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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)	OMB No 1545-0047 2012 Open to Public Inspection
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2012 calendar year, or tax year beginning 01-01-2012 , 2012, and ending 12-31-2012

B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization THE MS HERSHEY FOUNDATION		D Employer identification number 23-6242734
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) 63 WEST CHOCOLATE AVENUE Suite	Room/suite	E Telephone number (717) 298-2200
	City or town, state or country, and ZIP + 4 Hershey, PA 17033		G Gross receipts \$ 47,271,508
	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			

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	3
	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 2012 (Part V, line 2a)	5	129
6 Total number of volunteers (estimate if necessary)	6	752	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	1,858,471	1,420,186
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,193,116	6,913,082
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,720,105	8,737,532
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	50,550	53,326
		12,822,242	17,124,126
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)	3,150,032	3,268,223
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	16b Total fundraising expenses (Part IX, column (D), line 25) ☐ 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	6,981,904	8,047,875
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	10,131,936	11,316,098
	19 Revenue less expenses Subtract line 18 from line 12	2,690,306	5,808,028
	Net Assets or Fund Balances		Beginning of Current Year
20 Total assets (Part X, line 16)		58,563,836	58,708,153
21 Total liabilities (Part X, line 26)		22,487,802	22,680,523
22 Net assets or fund balances Subtract line 21 from line 20		36,076,034	36,027,630

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				2013-11-12		
	DONALD PAPSON EXECUTIVE DIRECTOR Type or print name and title						
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Date	Check ☐ if self-employed	PTIN
	Firm's name  PricewaterhouseCoopers LLP					Firm's EIN 	
	Firm's address  2001 MARKET ST SUITE 1700 PHILADELPHIA, PA 19103					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 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 \$ 6,303,025 including grants of \$) (Revenue \$ 5,496,237)
	SEE SCHEDULE O
4b	(Code) (Expenses \$ 3,698,697 including grants of \$) (Revenue \$ 1,281,935)
	SEE SCHEDULE O
4c	(Code) (Expenses \$ 462,959 including grants of \$) (Revenue \$ 116,982)
	SEE SCHEDULE O
	(Code) (Expenses \$ 252,796 including grants of \$) (Revenue \$ 17,928)
	Hershey Community Archives & Other
4d	Other program services (Describe in Schedule O)
	(Expenses \$ 252,796 including grants of \$) (Revenue \$ 17,928)
4e	Total program service expenses 10,717,477

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 for escrow or custodial account liability, 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, line 10? 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 Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	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 and XII 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, Parts I and IV	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 United States? If "Yes," complete Schedule F, Parts 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 United States? If "Yes," complete Schedule F, Parts 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 (see instructions) 	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 hospital facilities? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	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? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	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 direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	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? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b 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.	52	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	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	129
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		2b	Yes
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, securities account, or other financial 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 as charitable contributions?		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. See the instructions for additional information the organization must report on Schedule O.		13a	
b Enter the 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 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		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?	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?	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?		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?		No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	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		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?		No
10b	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?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	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?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
15c	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?		No
16b	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?		

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 ☐ Other (explain in Schedule O)	
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 during the tax year	
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 (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 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JAMES M SHEEHAN ESQ BD OF MGRS-PRES/CHRMN to 7/12	1 0 7 0	X		X				0	59,583	8,535
(2) JAMES M MEAD BOARD OF MANAGERS	5 7 5	X						0	200,000	122,026
(3) VELMA A REDMOND ESQ BOARD OF MANAGERS	1 0 8 0	X						0	120,000	2,029
(4) RICHARD ZILMER BD OF MANAGERS PRES/CHRMN 7/12	1 0 9 5	X		X				0	125,000	2,029
(5) HERSHEY TRUST COMPANY INSTITUTIONAL TRUSTEE			X					1,000	0	0
(6) GAYLA M BUSH ASST TREASURER/ASST SECRETARY	2 0 53 0			X				0	234,609	44,585
(7) DONALD PAPSON EXECUTIVE DIRECTOR	40 0 0 0			X				133,734	68,166	23,495
(8) WILLIAM DAVIES TREASURER to 7/12	1 0 45 0			X				0	309,392	29,642
(9) MARC WOOLLEY SECREtARY 1/12	2 0 48 0			X				0	366,624	4,206
(10) KENNETH GALL FORMER OFFICER to 7/09	0 0 55 0						X	0	130,828	45,281
(11) MARY LOUISE PORTER ESQ SECRETARY TO 9/11	0 0 0 0						X	0	365,273	9,088

Part VII

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								134,734	1,979,475	290,916

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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	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

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 ►0

Part VIII

Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

				(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	135,349					
	c	Fundraising events	1c						
	d	Related organizations	1d	347,002					
	e	Government grants (contributions)	1e	618,676					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	319,159					
	g	Noncash contributions included in lines 1a-1f \$							
	h	Total. Add lines 1a-1f						1,420,186	
Program Service Revenue	2a	ADMISSIONS	Business Code	713990	5,746,220	5,746,220			
	b	THEATRE COMMUNITY RENTAL INCOME		531120	233,559	233,559			
	c	THEATRE SERVICE FEE INCOME		900099	261,525	261,525			
	d	PROGRAM REVENUE FROM HE&R AGREEMENTS		900099	122,020	122,020			
	e	OTHER INCOME		900099	549,758	549,758			
	f	All other program service revenue							
	g	Total. Add lines 2a-2f			6,913,082				
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		928,715			928,715	
4		Income from investment of tax-exempt bond proceeds . .		0					
5		Royalties		0					
6a		Gross rents	(i) Real	(ii) Personal					
			10,000						
		b	Less rental expenses						
		c	Rental income or (loss)	10,000					0
d		Net rental income or (loss)			10,000			10,000	
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
			37,924,633						
		b	Less cost or other basis and sales expenses	30,115,816					
		c	Gain or (loss)	7,808,817					
d		Net gain or (loss)			7,808,817			7,808,817	
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a	74,892					
b		Less direct expenses	b	31,566					
c		Net income or (loss) from fundraising events . .			43,326			43,326	
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			17,124,126	6,913,082		8,790,858		

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).

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			
5	Compensation of current officers, directors, trustees, and key employees.	158,229		158,229	
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.	2,188,213	2,092,303	95,910	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	359,200	319,377	39,823	
9	Other employee benefits.	286,392	218,221	68,171	
10	Payroll taxes.	276,189	258,122	18,067	
11	Fees for services (non-employees):				
a	Management.	196,050	169,392	26,658	
b	Legal.	20,660		20,660	
c	Accounting.	44,608		44,608	
d	Lobbying.	0			
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	0			
12	Advertising and promotion.	627,815	626,357	1,458	
13	Office expenses.	40,029	38,943	1,086	
14	Information technology.	44,719	32,705	12,014	
15	Royalties.	0			
16	Occupancy.	459,163	458,770	393	
17	Travel.	845	845		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	4,889	4,316	573	
20	Interest.	393,862	393,862		
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	2,071,061	2,066,662	4,399	
23	Insurance.	117,914	106,403	11,511	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O).				
a	COST OF ATTRACTIONS	3,313,972	3,313,972		
b	PROGRAM SUPPLIES	188,646	162,670	25,976	
c	COLLECTIONS MANAGEMENT	69,761	69,761		
d	CREDIT CARD FEES	86,579	86,579		
e	All other expenses	367,302	298,217	69,085	
25	Total functional expenses. Add lines 1 through 24e.	11,316,098	10,717,477	598,621	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response to any question in this Part X

☐

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		43,462	1	60,457
	2	Savings and temporary cash investments		4,519,619	2	1,153,608
	3	Pledges and grants receivable, net		215,833	3	56,564
	4	Accounts receivable, net		2,862,474	4	3,652,163
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) 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		88,249	9	199,420
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a32,697,933			
	b	Less accumulated depreciation	10b12,622,367	21,891,175	10c	20,075,566
	11	Investments—publicly traded securities		28,152,621	11	26,771,297
	12	Investments—other securities See Part IV, line 11		790,403	12	6,739,078
	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)		58,563,836	16	58,708,153
Liabilities	17	Accounts payable and accrued expenses		1,108,764	17	860,976
	18	Grants payable		0	18	0
	19	Deferred revenue		1,689,587	19	2,065,717
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other 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		19,689,451	25	19,753,830
	26	Total liabilities. Add lines 17 through 25		22,487,802	26	22,680,523
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		10,882,208	27	9,144,893
	28	Temporarily restricted net assets		25,193,826	28	26,882,737
	29	Permanently restricted net assets		0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), 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		36,076,034	33	36,027,630
	34	Total liabilities and net assets/fund balances		58,563,836	34	58,708,153

Part XI Reconciliation 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	17,124,126
2	Total expenses (must equal Part IX, column (A), line 25)	2	11,316,098
3	Revenue less expenses Subtract line 2 from line 1	3	5,808,028
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	36,076,034
5	Net unrealized gains (losses) on investments	5	-5,476,894
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-379,538
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	36,027,630

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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	Yes	
2c	If "Yes," to line 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	Yes	
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?		No
3b	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		

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

2012

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 described in **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 33 1/3% 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 33 1/3% 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 - Non-functionally integrated
- 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?

(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 supported organization?

(ii)

A family member of a person described in (i) above?

(iii)

A 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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 monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in Sections 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
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 2012 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2011 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2012. 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—2011. If the organization did not check a 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—2012. 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—2011. 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 IIISupport Schedule for Organizations Described in Section 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	6,730,327	1,603,659	3,348,260	1,940,423	1,495,078	15,117,747
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	5,634,437	2,672,057	6,599,077	5,193,188	6,913,082	27,011,841
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0
6 Total. Add lines 1 through 5	12,364,764	4,275,716	9,947,337	7,133,611	8,408,160	42,129,588
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	1,216,036	132,903	2,432,599	960,249	347,002	5,088,789
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						0
c Add lines 7a and 7b	1,216,036	132,903	2,432,599	960,249	347,002	5,088,789
8 Public support (Subtract line 7c from line 6.)						37,040,799

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6	12,364,764	4,275,716	9,947,337	7,133,611	8,408,160	42,129,588
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	720,883	312,030	840,028	953,375	938,715	3,765,031
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	720,883	312,030	840,028	953,375	938,715	3,765,031
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						0
13 Total support. (Add lines 9, 10c, 11, and 12.)	13,085,647	4,587,746	10,787,365	8,086,986	9,346,875	45,894,619
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 2012 (line 8, column (f) divided by line 13, column (f))	15	80.708 %
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	75.795 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	8.204 %
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	8.370 %

- 19a 33 1/3% support tests—2012. 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—2011. 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization THE MS HERSHEY FOUNDATION	Employer identification number 23-6242734
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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 can 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 education)☐ Preservation of an historically important land area☐ Protection of natural habitat☐ Preservation of a certified historic structure☐ Preservation of open space

2

Complete lines 2a through 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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶\$ _____

b

Assets included in Form 990, Part X

▶\$ _____

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 52283D

Schedule D (Form 990) 2012

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

3

Using the organization's acquisition, 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

d

☐ Loan or exchange programs

b

☒ Scholarly research

e

☐ Other

c

☒ Preservation for future generations

4

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

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 XIII and complete the following table

	Amount
1c	
1d	
1e	
1f	

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

☐

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	25,193,826	25,003,061	21,949,743	20,214,188	28,927,435
b Contributions	28,958	25,910	34,320	1,686,453	
c Net investment earnings, gains, and losses	1,711,659	173,169	3,036,666	1,712,890	-3,996,038
d Grants or scholarships					
e Other expenditures for facilities and programs	51,706	8,314	17,668	1,663,788	4,717,209
f Administrative expenses					
g End of year balance	26,882,737	25,193,826	25,003,061	21,949,743	20,214,188

2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

100 000 %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a

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

(i) unrelated organizations

3a(i)

Yes

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 XIII 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		21,982,130	5,526,078	16,456,052
c Leasehold improvements		8,141,839	5,120,857	3,020,982
d Equipment		2,446,181	1,880,983	565,198
e Other		126,783	94,449	32,334
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				20,075,566

Part XIReconciliation of Revenue per Audited Financial Statements With Revenue per Return				
1	Total revenue, gains, and other support per audited financial statements		1	11,678,798
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains on investments	2a	-5,476,894	
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII)	2d	31,566	
e	Add lines 2a through 2d		2e	-5,445,328
3	Subtract line 2e from line 1		3	17,124,126
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 XIII)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)		5	17,124,126

Part XIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return				
1	Total expenses and losses per audited financial statements		1	11,727,202
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 XIII)	2d	411,104	
e	Add lines 2a through 2d		2e	411,104
3	Subtract line 2e from line 1		3	11,316,098
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 XIII)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)		5	11,316,098

Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, 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 X, LINE 2 FIN 48 (ASC 740) FOOTNOTE TAX POSITIONS ARE RECOGNIZED OR DERECOGNIZED BASED ON A "MORE LIKELY THAN NOT" THRESHOLD FOR POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. THE FOUNDATION'S ACCOUNTING POLICY FOR EVALUATING UNCERTAIN TAX POSITIONS IS THAT RECOGNIZED INCOME TAX POSITIONS ARE MEASURED AT THE LARGEST AMOUNT THAT IS GREATER THAN 50% LIKELY OF BEING RECOGNIZED. THE FOUNDATION DOES NOT BELIEVE THERE ARE ANY UNRECOGNIZED TAX BENEFITS OR LIABILITIES THAT SHOULD BE RECORDED.
Schedule D, Part XI, Line 2D		Special Event Expenses (reclass) \$31,566
Schedule D, Part XII, Line 2d		Other Expenses not on return: SPECIAL EVENT EXPENSES (reclass) \$ 31,566 INCREASE IN UNRECOGNIZED BENEFIT COST 417,785 DECREASE IN INTEREST RATE SWAP LIABILITY (38,247) ----- \$ 411,104

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. Form 990-EZ filers are not required to complete this part.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

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

e

☐ Solicitation of non-government grants

b

☐ Internet and email solicitations

f

☐ Solicitation of government grants

c

☐ Phone solicitations

g

☐ Special fundraising events

d

☐ In-person solicitations

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.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(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
		Yes	No			
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 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Revenue			(a) Event #1	(b) Event #2	(c) Other events	(d) Total events	
			<u>BYND FOOTLIGHTS</u>	<u>CULTURAL EXPRS</u>	<u>1</u>	(add col (a) through	
			(event type)	(event type)	(total number)	col (c))	
1	Gross receipts	. . .	22,474	23,875	28,543	74,892	
2	Less Contributions	. .					
3	Gross income (line 1 minus line 2)	. . .	22,474	23,875	28,543	74,892	
Direct Expenses	4	Cash prizes	. . .				
	5	Noncash prizes	. .				
	6	Rent/facility costs	. .				
	7	Food and beverages	.				
	8	Entertainment	. . .				
	9	Other direct expenses	.	3,993	10,357	17,216	31,566
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶					(31,566)
	11	Net income summary Combine line 3, column (d), and line 10 ▶					43,326

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			
	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
Direct Expenses	6	Volunteer labor			
	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 _____

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 Enter 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 of the third party

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 Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation
------------	------------------	-------------

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

2012

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 appropriate 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 ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
1b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain		
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?		
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☐ Compensation committee ☐ Independent compensation consultant ☒ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☒ 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		
4a Receive a severance payment or change-of-control payment?	Yes	
4b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
4c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	Yes	
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		
5a The organization?		No
5b Any related organization? If "Yes," to line 5a or 5b, describe in Part III		No
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		
6a The organization?		No
6b Any related organization? If "Yes," to line 6a or 6b, describe in Part III		No
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		No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III		No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is 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, applicable column (D) and (E) amounts for that individual

(A) Name and Title		(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 as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)GAYLA M BUSH ASST TREASURER/ASST SECRETARY	(i)	0	0	0	0	0	0	0
	(ii)	168,980	63,258	2,371	34,950	9,635	279,194	0
(2)KENNETH GALL FORMER OFFICER to 7/09	(i)	0	0	0	0	0	0	0
	(ii)	110,284	20,023	521	20,190	25,091	176,109	0
(3)MARY LOUISE PORTER ESQ SECRETARY TO 9/11	(i)	0	0	0	0	0	0	0
	(ii)	44,092	0	321,181	5,859	3,229	374,361	0
(4)JAMES M MEAD BOARD OF MANAGERS	(i)	0	0	0	0	0	0	0
	(ii)	200,000	0	0	120,000	2,026	322,026	0
(5)DONALD PAPSON EXECUTIVE DIRECTOR	(i)	133,734	0	0	9,397	14,098	157,229	0
	(ii)	68,166	0	0	0	0	68,166	0
(6)WILLIAM DAVIES TREASURER to 7/12	(i)	0	0	0	0	0	0	0
	(ii)	240,063	68,503	826	13,823	15,819	339,034	0
(7)MARC WOOLLEY SECReTARY 1/12	(i)	0	0	0	0	0	0	0
	(ii)	364,644	0	1,980	0	4,206	370,830	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II

Also complete this part for any additional information

Identifier	Return Reference	Explanation
SCHEDULE J, PART I, QUESTION 4a		During the 2012 year, a severance payment was made by related organizations None of the payments were made by the Foundation 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 12/31/2012) (A) serves as trustee for the \$10 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 \$270 million resort and entertainment company, (3) an actively managed portfolio of approximately \$3 9 billion in securities and other investments, and (4) approximately 10,000 acres of real estate), and (B) serves as trustee for the \$35 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) James M Mead Compensation reported consists only of director fees received from related for-profit companies, Hershey trust company (ein 23-0692150) and the hershey company (ein 23-0691590) Velma A Redmond Compensation reported consists only of director fees received from a related for-profit company, Hershey Trust Company (EIN 23-0692150) James M Sheehan, Esq Mr Sheehan serves as the Chairman and President of The M S Hershey Foundation beginning 3/3/2011 thru 7/2012 Compensation reported includes director fees received from a related for-profit company, Hershey Trust Company (EIN 23-0692150) and retirement benefits received from the milton hershey school (ein 23-1353340) Richard Zilmer Compensation reported consists only of director fees received from a related for-profit company, Hershey Trust Company (EIN 23-0692150) 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 detemined 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 Bush Ms Bush serves as the Assistant Secretary & Assistant Treasurer of the M S Hershey Foundation She also served as the Acting Secretary until Jan 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 until 7/2012 He also served as the CFO of the Milton Hershey School Marc Woolley Mr Woolley serves as the Secratary of the M S Hershey Foundation beginning in January 2012 He is also the deputy General Counsel and chief compliance officer for the Hershey trust Company, a related for-profit corporation Former Officers Mary Louise Porter, Esq Ms Porter served as the Secretary for The M S Hershey Foundation until 9/11 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, until 9/11 She also served as General Counsel of Milton Hershey School until 9/11 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 entertAINNMNT HERSHEY SCHOOL Company & RESORTS CO & SCHOOL TRUST JAMES SHEEHAN 7 0 - - JAMES MEAD 4 5 3 0 - VELMA REDMOND 8 0 - - RICHARD ZILMER 9 5 - - GAYLA BUSH 53 - - WILLIAM DAVIES 45 - - KENNETH GALL 55 - - marc woolley 48 - - 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

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

2012

Open to Public
Inspection

Name of the organization THE MS HERSHEY FOUNDATION	Employer identification number 23-6242734
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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 (Line 4a) 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 117,400 Expenses \$6,303,025 Revenue \$5,496,237 Program Service Accomplishment #2 (Line 4b) 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 117,000 Expenses \$3,698,697 Revenue \$ 1,281,935 Program Service Accomplishment #3 (Line 4c) 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 97,300 Expenses \$462,959 Revenue \$116,982 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 \$252,796 Revenue \$17,928

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 is prepared under the direction of the Director of Finance of the M S Hershey Foundation The Form 990 is reviewed by the Executive Director of the M S Hershey Foundation, outside counsel and its independent tax advisors who sign the return as "paid preparers " The board of managers of the M S Hershey Foundation reviews and discusses the Form 990 at one of its scheduled meetings prior to filing the return with the Internal Revenue Service, noting key disclosures

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 policies 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 chief 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 9	RECONCILIATION OF NET ASSETS	Increase in unrecognized benefit cost \$(417,785) Decrease in interest rate sw ap liability 38,247 ----- TOTAL \$(379,538)

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

2012

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" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) 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" to 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 entity?	
						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" to 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) Dispropportionate 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" to 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	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(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" to Form 990, Part IV, line 34, 35b, or 36.)

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

1

During the tax year, did the organization 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 or (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

Lease of facilities, equipment, or other assets to related organization(s)

k

Lease of facilities, equipment, or other assets from related organization(s)

l

Performance of services or membership or fundraising solicitations for related organization(s)

m

Performance of services or membership or fundraising solicitations by related organization(s)

n

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

Other transfer of cash or property to related organization(s)

s

Other transfer of cash or property from related organization(s)

	Yes	No
1a		No
1b		No
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k	Yes	
1l		No
1m	Yes	
1n	Yes	
1o	Yes	
1p		No
1q	Yes	
1r		No
1s	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-s)	(c) Amount involved	(d) Method of determining amount involved

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.

[illegible]

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 related organization

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