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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2016

Open to Public Inspection

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

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

Information about Form 990 and its instructions is at [www.irs.gov/form990](#)

A For the 2016 calendar year, or tax year beginning 01-01-2016 , and ending 12-31-2016

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final

☒ Return/terminated

☐ Amended return

☐ Application pending

C Name of organization

THE MS HERSHEY FOUNDATION

% DONALD PAPSON EXEC DIRECTO

Doing business as

Number and street (or P O box if mail is not delivered to street address)

Room/suite

63 WEST CHOCOLATE AVENUE Suite n/a

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

Hershey, PA 17033

F Name and address of principal officer

DONALD PAPSON

63 W CHOCOLATE AVENUE

HERSHEY, PA 17033

H(a) Is this a group return for subordinates?

☐ Yes ☒ No

H(b) Are all subordinates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

D Employer identification number

23-6242734

E Telephone number

(717) 298-2200

G Gross receipts \$ 22,539,729

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: www.mshersheyfoundation.org

K Form of organization

☐ Corporation ☒ Trust ☐ Association ☐ Other

L Year of formation 1935

M State of legal domicile PA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities

TO PRESERVE AND ENHANCE MILTON HERSHEY'S LEGACY AND COMMUNITY VISION AND TO PROVIDE EDUCATIONAL AND CULTURAL ENRICHMENT TO THE RESIDENTS OF THE HERSHEY AREA

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

☐

3 Number of voting members of the governing body (Part VI, line 1a)

3

4 Number of independent voting members of the governing body (Part VI, line 1b)

0

5 Total number of individuals employed in calendar year 2016 (Part V, line 2a)

201

6 Total number of volunteers (estimate if necessary)

707

7a Total unrelated business revenue from Part VIII, column (C), line 12

0

7b Net unrelated business taxable income from Form 990-T, line 34

0

Revenue

8 Contributions and grants (Part VIII, line 1h)

9 Program service revenue (Part VIII, line 2g)

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)

Prior Year

Current Year

1,711,8551,462,713

7,493,8138,134,782

1,165,0301,363,264

403,198552,729

10,773,89611,513,488

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)

14 Benefits paid to or for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)

16a Professional fundraising fees (Part IX, column (A), line 11e)

b Total fundraising expenses (Part IX, column (D), line 25)

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)

18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)

19 Revenue less expenses Subtract line 18 from line 12

21,55022,100

00

4,038,4574,279,111

00

7,945,2488,406,589

12,005,25512,707,800

-1,231,359-1,194,312

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

21 Total liabilities (Part X, line 26)

22 Net assets or fund balances Subtract line 21 from line 20

Beginning of Current Year

End of Year

58,662,41457,660,779

23,421,79121,759,737

35,240,62335,901,042

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

2017-11-07

Date

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

ERIC M MCNEIL

ERIC M MCNEIL

☐

P00460263

Firm's name

Firm's EIN

Firm's address

Phone no

PricewaterhouseCoopers LLP

2001 MARKET ST SUITE 1800

(267) 330-3000

PHILADELPHIA, PA 19103

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2016)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line 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 \$ 6,194,211 including grants of \$ 22,100) (Revenue \$ 5,885,522)
See Additional Data	

4b	(Code) (Expenses \$ 3,358,202 including grants of \$) (Revenue \$ 1,651,633)
See Additional Data	

4c	(Code) (Expenses \$ 2,187,217 including grants of \$) (Revenue \$ 964,060)
See Additional Data	

(Code) (Expenses \$ 267,872 including grants of \$) (Revenue \$ 129,474)
see schedule o - Hershey Community Archives

4d	Other program services (Describe in Schedule O)
(Expenses \$ 267,872 including grants of \$) (Revenue \$ 129,474)	

4e	Total program service expenses ▶ 12,007,502
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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 other assistance to or for any foreign organization? 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 other assistance to or for foreign individuals? 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

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	Yes	
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>	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 25a</i>		No
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) 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>		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>		No
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		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>		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>	Yes	
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		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>		No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		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>	Yes	
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		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>		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>		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>	Yes	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		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>		
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>		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>		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	Yes	

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	66
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	201
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" to line 3b, 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 FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)		
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. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
9a	Did the sponsoring organization make any taxable distributions under section 4966?	9a	
b	Did the sponsoring 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 or note to any line 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	3	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	0	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	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
b	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:		
a	The governing body?	Yes	
b	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
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
b	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	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	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?		
a	The organization's CEO, Executive Director, or top management official	Yes	
b	Other officers or key employees of the organization	Yes	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

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, address, and telephone number of the person who possesses the organization's books and records:
 DONALD PAPSON EXEC DIRECTO 63 WEST CHOCOLATE AVE HERSHEY, PA 17033 (717) 298-2200

Check if Schedule O contains a response or note to any line in this Part VII ☐

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

[illegible]

[illegible]

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

Section B. Independent Contractors

(A) Name and business address	(B) Description of services	(C) Compensation
Reynolds Construction, 3300 North Third Street HARRISBURG, PA 17110	Construction MGMT	3,427,638
HERSHEY ENTERTAINMENT RESORTS COM, 27 WEST CHOCOLATE AVENUE HERSHEY, PA 17033	MANAGEMENT SERVICES	364,872
ALLIED MAINTENANCE SYSTEMS INC, 45 FAIRVIEW ROAD PO BOX 450 NEW CUMBERLAND, PA 17070	CLEANING SERVICES	107,739

Form **990** (2016)

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns . . .	1a				
	b Membership dues . . .	1b	176,395			
	c Fundraising events . . .	1c	12,360			
	d Related organizations	1d	28,234			
	e Government grants (contributions)	1e	788,476			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	457,248			
	g Noncash contributions included in lines 1a-1f \$ _____		12,360			
	h Total. Add lines 1a-1f ▶		1,462,713			
Program Service Revenue		Business Code				
	2a Admissions	713990	7,014,360	7,014,360		
	b THEATRE COMMUNITY RENTAL INCOME	531120	185,038	185,038		
	c THEATRE SERVICE FEE INCOME	900099	301,091	301,091		
	d PROGRAM REVENUE FROM HE&R AGREEMENTS	900099	93,460	93,460		
	e OTHER INCOME	900099	540,833	540,833		
	f All other program service revenue					
	g Total. Add lines 2a-2f ▶		8,134,782			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		832,909			832,909
	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				
		11,165,253				
	b Less cost or other basis and sales expenses	10,634,898				
	c Gain or (loss)	530,355				
	d Net gain or (loss) ▶		530,355			530,355
	8a Gross income from fundraising events (not including \$ _____ 12,360 of contributions reported on line 1c) See Part IV, line 18 a		81,468			
	b Less direct expenses b		34,646			
	c Net income or (loss) from fundraising events . . . ▶		46,822			46,822
	9a Gross income from gaming activities See Part IV, line 19 a		0			
b Less direct expenses b		0				
c Net income or (loss) from gaming activities . . . ▶		0				
10a Gross sales of inventory, less returns and allowances . . . a		852,604				
b Less cost of goods sold . . . b		356,697				
c Net income or (loss) from sales of inventory . . . ▶		495,907	495,907			
Miscellaneous Revenue		Business Code				
11a						
b						
c						
d All other revenue						
e Total. Add lines 11a-11d ▶		0				
12 Total revenue. See Instructions ▶		11,513,488	8,630,689			1,420,086

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line 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 domestic organizations and domestic governments. See Part IV, line 21.	3,000	3,000		
2 Grants and other assistance to domestic individuals. See Part IV, line 22.	19,100	19,100		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.	0			
4 Benefits paid to or for members.	0			
5 Compensation of current officers, directors, trustees, and key employees.	192,048		192,048	
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.	2,805,280	2,667,867	137,413	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	471,255	404,992	66,263	
9 Other employee benefits.	539,375	459,361	80,014	
10 Payroll taxes.	271,153	249,393	21,760	
11 Fees for services (non-employees):				
a Management.	462,471	430,132	32,339	
b Legal.	3,353		3,353	
c Accounting.	51,231		51,231	
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.	620,971	555,363	2,191	63,417
13 Office expenses.	41,261	38,869	2,392	
14 Information technology.	69,876	58,598	11,278	
15 Royalties.	0			
16 Occupancy.	634,157	632,638	1,519	
17 Travel.	416	342	74	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19 Conferences, conventions, and meetings.	5,976	3,162	2,814	
20 Interest.	375,796	375,796		
21 Payments to affiliates.	0			
22 Depreciation, depletion, and amortization.	1,726,196	1,725,219	977	
23 Insurance.	140,059	127,957	12,102	
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.	3,307,299	3,307,299		
b PROGRAM SUPPLIES.	156,003	155,753	250	
c COLLECTIONS MANAGEMENT.	133,057	133,057		
d CREDIT CARD FEES.	99,374	99,374		
e All other expenses.	579,093	560,230	18,863	
25 Total functional expenses. Add lines 1 through 24e.	12,707,800	12,007,502	636,881	63,417
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 SheetCheck if Schedule O contains a response or note to any line in this Part IX ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		231,633	1	57,300
	2	Savings and temporary cash investments		2,131,582	2	328,419
	3	Pledges and grants receivable, net		645,029	3	418,672
	4	Accounts receivable, net		2,385,008	4	2,640,633
	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		65,450	8	99,078
	9	Prepaid expenses and deferred charges		123,259	9	102,200
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D.	10a	42,083,020		
	b	Less: accumulated depreciation	10b	19,204,910		
				22,079,778	10c	22,878,110
	11	Investments—publicly traded securities		14,584,933	11	15,201,104
	12	Investments—other securities. See Part IV, line 11		16,415,742	12	15,935,263
	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)		58,662,414	16	57,660,779	
Liabilities	17	Accounts payable and accrued expenses		1,851,429	17	406,918
	18	Grants payable		0	18	0
	19	Deferred revenue		1,838,396	19	2,338,686
	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		12,935,953	23	12,507,597
	24	Unsecured notes and loans payable to unrelated third parties		875,000	24	875,000
	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.		5,921,013	25	5,631,536
26	Total liabilities. Add lines 17 through 25		23,421,791	26	21,759,737	
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		5,084,779	27	8,537,181
	28	Temporarily restricted net assets		30,155,844	28	27,363,861
	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		35,240,623	33	35,901,042	
34	Total liabilities and net assets/fund balances		58,662,414	34	57,660,779	

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	11,513,488
2	Total expenses (must equal Part IX, column (A), line 25)	2	12,707,800
3	Revenue less expenses Subtract line 2 from line 1	3	-1,194,312
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	35,240,623
5	Net unrealized gains (losses) on investments	5	1,483,561
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	371,170
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	35,901,042

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line 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
b 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	
c 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
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Additional Data

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

Form 990 (2016)

Form 990, Part III, Line 4a:
See Schedule O - Hershey Theatre

Form 990, Part III, Line 4b:

See Schedule O - The Hershey Story Museum

Form 990, Part III, Line 4c:

See Schedule O - Hershey Gardens

SCHEDULE A (Form 990 or 990-EZ)	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. ▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990 .	OMB No 1545-0047 2016 Open to Public Inspection
	Department of the Treasury Internal Revenue Service Name of the organization THE MS HERSEY 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 12, 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 (Form 990 or 990-EZ))
- 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 agricultural research organization described in **170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university _____
- 10 ☒ 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)
- 11 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 12 ☐ 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 in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization
- f Enter the number of supported organizations _____
- g Provide the following information about the supported organization(s) _____

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			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, 8, or 9 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)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant.")						
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)2012	(b)2013	(c)2014	(d)2015	(e)2016	(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 VI.))						
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 section 501(c)(3) organization, check this box and stop here ▶ ☐						
Section C. Computation of Public Support Percentage						
14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f))					14	
15 Public support percentage for 2015 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2016. 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—2015. 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—2016. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐						
b 10%-facts-and-circumstances test—2015. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐						
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐						

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 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)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
1	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	1,495,078	1,102,230	3,181,797	1,711,855	1,462,713	8,953,673
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	6,913,082	8,053,369	6,525,865	7,493,813	8,134,782	37,120,911
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	8,408,160	9,155,599	9,707,662	9,205,668	9,597,495	46,074,584
7a	Amounts included on lines 1, 2, and 3 received from disqualified persons	347,002	243,047	93,936	261,624	271,724	1,217,333
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	347,002	243,047	93,936	261,624	271,724	1,217,333
8	Public support. (Subtract line 7c from line 6.)						44,857,251

Section B. Total Support

Calendar year (or fiscal year beginning in) ►		(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
9	Amounts from line 6	8,408,160	9,155,599	9,707,662	9,205,668	9,597,495	46,074,584
10a	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	938,715	954,340	1,007,400	951,244	842,909	4,694,608
b	Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c	Add lines 10a and 10b	938,715	954,340	1,007,400	951,244	842,909	4,694,608
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 VI.)						0
13	Total support. (Add lines 9, 10c, 11, and 12.)	9,346,875	10,109,939	10,715,062	10,156,912	10,440,404	50,769,192
14	First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► ☐						

Section C. Computation of Public Support Percentage

15	Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	88.355 %
16	Public support percentage from 2015 Schedule A, Part III, line 15	16	86.139 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f))	17	9.247 %
18	Investment income percentage from 2015 Schedule A, Part III, line 17	18	9.925 %

19a 33 1/3% support tests—2016. 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—2015. 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 Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>	1	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>	3a	
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>	3b	
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>	4a	
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>	4b	
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>	5a	
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b	
c Substitutions only. Was the substitution the result of an event beyond the organization's control?	5c	
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>	6	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>	7	
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>	8	
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>	9a	
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>	9b	
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>	9c	
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>	10a	
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>	10b	

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI</i>		
11a		
11b		
11c		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
1		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.</i>		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
1		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
2		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		
3		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)		
a ☐ The organization satisfied the Activities Test. Complete line 2 below.		
b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.		
c ☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
2a		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
2b		
3 Parent of Supported Organizations Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
3a		
b Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		
3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1** ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income

	(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1	
2 Recoveries of prior-year distributions	2	
3 Other gross income (see instructions)	3	
4 Add lines 1 through 3	4	
5 Depreciation and depletion	5	
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7 Other expenses (see instructions)	7	
8 Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount

	(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1	
a Average monthly value of securities	1a	
b Average monthly cash balances	1b	
c Fair market value of other non-exempt-use assets	1c	
d Total (add lines 1a, 1b, and 1c)	1d	
e Discount claimed for blockage or other factors (explain in detail in Part VI)		
2 Acquisition indebtedness applicable to non-exempt use assets	2	
3 Subtract line 2 from line 1d	3	
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6 Multiply line 5 by .035	6	
7 Recoveries of prior-year distributions	7	
8 Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount

		Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2 Enter 85% of line 1	2	
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4 Enter greater of line 2 or line 3	4	
5 Income tax imposed in prior year	5	
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7 ☐ Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)		

Part V

Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2016 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1 Distributable amount for 2016 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2016 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2016			
a			
b			
c From 2013.			
d From 2014.			
e From 2015.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2016 distributable amount			
i Carryover from 2011 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2016 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2016 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2016, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2016 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 Excess distributions carryover to 2017. Add lines 3j and 4c			
8 Breakdown of line 7			
a			
b Excess from 2013.			
c Excess from 2014.			
d Excess from 2015.			
e Excess from 2016.			

Part VI **Supplemental Information.**

Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493313005147	
SCHEDULE D (Form 990) Department of the Treasury Internal Revenue Service		Supplemental Financial Statements ► Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. ► Attach to Form 990. Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.			OMB No 1545-0047 2016 Open to Public Inspection
Name of the organization THE MS HERSEY FOUNDATION				Employer identification number 23-6242734	
Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.					
		(a) Donor advised funds		(b) Funds and other accounts	
1	Total number at end of year				
2	Aggregate value of contributions to (during year)				
3	Aggregate value of 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" on 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				2a	
b Total acreage restricted by conservation easements				2b	
c Number of conservation easements on a certified historic structure included in (a)				2c	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register				2d	
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, handling of violations, and enforcing conservation easements during the year ►					
7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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" on 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) Revenue included on 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 Revenue included on 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) 2016		

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

b☒ Scholarly research

c☒ Preservation for future generations

d☒ Loan or exchange programs

e☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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" on 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, for escrow or custodial account liability?

☐ 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" on Form 990, Part IV, line 10.

	(a)Current year	(b)Prior year	(c)Two years back	(d)Three years back	(e)Four years back	
1a	Beginning of year balance	30,155,844	32,575,108	30,126,354	26,882,737	25,193,826
b	Contributions	50,616	600,531	1,834,788	86,366	28,958
c	Net investment earnings, gains, and losses	1,755,584	-1,409,863	700,324	3,186,425	1,711,659
d	Grants or scholarships					
e	Other expenditures for facilities and programs	4,598,183	1,609,932	86,358	29,174	51,706
f	Administrative expenses					
g	End of year balance	27,363,861	30,155,844	32,575,108	30,126,354	26,882,737

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 on 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

	Yes	No
(i) unrelated organizations		No
(ii) related organizations	Yes	
b	Yes	

(i) unrelated organizations

(ii) related organizations

b

If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R?

4

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

Part VI

Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. 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	874,650		874,650
b	Buildings	29,856,748	10,415,086	19,441,662
c	Leasehold improvements	7,937,002	6,171,580	1,765,422
d	Equipment	3,414,620	2,618,244	796,376
e	Other			
Total.	Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))			22,878,110

Part VII

Investments—Other Securities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b.
See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A) COMMON TRUST FUNDS - FOREIGN	4,365,382	F
(B) COMMON TRUST FUNDS - DOMESTIC	6,935,482	F
(C) LIMITED PARTNERSHIPS - FOREIGN	1,250,362	F
(D) DELAWARE TRUST FUND - FOREIGN	2,154,446	F
(E) LIMITED PARTNERSHIP - DOMESTIC	1,229,591	F
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ▶	15,935,263	

Part VIII

Investments—Program Related. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c.
See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13) ▶		

Part IX

Other Assets. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ▶	

Part X

Other Liabilities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f.
See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	0
ACCRUED POST RETIREMENT BENEFIT OBLIGATION	4,621,764
INTEREST RATE SWAP LIABILITY	1,009,772
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	5,631,536

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII

☒

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

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	13,205,821
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains (losses) on investments	2a	1,483,561
b	Donated services and use of facilities	2b	188,599
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	20,173
e	Add lines 2a through 2d	2e	1,692,333
3	Subtract line 2e from line 1	3	11,513,488
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	11,513,488

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	13,287,742
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	188,599
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	391,343
e	Add lines 2a through 2d	2e	579,942
3	Subtract line 2e from line 1	3	12,707,800
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	12,707,800

Part XIII Supplemental Information

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.

Return Reference	Explanation
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

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

Supplemental Information

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

Supplemental Information

Return Reference	Explanation
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 PUBLIC GARDENS

Supplemental Information

Return Reference	Explanation
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 I N 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 AN Y RESIDENT OF DERRY TOWNSHIP IN ADDITION, UPON APPROVAL BY THE BOARD OF MANAGERS, THE END OWMENT FUNDS CAN BE UTILIZED TO PURCHASE LAND AND ERECT A BUILDING OR BUILDINGS UPON SUCH LAND

Supplemental Information

Return Reference	Explanation
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

Supplemental Information

Return Reference	Explanation
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

Supplemental Information	
Return Reference	Explanation
SCHEDULE D, PART XI, LINE 2D	SPECIAL EVENT EXPENSES (RECLASS) \$ 34,646 RETAIL EXPENSE (RECLASS) 356,697 Decrease in unr ecognized benefit cost (229,892) Decrease in interest rate swap liability (141,278) ----- - \$ 20,173

Supplemental Information

Return Reference	Explanation
SCHEDULE D, PART XII, LINE 2D	SPECIAL EVENT EXPENSES (RECLASS) \$ 34,646 RETAIL EXPENSE(RECLASS) 356,697 ----- \$ 391,343

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" on Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
THE MS HERSEY FOUNDATION

Employer identification number
23-6242734

Part I Fundraising Activities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a ☐ Mail solicitations

b ☐ Internet and email solicitations

c ☐ Phone solicitations

d ☐ In-person solicitations

e ☐ Solicitation of non-government grants

f ☐ Solicitation of government grants

g ☐ Special fundraising events
- 2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No
- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(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			
1 THE NCS GROUP LTD	precampaign consulting		No			
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total ▶						

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

Part II Fundraising Events. Complete if the organization answered "Yes" on 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)
		Cultural Expres (event type)	Beyond the Foot (event type)	2 (total number)	Total events (add col (a) through col (c))
	1 Gross receipts	34,300	30,168	17,000	81,468
	2 Less Contributions		12,360		12,360
	3 Gross income (line 1 minus line 2)	34,300	17,808	17,000	69,108
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages	11,400		2,030	13,430
	8 Entertainment	275			275
	9 Other direct expenses	2,891	4,656	1,034	8,581
	10 Direct expense summary Add lines 4 through 9 in column (d) ►				22,286
	11 Net income summary Subtract line 10 from line 3, column (d) ►				46,822

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

Revenue		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Direct Expenses	1 Gross revenue				
	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes _____ % ☐ No	☐ Yes _____ % ☐ No	☐ Yes _____ % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ►				
	8 Net gaming income summary Subtract line 7 from line 1, column (d) ►				

9 Enter the state(s) in which the organization conducts gaming activities _____

a Is the organization licensed to conduct gaming activities in each of these states?

☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

☐ Yes ☐ No

b If "Yes," explain _____

- 11** Does the organization conduct 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 conducted 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.** 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).

Return Reference

Explanation

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
THE MS HERSHEY FOUNDATION

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

Complete if the organization answered "Yes," on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public Inspection

Employer identification number
23-6242734

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

- 2

Enter total number of section 501(c)(3) and government organizations listed in the line 1 table
- 3

Enter total number of other organizations listed in the line 1 table

Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22

Part III can be duplicated if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) Apollo Awards	101	19,100		N/A	none
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
FORM 990, SCHEDULE I, PART I, LINE 2	THE HERSHEY THEATRE APOLLO AWARDS ARE PRESENTED TO RECOGNIZE OUTSTANDING ACHIEVEMENT BY LOCAL HIGH SCHOOL STUDENTS IN THEIR MUSICAL AND PLAY PRODUCTIONS THE PROGRAM PROVIDES SUPPORT AND ENCOURAGEMENT TO YOUNG, TALENTED STUDENTS IN THE PERFORMING ARTS IN THE REGION

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" on Form 990, Part IV, line 23.
▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

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 on 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)		
b 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.	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	
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 on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c 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.	4a 4b 4c	No Yes Yes
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9. 5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization? b Any related organization? If "Yes," on line 5a or 5b, describe in Part III.	5a 5b	No No
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization? b Any related organization? If "Yes," on line 6a or 6b, describe in Part III.	6a 6b	No No
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7	No
8 Were any amounts reported on 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.	8	No
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on 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 in column(B) reported as deferred on prior Form 990
		Base (i) compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 GAYLA MOLINELLI ASST TREASURER	(i)	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----
	(ii)	227,347	44,584	5,162	39,750	19,731	336,574	0
2 JAMES M MEAD BOARD OF MANAGERS	(i)	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----
	(ii)	268,000	0	0	135,000	0	403,000	0
3 VELMA A REDMOND ESQ BOARD OF MANAGERS	(i)	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----
	(ii)	216,000	0	0	0	0	216,000	0
4 DONALD PAPSON EXECUTIVE DIRECTOR	(i)	165,000 -----	0 -----	0 -----	11,550 -----	14,498 -----	191,048 -----	0 -----
	(ii)	70,793	0	0	0	0	70,793	0
5 MARC WOOLLEY SECRETARY TO 7/8/2016	(i)	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----
	(ii)	200,687	0	1,275	14,111	1,879	217,952	0
6 ERIC HENRYTREASURER	(i)	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----
	(ii)	498,146	850,000	2,465	35,000	18,085	1,403,696	0
7 Steven Sparks Esq Secretary as of 7/11/2016	(i)	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----	0 -----
	(ii)	201,708	0	20,885	0	11,702	234,295	0

Part III **Supplemental Information**

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.

Return Reference	Explanation
See Additional Data	

Additional Data

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

Part III, Supplemental Information

Return Reference	Explanation
SCHEDULE J, PART I, QUESTION 4B	SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN DONALD PAPSON RETIRED FROM THE HERSHEY COMPANY PRIOR TO HIS EMPLOYMENT WITH THE M S HERSHEY FOUNDATION INCLUDED IN HIS COMPENSATION ARE PAYMENTS MADE BY THE HERSHEY COMPANY FOR DEFERRED COMPENSATION NONE OF THE PAYMENTS WERE MADE BY THE M S HERSHEY FOUNDATION AND DID NOT RELATE TO HIS SERVICE FOR THE FOUNDATION

Part III, Supplemental Information

Return Reference	Explanation
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 III, Supplemental Information

Return Reference	Explanation
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 SERVES AS TRUSTEE FOR THE MILTON HERSHEY SCHOOL & SCHOOL TRUST AND SERVES AS TRUSTEE FOR 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 (SCH J, PART II, LINE (II)) 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) (Sch J, Part II, Line (i)) M DIANE KOKEN COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM A RELATED FOR-PROFIT COMPANY, HERSHEY TRUST COMPANY (EIN 23-0692150) 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) 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 ESTABLISHED BASED UPON DATA PROVIDED 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 MOLINELLI MS MOLINELLI SERVES AS THE ASSISTANT TREASURER OF THE M S HERSHEY FOUNDATION SHE SERVED AS THE ASSISTANT SECRETARY UNTIL JANUARY 2014 SHE ALSO SERVES AS THE VICE PRESIDENT AND CFO OF HERSHEY TRUST COMPANY (EIN 23-0692150), A FOR-PROFIT RELATED CORPORATION ERIC HENRY MR HENRY SERVES AS THE TREASURER OF THE M S HERSHEY FOUNDATION HE ALSO SERVES AS THE CHIEF EXECUTIVE OFFICER AND CHIEF INVESTMENT OFFICER OF HERSHEY TRUST COMPANY (EIN 23-0692150), A FOR-PROFIT RELATED CORPORATION, ACTING TREASURER OF HERSHEY TRUST COMPANY AND MILTON HERSHEY SCHOOL (EIN 23-1353340), A RELATED TAX-EXEMPT ORGANIZATION, AND AS CHAIRMAN OF THE BOARD OF HERSHEY ENTERTAINMENT & RESORTS (EIN 23-0691815), A RELATED FOR-PROFIT CORPORATION MARC WOOLLEY MR WOOLLEY SERVED AS THE SECRETARY OF THE M S HERSHEY FOUNDATION UNTIL 7/8/2016 HE ALSO SERVED AS THE DEPUTY GENERAL COUNSEL, SECRETARY AND CHIEF COMPLIANCE OFFICER FOR THE HERSHEY TRUST COMPANY (EIN 23-0692150), A RELATED FOR-PROFIT CORPORATION, AND SECRETARY OF MILTON HERSHEY SCHOOL (EIN 23-1353340), A RELATED TAX-EXEMPT ORGANIZATION UNTIL 7/6/2016 STEVEN SPARKS MR SPARKS BEGAN SERVING AS THE SECRETARY OF THE M S HERSHEY FOUNDATION ON 7/1/2016 HE IS ALSO THE GENERAL COUNSEL, SENIOR VICE PRESIDENT, BOARD SECRETARY AND INTERIM COMPLIANCE OFFICER FOR HERSHEY TRUST COMPANY (EIN 23-0692150), A RELATED FOR-PROFIT CORPORATION AND SECRETARY OF MILTON HERSHEY SCHOOL (EIN 23-1353340), A RELATED TAX-EXEMPT ORGANIZATION LINDA VETTORI MS VETTORI SERVES AS THE ASSISTANT SECRETARY OF THE M S HERSHEY FOUNDATION SHE IS ALSO THE ASSISTANT SECRETARY OF THE HERSHEY TRUST COMPANY (EIN 23-0692150), A RELATED FOR-PROFIT CORPORATION, AND MILTON HERSHEY SCHOOL (EIN 23-1353340), A RELATED TAX-EXEMPT ORGANIZATION 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

Part III, Supplemental Information

Return Reference	Explanation
FORM 990, PART VII/SCHEDULE J	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 The Hershey Entertainment HERSHEY SCHOOL & HERSHEY & RESORTS CO SCHOOL TRUST COMPANY M DIANE KOKEN 10 5 - - JAMES MEAD 7 0 4 0 - VELMA REDMOND 28 0 - - GAYLA MOLINELLI 53 0 - - ERIC HENRY 55 0 - 9 STEVEN SPARKS Esq 53 0 - - MARC WOOLLEY 48 0 - - LINDA VETTORI 48 0 - - NOTE Time spent on Hershey Trust Company matters is included in the Milton Hershey School & School Trust average hours worked per week

Part III, Supplemental Information

Return Reference	Explanation
FORM 990, PART VII, SCHEDULE J	THE RELATED ORGANIZATIONS PROVIDE THE FOUNDATION WITH ALL PERTINENT PAYROLL INFORMATION REQUIRED TO COMPLETE PART VII AND SCHEDULE J OF THE FORM 990

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
THE MS HERSHEY FOUNDATION

Employer identification number
23-6242734

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only)
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
Total						▶ \$						

Part III Grants or Assistance Benefiting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) SUBSTANTIAL CONTRIBUTOR	SUBSTANTIAL CONTRIBUTOR	611,931	FEES FOR SERVICES & ITEMS		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

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

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

►Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.
►Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
THE MS HERSHEY FOUNDATION

Employer identification number
23-6242734

Part I

Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures . .				
3 Art—Fractional interests . .				
4 Books and publications . .				
5 Clothing and household goods				
6 Cars and other vehicles . . .				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded .				
10 Securities—Closely held stock .				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous . .				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential . .				
16 Real estate—Commercial . .				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies .				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts . . .				
25 Other ► (<u>ARCHIVAL DOCUMENTS</u>)	X	825	0	n/a
26 Other ► (<u> </u>)				
27 Other ► (<u> </u>)				
28 Other ► (<u> </u>)				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement			29	

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that
it must hold for at least three years from the date of the initial contribution, and which is not required to be used
for exempt purposes for the entire holding period?

30a

Yes

No

b If "Yes," describe the arrangement in Part II

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

No

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash
contributions?

32a

Yes

No

b If "Yes," describe in Part II

33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked,
describe in Part II

33

Yes

No

Part II **Supplemental Information.**

Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
SCHEDULE M, PART I, COLUMN (B)	THE NUMBER OF CONTRIBUTIONS IS EQUAL TO THE OCCASIONS FOR WHICH THE M S HERSHEY FOUNDATION RECEIVED THEM ARCHIVAL DOCUMENTS CONTRIBUTED CONSISTED OF 60 CUBIC FEET OF PAPER DOCUMENTS AND 765 PHOTOGRAPHS FOR A TOTAL OF 825 CONTRIBUTIONS
SCHEDULE M, PART I, LINE 32B	Hershey Trust Co as trustee processes all stock received and sold

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization
THE MS HERSHEY FOUNDATION

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public Inspection

Employer identification number

23-6242734

990 Schedule O, Supplemental Information

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

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III, LINES 4A-4D	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS PROGRAM SERVICE ACCOMPLISHMENT #1 (LINE 4A) HERSHEY THEATRE - COMPLETED DURING MILTON HERSHEY'S 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 THEATRE'S 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 104,000 EXPENSES \$6,194,218 REVENUE \$5,885,522 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 BUSINESS, 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 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 168,000 EXPENSES \$3,358,202 REVENUE \$1,651,633 PROGRAM SERVICE ACCOMPLISHMENT #3 (LINE 4C) HERSHEY GARDENS WAS ORIGINALLY DEVELOPED IN 1937 AT MILTON HERSHEY'S REQUEST IT HAS SINCE EXPANDED AND NOW FEATURES 23 ACRES OF SEASONAL DISPLAYS AND RARE TREES WITHIN 11 THEME GARDENS THE CHILDREN'S GARDEN AND HOOP HOUSE OFFER CHILDREN HANDS-ON LEARNING AS THEY DISCOVER THE WONDER OF NATURE AND PLANTS THE GREAT GARDEN ADVENTURE IS A PROGRAM FEATURING AN INTERACTIVE GUIDE THAT HELPS CHILDREN EXPLORE AND LEARN THROUGHOUT THE CHILDREN'S 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 During the 2016 calendar year, the Gardens COMPLETED a project to build a year round education facility which include a year round butterfly habitat and educational classroom NUMBER BENEFITTED 130,700 EXPENSES \$2,187,217 REVENUE \$964,060 PROGRAM SERVICE ACCOMPLISHMENT - OTHER ARCHIVES & OTHER MISCELLANEOUS SERVICES - THE HERSHEY COMMUNITY ARCHIVES COLLECTS AND MAINTAINS HISTORICAL DOCUMENTATION

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III, LINES 4A-4D	ON SUCH AS PHOTOGRAPHS, ORAL HISTORIES, AND OTHER TWO DIMENSIONAL ARTIFACTS CHRONICLING TH E 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 WEBSITE ACCESS TO THESE HISTORICAL RECORDS HAS DRAMATICALLY INCREASED THE RESEARCH POTENTIAL NUMBER BENEFITTED 4,000 EXPENSES \$ 267,872 REVENUE \$129,474

990 Schedule O, Supplemental Information

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

990 Schedule O, Supplemental Information

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, AND THE HERSHEY STORY, 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 THEATRE OPERATIONS MANAGEMENT 3 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

990 Schedule O, Supplemental Information

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 EITHER VIA CONFERENCE CALL OR AT ONE OF ITS SCHEDULED MEETINGS PRIOR TO FILING THE RETURN WITH THE INTERNAL REVENUE SERVICE, NOTING KEY DISCLOSURES

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	CONFLICT OF INTEREST THE BOARD OF MANAGERS, OFFICERS AND KEY EMPLOYEES OF THE M S HERSHEY FOUNDATION HAVE A FIDUCIARY RELATIONSHIP WITH THE M S HERSHEY FOUNDATION WHICH REQUIRES THAT THEY ACT IN GOOD FAITH WITH REGARD TO THE M S HERSHEY FOUNDATION'S BEST INTERESTS IT IS ESSENTIAL IN FULFILLING THEIR DUTIES THAT THEY APPLY THE HIGHEST MORAL, LEGAL, AND ETHICAL STANDARDS IN THEIR CONDUCT AND BUSINESS RELATIONSHIPS BOTH, THE M S HERSHEY FOUNDATION AND THE HERSHEY TRUST COMPANY, TRUSTEE FOR THE M S HERSHEY FOUNDATION, HAVE WRITTEN CONFLICT OF INTEREST POLICES WHICH ARE INTENDED TO PERMIT THE M S HERSHEY FOUNDATION AND ITS MANAGERS, OFFICERS AND OTHER KEY EMPLOYEES TO IDENTIFY, EVALUATE AND ADDRESS ANY CONFLICT OF INTEREST THAT MIGHT CALL INTO QUESTION THIS FIDUCIARY DUTY TO THE M S HERSHEY FOUNDATION THE CONFLICT OF INTEREST POLICY COVERING THE MANAGERS, OFFICERS AND KEY EMPLOYEES IS DOCUMENTED IN THE "CONFLICT OF INTEREST" SECTION OF THE GOVERNANCE GUIDELINES FOR THE M S HERSHEY FOUNDATION ADDITIONALLY, THE CONFLICT OF INTEREST POLICY COVERING MANAGERS, OFFICERS AND KEY EMPLOYEES IS DOCUMENTED IN "ETHICAL STANDARDS" "CONFLICT OF INTEREST" "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 SECRETARY/GENERAL COUNSEL FOR POTENTIAL CONFLICTS 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

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15A & 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 COMPENSATION OF THE M S HERSHEY FOUNDATION'S OFFICERS, WHO ARE EMPLOYEES OF THE HERSHEY TRUST COMPANY (TRUSTEE OF M S HERSHEY FOUNDATION) RECEIVE NO COMPENSATION FROM THE FOUNDATION

990 Schedule O, Supplemental Information

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

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9	RECONCILIATION OF NET ASSETS DECREASE IN UNRECOGNIZED BENEFIT COST \$229,892 DECREASE IN INTEREST RATE SWAP 141,278 ----- TOTAL 371,170

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

► Attach to Form 990. ► Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
THE MS HERSHEY FOUNDATION

Employer identification number
23-6242734

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

(a) Name, address, and EIN (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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1)THE MILTON HERSHEY SCHOOL & SCHOOL TRUST PO BOX 445 HERSHEY, PA 17033 23-1353340	SCHOOL	PA	501(c)(3)	2	HTC-Trustee		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
(4)HERSHEY CEMETERY PERPETUAL MAINTENANCE PO BOX 445 HERSHEY, PA 17033 23-6629638	SUPP CEMET CO	PA	501(C)(13)		HTC-Trustee		No

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

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

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

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

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 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

1a

No

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

1b

No

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

1c

Yes

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

1d

No

e Loans or loan guarantees by related organization(s)

1e

No

f Dividends from related organization(s)

1f

No

g Sale of assets to related organization(s)

1g

No

h Purchase of assets from related organization(s)

1h

No

i Exchange of assets with related organization(s)

1i

No

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

1j

No

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

1k

Yes

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

1l

No

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

1m

Yes

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

1n

Yes

o Sharing of paid employees with related organization(s)

1o

Yes

p Reimbursement paid to related organization(s) for expenses

1p

No

q Reimbursement paid by related organization(s) for expenses

1q

Yes

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

1r

No

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

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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

Schedule R (Form 990) 2016

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**

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
SCHEDULE R, PART V	No disclosures are required for Schedule R, Part V, Line 2 because the M S Hershey Foundation does not control any other related organization