20,908	170,664	0
(3) MARY LOUISE PORTER ESQ	(i)	0	0	0	0	0	0	0
	(ii)	199,075	116,000	1,011	29,952	26,849	372,887	0
(4) VINCENT B RUDISILL	(i)	0	0	0	0	0	0	0
	(ii)	209,202	1,375,388	19,501	22,152	8,908	1,635,151	0
(5) JAMES M MEAD	(i)	0	0	0	0	0	0	0
	(ii)	175,847	0	0	81,099	2,367	259,313	0
(6) LEROY S ZIMMERMAN	(i)	0	0	0	0	0	0	0
	(ii)	256,779	40,000	992,437	39,231	17,442	1,345,889	766,726
(7) DONALD PAPSON	(i)	128,139	0	0	9,100	17,037	154,276	0
	(ii)	42,733	0	0	0	0	42,733	0
(8) WILLIAM DAVIES	(i)	0	0	0	0	0	0	0
	(ii)	243,298	62,809	1,387	36,750	20,075	364,319	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
SCHEDULE J, PART I, QUESTION 4B	SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	DONALD PAPSON RETIRED FROM THE HERSHEY COMPANY PRIOR TO HIS EMPLOYMENT WITH THE M S HERSHEY FOUNDATION INCLUDED IN HIS COMPENSATION ARE PAYMENTS MADE BY THE HERSHEY COMPANY FOR DEFERRED COMPENSATION NONE OF THE PAYMENTS WERE MADE BY THE M S HERSHEY FOUNDATION AND DID NOT RELATE TO HIS SERVICE FOR THE FOUNDATION SCHEDULE J, PART I, QUESTION 4C EQUITY-BASED COMPENSATION ARRANGEMENT DONALD PAPSON RETIRED FROM THE HERSHEY COMPANY PRIOR TO HIS EMPLOYMENT WITH THE M S HERSHEY FOUNDATION INCLUDED IN HIS COMPENSATION ARE PAYMENTS MADE BY THE HERSHEY COMPANY FOR THE EXERCISING OF STOCK OPTIONS NONE OF THE PAYMENTS WERE MADE BY THE M S HERSHEY FOUNDATION AND DID NOT RELATE TO HIS SERVICE FOR THE FOUNDATION PART VII/SCHEDULE J REPORTABLE COMPENSATION The M S Hershey Foundation is associated with the Milton Hershey School and School Trust ("the School") and other Hershey charities and for-profit entities Mr and Mrs Hershey organized the Milton Hershey School ("the School") in the form of a trust ("School Trust") created under an original 1909 Deed of Trust that, as amended, still governs the operation of the School The Deed of Trust sets forth the respective powers and authorities of the trustee and Managers of the School, names the Hershey Trust Company, a state-chartered trust company, as trustee for compensation of no more than $1,000 per year and provides for the trustee to appoint the individual Managers of the School from its own Board of Directors The Managers subsequently incorporated That corporation, acting as manager under the deed of trust, together with the School Trust are the components of the integrated tax-exempt organization, the Milton Hershey School and School Trust (EIN 23-1353340) Mr Hershey created the same structure for his other charity, The M S Hershey Foundation The members of the board of managers of the M S Hershey Foundation are appointed by the Hershey Trust Company in its capacity as trustee from among its own board of directors As a result of the structure created by Mr Hershey, Hershey Trust Company (as of 12/31/2011) (A) serves as trustee for the $9 billion Milton Hershey School & School Trust (administration of which trust includes responsibility for (1) The Hershey Company, a Fortune 500 company, (2) Hershey Entertainment & Resorts Company, a $280 million resort and entertainment company, (3) an actively managed portfolio of approximately $3 5 billion in securities and other investments, and (4) approximately 10,000 acres of real estate), and (B) serves as trustee for the $33 5 million actively managed portfolio of the M S Hershey Foundation Trust The following information details the compensation arrangements of the M S Hershey Foundation Board of Managers, who are compensated by related for-profit entities The compensation of board members serving on the boards of any of the related for-profit entities (Hershey Trust Company, Hershey Entertainment & Resorts Company and the Hershey Company) is commensurate with their responsibilities with respect to the relevant for-profit entity None of the compensation was paid by the M S Hershey Foundation (EIN 23-6242734) Raymond L Gover Compensation reported consists only of director fees received from a related for-profit company, Hershey Trust Company (EIN 23-0692150) He served as Chairman of the Board of Managers until 3/3/2011 James M Mead Compensation reported consists only of director fees received from a related for-profit company, Hershey Trust Company (EIN 23-0692150) Velma A Redmond Compensation reported consists only of director fees received from a related for-profit company, Hershey Trust Company (EIN 23-0692150) Robert Reese Mr Reese served on The M S Hershey Foundation board until February 2011 He did not receive any compensation from The M S Hershey Foundation or from any related entities James M Sheehan, Esq Mr Sheehan serves as the Chairman and President of The M S Hershey Foundation beginning 3/3/2011 Compensation reported includes director fees received from a related for-profit company, Hershey Trust Company (EIN 23-0692150) Richard Zilmer Compensation reported consists only of director fees received from a related for-profit company, Hershey Trust Company (EIN 23-0692150) LeRoy S Zimmerman Compensation reported consists only of director fees received from related for-profit companies, Hershey Trust Company (EIN 23-0692150), The Hershey Company (EIN 23-0691590) and Hershey Entertainment & Resorts Company (EIN 23-0691815) including amounts that were earned over the prior years of 2007 - 2010 and that were reported as deferred compensation on the Forms 990 for those prior years Mr Zimmerman's reportable compensation from The Hershey Company was approximately $1 02 million, of which approximately $992,000 was the payment of compensation in 2011 that had been earned over the period 2007 - 2010 During Mr Zimmermans tenure on The Hershey Company board, he deferred all of his compensation At his retirement from the board in April 2011, the deferred compensation was paid to him As noted, in the prior years, the earned compensation was previously reported as deferred compensation on the Forms 990 Mr Zimmerman's compensation from Hershey Entertainment & Resorts Company and Hershey Trust Company was $129,000 and approximately $138,000, respectively The following information details the compensation arrangements of certain Foundation officers They are compensated by related for-profit or non-profit entities Their compensation is determined by independent compensation consultants This process is based on position comparables taking into account responsibilities and duties, authority, and objectives None of their compensation, employee benefit contributions or non-taxable benefits was paid directly by The M S Hershey Foundation during the reporting period Gayla M Bush Ms Bush serves as the Assistant Secretary & Assistant Treasurer of The M S Hershey Foundation She also served as the Acting Secretary of The M S Hershey Foundation from September 2011 until January 2012 She also serves as the Vice President, Finance of Hershey Trust Company (EIN 23-0692150), a for-profit related corporation William Davies Mr Davies served as the Treasurer of The M S Hershey Foundation beginning 3/3/2011 He also served as the CFO of The Milton Hershey School Mary Louise Porter, Esq Ms Porter served as the Secretary for The M S Hershey Foundation until 9/22/2011 Ms Porter also served as the Chief Compliance Officer of Hershey Trust Company and General Counsel and Secretary of Hershey Trust Company, Private Wealth Management Group (EIN 23-0692150), a for-profit related corporation Commencing in June 2010, she also serves as General Counsel of Milton Hershey School Vincent B Rudisill Mr Rudisill served as the Treasurer of The M S Hershey Foundation until 3/3/2011 He also served as the Assistant Secretary of Hershey Trust Company and the Chief Investment Officer of Hershey Trust Company, Heritage Trusts (EIN 23-0692150), a for-profit related corporation Former Officers Kenneth Gall Mr Gall served as the Assistant Secretary & Assistant Treasurer of The M S Hershey Foundation until July 2009 He serves as the Director of Real Estate of Hershey Trust Company (EIN 23-0692150) Trustee Hershey Trust Company Hershey Trust Company, Trustee, is paid $1,000 annually for its services as stipulated in the Deed of Trust The Trustee's actual time spent per week on The M S Hershey Foundation matters would be an accumulation of the officer and staff time Each officer's individual time is detailed on Form 990, Part VII
FORM 990, PART VII	HOURS SPENT ON RELATED ORGANIZATIONS	The following table details M S Hershey Foundation board of managers members and officers who are also board of managers members and officers of related organizations and the hours spent per week on duties for these related organizations MILTON HERSHEY HERSHEY ENTERTNMNT HERSHEY SCHOOL & & RESORTS CO SCHOOL TRUST RAYMOND GOVER - - 4 3 JAMES SHEEHAN - - 6 5 JAMES MEAD - 3 6 5 8 VELMA REDMOND - - 8 6 LEROY ZIMMERMAN 2 0 1 8 6 5 RICHARD ZILMER - - 6 6 GAYLA BUSH - - 53 WILLIAM DAVIES - - 45 KENNETH GALL - - 55 VINCENT RUDISILL - - 39 MARY LOUISE PORTER - - 50 NOTE Time spent on Hershey Trust Company matters is included in the Milton Hershey School & School Trust average hours worked per week
FORM 990, PART VII/SCHEDULE J	RELATED ORGANIZATION COMPENSATION	THE RELATED ORGANIZATIONS PROVIDE THE FOUNDATION WITH ALL PERTINENT PAYROLL INFORMATION REQUIRED TO COMPLETE PART VII AND SCHEDULE J OF THE FORM 990

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE MS HERSHEY FOUNDATION

Employer identification number
23-6242734

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts	X	88	0	
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (Chocolate)	X	1	820	FMV
26 Other ▶ (Auction Passes/Certificates)	X	65	16,480	FMV
27 Other ▶ (Tools/Bulbs)	X	13	15,233	FMV
28 Other ▶ (Breakfast)	X	1	5,913	FMV
Other ▶ (Cultural Expressions)	X	1	2,925	FMV
Other ▶ (Exhibit and web page set up)	X	2	750	FMV
Other ▶ (History contest prizes)	X	1	1,728	FMV

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . | 29 |

		Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b If "Yes," describe the arrangement in Part II			
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a		No
b If "Yes," describe in Part II			
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493319020802

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE MS HERSHEY FOUNDATION

Employer identification number
23-6242734

Identifier	Return Reference	Explanation
FORM 990, PART I, LINE 6	SUMMARY SECTION	Volunteers are a vital part of the M S Hershey Foundation Many of our volunteers have introduced a child to history, nature or live theatre Others have helped beautify Hershey Gardens, ushered a show at the Hershey Theatre or proudly answered questions about our community's rich history at the museum The Hershey Story

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4A-D	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	Program Service Accomplishment # 1 Completed during Milton Hersheys Great Building Campaign program in the 1930s, the new Community Center Building housed Hershey Theatre, which first opened as a vaudeville and movie house Today, the Theatre is the area's premier performing arts center Presenting touring Broadway shows, classical music, dance attractions and world-renowned entertainers, the Theatres rich history and performing arts presentations provide cultural and educational enrichment to patrons of all ages Developed in 2008, The Hershey Theatre Apollo Awards is a scholarship program which recognizes excellence in local high school theater productions All Derry Township School District students may participate in field trips to the Hershey Theatre at no charge Number Benefitted 116,100 Expenses $5,095,577 Revenue $ 3,959,803 Program Service Accomplishment # 2 The Hershey Story, The Museum on Chocolate Avenue opened in 2009 The Museum Experience is an educational, interactive permanent exhibit space that shares the stories of Milton S Hershey, his businesses, philanthropies and community The Apprentice Program is an activity designed to further engage children as they explore the exhibits In the Chocolate Lab, guests learn about the origins of chocolate and participate in hands-on activities using chocolate In the coming year, planned special exhibits highlight the Native American and Pennsylvania German collections, originally purchased by Milton Hershey School field trips, homeschool and summer camp programs all meet PA state academic standards All Derry Township School District students may participate in field trips to the Museum Experience at no charge Number Benefitted 119,000 Expenses $3,688,879 Revenue $ 1,157,558 Program Service Accomplishment # 3 Hershey Gardens was originally developed in 1937 at Milton Hersheys request It has since expanded and now features 23 acres of seasonal displays and rare trees within 11 theme gardens The Childrens Garden and Butterfly House offer children hands-on learning as they discover the wonders of nature and plants The Great Garden Adventure is a program featuring an interactive guide that helps children explore and learn throughout The Childrens Garden Adult education opportunities include classes on gardening and nature School field trips, homeschool and summer camp programs all meet PA state academic standards All Derry Township School District students may participate in field trips to Hershey Gardens at no charge Number Benefitted 92,800 Expenses $496,246 Revenue $ 62,871 Program Service Accomplishment - Other Archives & Other Miscellaneous Services - The Hershey Community Archives collects and maintains historical documentation such as photographs, oral histories, and other two dimensional artifacts chronicling the history of the community Educational programming is offered to the third graders of the Derry township school district and in the form of lectures and demonstrations at various venues Expenses $244,840 Revenue $ 12,886

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	GOVERNING BODY & MANAGEMENT	Several of the board of managers members and officers of the filing organization also serve as directors and officers of business entities that are related to this filing organization

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3	GOVERNING BODY & MANAGEMENT	The M S Hershey Foundation has several operations in Hershey, Pennsylvania, including the Hershey Gardens, the Hershey Community Archives, the Hershey Theatre, the Hershey Story, and Chocolatetown Square, collectively referred to as "Foundation Operations" These operations exist to preserve and enhance Milton Hershey's legacy and community vision and to provide educational and cultural enrichment to residents and visitors of Hershey, PA Hershey Entertainment & Resorts Company (HE&R), a related for profit operation, has established a reputation for providing high quality services, and has extensive experience providing live performance entertainment, retail, catering, food and beverage and associates services HE&R owns and operates numerous entertainment and hospitality venues in Hershey, Pennsylvania Founded in 1927, by Milton Hershey, HE&R's mission and goals include demonstrating sensitivity about the quality of life for the community and using its reservoir of talent and experience to make a positive difference with the M S Hershey Foundation In order to enhance Foundation operations and further its tax-exempt mission, the M S Hershey Foundation entered into a contract with HE&R to provide various services including the following 1 Wedding, party and event caterings 2 Retail operations support 3 Theatre Operations management 4 IT, communications and security services Prior to the commencement of services, the M S Hershey Foundation, assisted by independent outside counsel, evaluated the proposed services to ensure compliance with intermediate sanctions rules pursuant to IRC Section 4958 and Private Inurement Rules pursuant to Treasury Regulations 53 4958-4 These services are reviewed and approved by the Board of Managers on an annual basis The M S Hershey Foundation has established an independent committee to periodically review the services being performed and the contractual relationship with HE&R to ensure it is in the best interest of the M S Hershey Foundation to continue using the services of HE&R and to ensure compliance with the IRC Section and Treasury Regulation noted above

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	FORM 990 REVIEW PROCESS	The Form 990 ıs prepared under the dırectıon of the Dırector of Fınance of the M S Hershey Foundatıon The Form 990 ıs revıew ed by the Executıve Dırector of the M S Hershey Foundatıon, outsıde counsel and ıts ındependent tax advısors w ho sıgn the return as "paıd preparers " The board of managers of the M S Hershey Foundatıon revıew s and dıscusses the Form 990 at one of ıts scheduled meetıngs prıor to fılıng the return w ıth the Internal Revenue Servıce, notıng key dısclosures

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	CONFLICT OF INTEREST	The Board of Managers, Officers and key employees of the M S HERSHEY FOUNDATION have a fiduciary relationship with the M S HERSHEY FOUNDATION which requires that they act in good faith with regard to the M S HERSHEY FOUNDATION's best interests It is essential in fulfilling their duties that they apply the highest moral, legal, and ethical standards in their conduct and business relationships Both, the M S Hershey Foundation and the Hershey Trust Company, trustee for the M S HERSHEY FOUNDATION, have written conflict of interest polices which are intended to permit the M S HERSHEY FOUNDATION and its Managers, Officers and other key employees to identify, evaluate and address any conflict of interest that might call into question this fiduciary duty to the M S HERSHEY FOUNDATION The conflict of interest policy covering the Managers, Officers and key employees is documented in the "Conflict of Interest" section of the Governance Guidelines for the M S Hershey Foundation Additionally, the conflict of interest policy covering Managers, Officers and key employees is documented in "Ethical Standards" and "Conflict of Interest" and "Code of Conduct" sections of the Policy Manual for the Hershey Trust Company Each Manager, Officer and key employee is required to avoid all activity that could create a conflict of interest or even give an appearance of a conflict of interest Any conflicts of interest are to be reported as soon as practical after they become aware of such a conflict Annually each Manager, Officer and key employee is required to complete an Annual Statement of Disclosure The forms identify vendors, investments, other board memberships, and family members that could give rise to conflicts of interest The statements are reviewed by the FOUNDATION'S EXECUTIVE DIRECTOR AND THE DIRECTOR OF FINANCE in order for THEM to be aware of activities that could give rise to conflicts of interest Potential conflicts of interest related to managers, officers and key employees are brought to the attention of the Chairperson OF THE BOARD OF MANAGERS OF THE M S HERSHEY FOUNDATION The Chairperson (or his designee) determines the corrective measure, if any, to be taken to resolve the conflict, or will impose appropriate restrictions, if any on the person with the conflict For conflicts of interest involving the Chairperson, the matter would be discussed with the chair of the audit committee and the chair of the board of the Hershey Trust Company The two chair persons, in consultation with the other board members, excluding such conflicted person, have the final approval of any recommended corrective measures or imposed restrictions

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINES 15A AND 15B	COMPENSATION PROCESS	The M S Hershey Foundation's board of managers (the governing body of the M S Hershey Foundation) controls the process in determining whether the total compensation of the Executive Director is fair and reasonable This process occurs at the initial hire of the executive director and at regular intervals thereafter The review of the total compensation of the executive director, includes but is not limited to, a review of comparable executive director total compensation as disclosed in the forms 990 of similar-sized exempt organizations As part of this process, the compensation information is reviewed and approved by the Board of Managers FOR THE executive director Those board of managers with a conflict in regard to the executive director's compensation review process abstain from the deliberations The Board of Managers do not receive any compensation from M S HERSHEY FOUNDATION The Board of Managers receive compensation from Hershey Trust Company as directors of the Trust Company in accordance with Article 14, Section 16 of its bylaws The compensation is periodically reviewed by third party compensation consultants Any member of the Board of Managers who also serves as a director or officer of The Hershey Company or of Hershey Entertainment & Resorts Co receives compensation from such related for-profit company, pursuant to such company's procedures The compensation of the M S Hershey Foundation's officers, who are directors or employees of the Hershey Trust Company (Trustee of M S HERSHEY FOUNDATION), is determined by periodic review (generally performed at least every 3 years) by third party compensation consultants to determine that it is fair and reasonable as part of the Hershey Trust Company's compensation review process The compensation of Hershey Trust Company, the statutory officers, the Chief Executive Officer and Compliance Officer is fixed by the Board of Directors of Hershey Trust Company in accordance with Section 5 of its bylaws The CEO of Hershey Trust Company approves compensation of the other officers and key employees and reports this compensation to the Board of Directors or a designated committee of the Board of Directors as any changes are made

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	PUBLIC AVAILABILITY OF DOCUMENTS	The Foundation makes the Deed of Trust available to the public on its website The Foundation's Conflict of Interest Policy and its audited financial statements are available to the public upon request

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 5	RECONCILIATION OF NET ASSETS	INCREASE IN UNRECOGNIZED BENEFIT COST $ (231,269) INCREASE IN INTEREST RATE SWAP LIABILITY (773,528) UNREALIZED LOSSES ON INVESTMENTS (4,224,018) ---------- $(5,228,815)

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE MS HERSHEY FOUNDATION

Employer identification number
23-6242734

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization Yes	No
(1) THE MILTON HERSHEY SCHOOL & SCHOOL TRUST PO BOX 445 HERSHEY, PA 17033 23-1353340	SCHOOL	PA	501(C)(3)	2	NA		No
(2) THE WILLIAM E DEARDEN ALUMNI CAMPUS INC PO BOX 830 HERSHEY, PA 17033 20-2579678	SVCS TO ALUM	PA	501(c)(3)	7	NA		No
(3) HERSHEY CEMETERY COMPANY PO BOX 445 HERSHEY, PA 17033 23-1973529	CEMETERY	PA	501(C)(13)		NA		No

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) HERSHEY TRUST COMPANY PO BOX 445 HERSHEY, PA 17033 23-0692150	STATE TRUST C	PA	na	C CORP			
(2) HERSHEY ENTERTAINMENT RESORTS CO 27 WEST CHOCOLATE AVENUE HERSHEY, PA 17033 23-0691815	ENTERTAINMENT	PA	na	C CORP			
(3) THE HERSHEY COMPANY 100 CRYSTAL A DRIVE HERSHEY, PA 17033 23-0691590	CONFECTIONERY	PA	na	C CORP			

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f	Yes	
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j	Yes	
k Performance of services or membership or fundraising solicitations for related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by related organization(s)	1l	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m	Yes	
n Sharing of paid employees with related organization(s)	1n	Yes	
o Reimbursement paid to related organization(s) for expenses	1o		No
p Reimbursement paid by related organization(s) for expenses	1p	Yes	
q Other transfer of cash or property to related organization(s)	1q		No
r Other transfer of cash or property from related organization(s)	1r	Yes	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	**(b)** Transaction type(a-r)	**(c)** Amount involved	**(d)** Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	**(b)** Primary activity	**(c)** Legal domicile (state or foreign country)	**(d)** Predominant income(related, unrelated, excluded from tax under sections 512-514)	**(e)** Are all partners section 501(c)(3) organizations?		**(f)** Share of total income	**(g)** Share of end-of-year assets	**(h)** Disproprtionate allocations?		**(i)** Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	**(j)** General or managing partner?		**(k)** Percentage ownership
				Yes	**No**			**Yes**	**No**		**Yes**	**No**	

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
PART V, LINE 2, TRANSACTIONS WITH RELATED ORGANIZATIONS	SUPPLEMENTAL INFORMATION	No disclosures are required for Schedule R, Part V, Line 2 because the M S Hershey Foundation does not control any other organization

Additional Data

Software ID:
Software Version:
EIN: 23-6242734
Name: THE MS HERSHEY FOUNDATION

Form 990, Special Condition Description:

Special Condition Description