

Form 990

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2008

Open to Public
InspectionDepartment of the Treasury
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

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

A For the 2008 calendar year, or tax year beginning

08/01, 2008, and ending

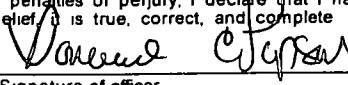
07/31, 2009

<input checked="" type="checkbox"/> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization THE M.S. HERSHEY FOUNDATION			D Employer identification number 23-6242734	
	Doing Business As			E Telephone number (717) 298-2200	
	Number and street (or P O box if mail is not delivered to street address)			Room/suite	
	63 WEST CHOCOLATE AVENUE				
	City or town, state or country, and ZIP + 4			G Gross receipts \$ 16,327,503.	
	HERSHEY, PA 17033			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
F Name and address of principal officer MR. RAYMOND GOVER 63 W CHOCOLATE AVENUE HERSHEY, PA 17033					
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) <input type="checkbox"/> (insert no.)	4947(a)(1) or	527	H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No		
J Website: ► WWW.MSHERSEYFOUNDATION.ORG					
K Type of organization <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> 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 ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets			
	3 Number of voting members of the governing body (Part VI, line 1a)	3	5	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	NONE	
	5 Total number of employees (Part V, line 2a)	5	121	
	6 Total number of volunteers (estimate if necessary)	6	504	
7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	NONE		
7b Net unrelated business taxable income from Form 990-T, line 34	7b	NONE		
Revenue	8 Contribution and grants (Part VIII, line 1h)	Prior Year 271,543. Current Year 6,727,287.		
	9 Program service revenue (Part VIII, line 2g)	5,851,640. 5,634,437.		
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,472,443. -21,112.		
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)			3,040.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,595,626.		12,343,652.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	NONE		
	14 Benefits paid to or for members (Part IX, column (A), line 4)	NONE		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,707,223.		3,353,667.
	16a Professional fundraising fees (Part IX, column (A), line 11e)			NONE
	b Total fundraising expenses, Part IX, column (D), line 25) ► 50,740.			
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	6,112,735.		6,799,653.
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	8,819,958.		10,153,320.	
19 Revenue less expenses Subtract line 18 from line 12	-1,224,332.		2,190,332.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Year 53,601,692.		End of Year 55,641,035.
	21 Total liabilities (Part X, line 26)	16,755,682.		21,335,877.
	22 Net assets or fund balances Subtract line 21 from line 20.	36,846,010.		34,305,158.

Part II Signature Block

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge			
	► 			Date 6-15-10
	► Signature of officer DONATO C. Papson Executive Director			
► Type or print name and title				

Paid Preparer's Use Only	Preparer's signature ► 	Date 6/15/2010	Check if self- employed ► <input type="checkbox"/>	Preparer's identifying number (see instructions) 000032885
	Firm's name (or yours if self-employed), address, and ZIP + 4 ► WTAS LLC 335 COMMERCE DRIVE - SUITE 201 FORT WASHINGTON, PA 19034	EIN ► 33-1197384	Phone no ► 215-654-1600	

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2008)

JSA
BE1010 2 000

82745U 827G

V08-8.3 2334545

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Part III Statement of Program Service Accomplishments (see instructions)**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.

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

4a (Code) (Expenses \$ 4,524,464. including grants of \$) (Revenue \$ 3,974,100.)

THE HERSHEY THEATRE PRESENTS THEATRICAL, MUSICAL AND DANCE PRODUCTIONS AS WELL AS SPECIAL INTEREST CLASSES AND WORKSHOPS AS A MEANS OF CULTURAL ENRICHMENT FOR THE COMMUNITY. IN ADDITION, THEY SPONSOR A SCHOLARSHIP CONTEST FOR AREA HIGH SCHOOL PERFORMERS TO RECOGNIZE THEIR EFFORTS IN THE AREA OF THE PERFORMING ARTS. NUMBER OF PERSONS BENEFITED: 103,000.

4b (Code) (Expenses \$ 3,091,958. including grants of \$) (Revenue \$ 689,000.)

THE HERSHEY STORY DEPICTS THE STORY OF THE LIFE OF MILTON S HERSHEY AND HIS COMMUNITY. THE HERSHEY STORY ALSO PROVIDES EDUCATIONAL PROGRAMMING AS PART OF THE LAB EXPERIENCE AND IN THE COMMUNITY PARK. ALL DERRY TOWNSHIP SCHOOL STUDENTS ARE ADMITTED FREE OF CHARGE TO THE PROGRAM AT THE HERSHEY STORY. NUMBER OF PERSONS BENEFITED: 107,000.

4c (Code) (Expenses \$ 1,372,809. including grants of \$) (Revenue \$ 612,000.)

THE HERSHEY GARDENS OFFERS A FLORAL LANDSCAPE AND BOTANICAL GARDENS AS A MEANS OF EDUCATIONAL AND CULTURAL BENEFIT TO THE COMMUNITY. EDUCATIONAL OPPORTUNITIES FOR ALL AGES ARE OFFERED IN THE FORM OF PROGRAMS AND CLASSES HELD IN AND ABOUT THE GARDENS. ALL DERRY TOWNSHIP SCHOOL STUDENTS ARE ADMITTED FREE OF CHARGE TO THE HERSHEY GARDENS. NUMBER OF PERSONS BENEFITED: 97,500.

4d Other program services (Describe in Schedule O)

(Expenses \$ 303,204. including grants of \$) (Revenue \$ 359,337.)

4e Total program service expenses ► \$ 9,292,435. (Must equal Part IX, Line 25, column (B))

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete Schedule B, Schedule of Contributors?

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

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II

5 **Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III

6 Did the organization maintain any donor advised funds or any accounts where 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

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

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV

10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V

11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the U S ?

 b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? If "Yes," complete Schedule F, Part I

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III

17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I

18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II

19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III

20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H

21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II

22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III

23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J

24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25

 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) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I

 b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part II

26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part III

27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part IV

	Yes	No
1	X	
2	X	
3		X
4		X
5		
6		X
7		X
8	X	
9		X
10	X	
11	X	
12		X
13		X
14a		X
14b		X
15		X
16		X
17		X
18	X	
19		X
20		X
21		X
22		X
23	X	
24a		X
24b		
24c		
24d		
25a		X
25b		X
26		X
27		X

Part IV Checklist of Required Schedules (continued)

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV	28a	X
b	Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV	28b	X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV	28c	X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33	X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35	X
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37	X

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Part V Statements Regarding Other IRS Filings and Tax Compliance

	Yes	No
1a Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable	1a	34
1b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	NONE
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
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	121
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X
Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)		
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b If "Yes," enter the name of the foreign country ► See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a Did the organization solicit any contributions that were not tax deductible?	6a	X
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).	7a	X
a Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	7b	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	X
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
d If "Yes," indicate the number of Forms 8282 filed during the year	7e	X
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	8	X
8 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	X
9 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.	9b	X
a Did the organization make any taxable distributions under section 4966?		
b Did the organization make a distribution to a donor, donor advisor, or related person?		
10 Section 501(c)(7) organizations. Enter:	10a	
a Initiation fees and capital contributions included on Part VIII, line 12	10b	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11 Section 501(c)(12) organizations. Enter	11a	
a Gross income from members or shareholders	11b	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
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	

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions

1a Enter the number of voting members of the governing body **1a** **5**
 b Enter the number of voting members that are independent **1b** **NONE**

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? **2** **X**

3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? **3** **X**

4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? **4** **X**

5 Did the organization become aware during the year of a material diversion of the organization's assets? **5** **X**

6 Does the organization have members or stockholders? **6** **X**

7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? **7a** **X**
 b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? **7b** **X**

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following
 a The governing body? **8a** **X**
 b Each committee with authority to act on behalf of the governing body? **8b** **X**

9a Does the organization have local chapters, branches, or affiliates? **9a** **X**
 b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? **9b**

10 Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990 **10** **X**

11 Is there any officer, director or 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 **11** **X**

Section B. Policies

12a Does the organization have a written conflict of interest policy? If "No," go to line 13 **12a** **X**
 b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? **12b** **X**
 c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done **12c** **X**

13 Does the organization have a written whistleblower policy? **13** **X**

14 Does the organization have a written document retention and destruction policy? **14** **X**

15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision
 a The organization's CEO, Executive Director, or top management official? **15a** **X**
 b Other officers or key employees of the organization? **15b** **X**

Describe the process in Schedule O (see instructions)

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? **16a** **X**
 b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? **16b**

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► **PA**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply
 Own website Another's website Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► **DONALD_PAPSON,_EXEC._DIRECTOR_63_WEST_CHOCOLATE_AVE._HERSHEY,_PA_17033**
717-298-2200

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

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List 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, and 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 the organization did not compensate any officer, director, trustee, or key employee.

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

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ► 1

3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual.

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person.

	Yes	No
3	X	
4	X	
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
SEE STATEMENT 1		
2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ►	9	

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ► 9

Part VIII Statement of Revenue

23-6242734

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1b Membership dues 1c Fundraising events 1d Related organizations 1e Government grants (contributions) 1f All other contributions, gifts, grants, and similar amounts not included above 1g Noncash contributions included in lines 1a-1f \$ 1h Total. Add lines 1a-1f ►	1a 210,921. 1c 14,570. 1d 1,216,036. 1e 4,589,218. 1f 696,542. 1g 20,227. 1h 6,727,287.			
Program Service Revenue		Business Code			
	2a ADMISSIONS 2b EDUCATION SERVICES 2c RENTAL INCOME 2d OTHER INCOME 2e SALE OF MUSEUM COLLECTIONS 2f All other program service revenue 2g Total. Add lines 2a-2f ►	713990 611710 532000 900099 900099	4,744,776. 121,174. 243,575. 477,617. 47,295.	4,744,776. 121,174. 243,575. 477,617. 47,295.	
	3 Investment income (including dividends, interest, and other similar amounts) ►		720,883.		720,883.
	4 Income from investment of tax-exempt bond proceeds ►		NONE		
	5 Royalties ►		NONE		
	6a Gross Rents b Less rental expenses c Rental income or (loss) d Net rental income or (loss) ►	(i) Real (ii) Personal			
	7a Gross amount from sales of assets other than inventory b Less cost or other basis and sales expenses c Gain or (loss) d Net gain or (loss) ►	(i) Securities 3,237,252. (ii) Other 4,044. 3,899,690. -662,438. 83,601. -79,557.			
	8a Gross income from fundraising events (not including \$ 14,570. of contributions reported on line 1c) See Part IV, line 18 b Less direct expenses c Net income or (loss) from fundraising events ►	STMT 2 a 3,600. b 560. c STMT 3. . . ►			
			3,040.		3,040.
	9a Gross income from gaming activities See Part IV, line 19 b Less direct expenses c Net income or (loss) from gaming activities ►	a b			
	10a Gross sales of inventory, less returns and allowances b Less cost of goods sold c Net income or (loss) from sales of inventory. ►	a b			
	Miscellaneous Revenue	Business Code			
	11a b c d All other revenue e Total. Add lines 11a-11d ►				
	12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ►	12,343,652.	5,634,437.		-18,072.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	NONE			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	199,797.	73,486.	126,311.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	NONE			
7 Other salaries and wages	2,221,826.	2,096,967.	124,859.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	345,770.	313,978.	31,792.	
9 Other employee benefits	308,337.	281,652.	26,685.	
10 Payroll taxes	277,937.	257,227.	20,710.	
11 Fees for services (non-employees)				
a Management	228,560.	213,792.	14,768.	
b Legal	92,768.	38,008.	54,760.	
c Accounting	53,788.		53,788.	
d Lobbying	NONE			
e Professional fundraising services See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	NONE			
12 Advertising and promotion	681,832.	677,284.	4,548.	
13 Office expenses	81,301.	73,055.	8,246.	
14 Information technology	84,152.	63,157.	20,995.	
15 Royalties	NONE			
16 Occupancy	722,832.	664,882.	57,950.	
17 Travel	3,088.	2,732.	356.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	5,197.	4,547.	650.	
20 Interest	213,932.		213,932.	
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	1,424,144.	1,403,063.	21,081.	
23 Insurance	128,597.	113,153.	15,444.	
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a COST_OF_ATTRACTIONS	2,371,294.	2,371,294.		
b COLLECTIONS MANAGEMENT	116,479.	116,479.		
c PROGRAM_SUPPLIES	300,566.	300,566.		
d PURCHASE-MUSEUM_COLLECTIONS	21,571.	21,571.		
e MISCELLANEOUS	269,552.	205,542.	13,270.	50,740.
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	10,153,320.	9,292,435.	810,145.	50,740.
26 Joint Costs. Check here ► <input type="checkbox"/> If following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	3,638,440.	2	2,624,036.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	2,309,968.	4	3,017,831.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sales or use		8	
	9 Prepaid expenses and deferred charges	71,625.	9	159,690.
	10a Land, buildings, and equipment cost basis	10a 33,415,058		
	b Less accumulated depreciation Complete Part VI of Schedule D.	10b 6,733,414	10c 19,249,265	26,681,644.
	11 Investments - publicly traded securities	STMT 4	11 28,332,394	23,157,834.
	12 Investments - other securities See Part IV, line 11		12	
	13 Investments - program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11		15	
	16 Total assets. Add lines 1 through 15 (must equal line 34)	53,601,692.	16	55,641,035.
Liabilities	17 Accounts payable and accrued expenses	2,414,383.	17	2,337,070.
	18 Grants payable		18	
	19 Deferred revenue	1,771,644.	19	1,481,783.
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities Complete Part X of Schedule D	12,569,655.	25	17,517,024.
	26 Total liabilities. Add lines 17 through 25	16,755,682.	26	21,335,877.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	7,918,575.	27	14,090,970.
	28 Temporarily restricted net assets	28,927,435.	28	20,214,188.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	36,846,010.	33	34,305,158.
	34 Total liabilities and net assets/fund balances	53,601,692.	34	55,641,035.

Part XI Financial Statements and Reporting

		Yes	No
1 Accounting method used to prepare the Form 990	<input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X	
b Were the organization's financial statements audited by an independent accountant?	2b	X	
c If "Yes" to lines 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?	2c		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b If "Yes," did the organization undergo the required audit or audits?	3b		

SCHEDULE A
(Form 990 or 990-EZ).

Public Charity Status and Public Support

OMB No 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

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

Name of the organization

Employer identification number

THE M.S. HERSHY FOUNDATION

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 (Please check only one organization.)

1	<input type="checkbox"/>	A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i) .								
2	<input type="checkbox"/>	A school described in section 170(b)(1)(A)(ii) . (Attach Schedule E)								
3	<input type="checkbox"/>	A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii) . (Attach Schedule H)								
4	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v) .								
7	<input type="checkbox"/>	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	<input type="checkbox"/>	A community trust described in section 170(b)(1)(A)(vi) . (Complete Part II)								
9	<input checked="" type="checkbox"/>	An organization that normally receives (1) more than 3 31/3 % 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 3 31/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2) . (Complete Part III)								
10	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See section 509(a)(4) . (see instructions)								
11	<input type="checkbox"/>	An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See section 509(a)(3) . Check the box that describes the type of supporting organization and complete lines 11e through 11h								
e	<input type="checkbox"/>	a <input type="checkbox"/> Type I b <input type="checkbox"/> Type II c <input type="checkbox"/> Type III - Functionally Integrated d <input type="checkbox"/> Type III - Other								
f	<input type="checkbox"/>	By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)								
g	<input type="checkbox"/>	If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box <input type="checkbox"/>								
h	<input type="checkbox"/>	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? (ii) A family member of a person described in (i) above? (iii) A 35% controlled entity of a person described in (i) or (ii) above?								
		<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="text-align: center; padding: 2px;">Yes</td> <td style="text-align: center; padding: 2px;">No</td> </tr> <tr> <td style="text-align: center; padding: 2px;">11g(i)</td> <td style="text-align: center; padding: 2px;">X</td> </tr> <tr> <td style="text-align: center; padding: 2px;">11g(ii)</td> <td style="text-align: center; padding: 2px;">X</td> </tr> <tr> <td style="text-align: center; padding: 2px;">11g(iii)</td> <td style="text-align: center; padding: 2px;">X</td> </tr> </table>	Yes	No	11g(i)	X	11g(ii)	X	11g(iii)	X
Yes	No									
11g(i)	X									
11g(ii)	X									
11g(iii)	X									

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

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

Schedule A (Form 990 or 990-EZ) 2008

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1-3						
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) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33 1/3% support test - 2008. 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 ► <input type="checkbox"/>		
b 33 1/3% support test - 2007. 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 ► <input type="checkbox"/>		
17a 10%-facts-and-circumstances test - 2008. 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 "fact-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
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 ► <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	583,389.	572,370.	484,284.	485,587.	6,730,327.	8,855,957.
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	4,614,431.	4,403,049.	4,806,019.	5,637,596.	5,634,437.	25,095,532.
3 Gross receipts from activities that are not an unrelated trade or business under section 513 .						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5	5,197,820.	4,975,419.	5,290,303.	6,123,183.	12,364,764.	33,951,489.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	133,664.	136,636.	176,880.	2,143,794.	1,216,036.	3,807,010.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b.	133,664.	136,636.	176,880.	2,143,794.	1,216,036.	3,807,010.
8 Public support (Subtract line 7c from line 6)						30,144,479.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6.	5,197,820.	4,975,419.	5,290,303.	6,123,183.	12,364,764.	33,951,489.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	836,435.	773,281.	876,320.	813,389.	720,883.	4,020,308.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	836,435.	773,281.	876,320.	813,389.	720,883.	4,020,308.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11, and 12)						37,971,797.
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 ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	79.39%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	83.89%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	10.59%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	13.60%
19a 33 1/3% support tests - 2008. 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 ► <input checked="" type="checkbox"/>		
b 33 1/3% support tests - 2007. 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 ► <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

Part IV

Supplemental Information. Complete this part to provide the explanation required by Part II, line 10, Part II, line 17a or 17b, or Part III, line 12. Provide any other additional information (see instructions)

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

OMB No 1545-0047

2008Open to Public
Inspection

Name of the organization

THE M.S. HERSHEY FOUNDATION

Employer identification number

23-6242734

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically importantly land area
 Protection of natural habitat Preservation of certified historic structure
 Preservation of open space

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

a Total number of conservation easements

b Total acreage restricted by conservation easements

c Number of conservation easements on a certified historic structure included in (a)

d Number of conservation easements included in (c) acquired after 8/17/06

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

4 Number of states where property subject to conservation easement is located ► _____

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

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ► \$ _____

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

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

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

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ _____

(ii) Assets included in Form 990, Part X ► \$ _____

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

a Revenues included in Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

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

Schedule D (Form 990) 2008

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

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

a Public exhibition
 b Scholarly research
 c Preservation for future generations

d Loan or exchange programs
 e Other _____

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

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

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

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

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

	Amount
1c	
1d	
1e	
1f	

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

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

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

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	28,927,435.				
b Contributions					
c Investment earnings or losses	-3,996,038.				
d Grants or scholarships					
e Other expenditures for facilities and programs	4,717,209.				
f Administrative expenses					
g End of year balance	20,214,188.				

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

a Board designated or quasi-endowment ► %

b Permanent endowment ► %

c Term endowment ► 100.0000 %

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

(i) unrelated organizations

(ii) related organizations

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

Yes No

3a(i) X

3a(ii) X

3b X

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		1,000.		1,000.
b Buildings		21,917,503.	753,376.	21,164,127.
c Leasehold improvements		8,977,333.	4,734,671.	4,242,662.
d Equipment		2,401,438.	1,232,359.	1,169,079.
e Other		117,784.	13,008.	104,776.
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c)) ►				26,681,644.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other _____		

Total. (Column (b) should equal Form 990, Part X, col. (B) line 12.)

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

Total. (Column (b) should equal Form 990, Part X, col. (B) line 13.)

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

Total. (Column (b) should equal Form 990, Part X, col (B) line 15)

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

(a) Description of liability	(b) Amount
Federal income taxes	
<u>ACCRUED POST RETIREMENT BEN OB</u>	2,542,417
<u>LOAN GUARANTEE OBLIGATION</u>	14,811,695
<u>INTEREST RATE SWAP LIABILITY</u>	162,912

Total. (Column (b) should equal Form 990, Part X, col (B) line 25) ► 17,517,024.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

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

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

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

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

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

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

Part XIV Supplemental Information

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

SEE PAGE 5

Part XIV Supplemental Information (continued)

COLLECTIONS OF ART, HISTORICAL TREASURERS, OR OTHER SIMILAR ASSETS

SCHEDULE D, PART III, LINE 4

THE M.S. HERSEY FOUNDATION'S COLLECTION INCLUDES THE FOLLOWING:

(1) ARTIFACTS AND HISTORICAL ORAL AND WRITTEN DOCUMENTS RELATED TO THE LIFE AND LEGACY OF MILTON S. HERSEY FROM HIS PERSONAL LIFE TO HIS VARIOUS BUSINESSES TO HIS PHILANTHROPIES

(2) ARTIFACTS AND HISTORICAL ORAL AND WRITTEN DOCUMENTS RELATED TO THE COMMUNITY OF HERSEY

(3) ARTIFACTS THAT DOCUMENT PENNSYLVANIA GERMAN CULTURE

(4) ETHNOGRAPHIC MATERIALS RELATED TO INDIGENOUS PEOPLE OF THE UNITED STATES

(5) PLANTINGS AT THE HERSEY GARDEN

THE ABOVE COLLECTIONS FURTHER M.S. HERSEY FOUNDATION'S EXEMPT PURPOSE OF EDUCATION AND CULTURAL ENRICHMENT TO THE RESIDENTS OF THE HERSEY AREA BY BEING DISPLAYED IN AN ACCESSIBLE PUBLIC MUSEUM, PUBLIC ARCHIVE AND GARDENS.

INTENDED USES OF THE ORGANIZATION'S ENDOWMENT FUNDS

SCHEDULE D, PART V, LINE 4

MILTON S. HERSEY MADE HIS GIFT TO THE M.S. HERSEY 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: FOR THE ESTABLISHMENT AND MAINTENANCE IN WHOLE OR IN PART OF ONE OR MORE EDUCATIONAL INSTITUTIONS IN DERRY TOWNSHIP, PENNSYLVANIA, THE SUPPORT OF PUBLIC SCHOOLS OF DERRY TOWNSHIP AND THE IMPROVEMENT AND ELEVATION OF THE STANDARD OF EDUCATION, AND THE

Part XIV Supplemental Information (continued)

VOCATIONAL, CULTURAL OR PROFESSIONAL EDUCATION OF ANY RESIDENT OF DERRY TOWNSHIP. IN ADDITION, UPON APPROVAL BY THE BOARD OF MANAGERS, THE ENDOWMENT FUNDS CAN BE UTILIZED TO PURCHASE LAND AND ERECT A BUILDING OR BUILDINGS UPON SUCH LAND.

RECONCILIATION OF CHANGE IN NET ASSETS/RECONCILIATION OF REVENUE & EXPENSE

SCHEDULE D, PART XI/XII/XIII

M.S. HERSHY FOUNDATION DID NOT RECEIVE A SEPARATE AUDITED FINANCIAL STATEMENT FOR THE TAX YEAR-ENDED JULY 31, 2009. THE M.S. HERSHY FOUNDATION HAS CHANGED ITS FISCAL YEAR FROM JULY 31 TO DECEMBER 31. THE M.S. HERSHY FOUNDATION WILL RECEIVE AN AUDIT FOR THE PERIOD AUGUST 1, 2008 THROUGH DECEMBER 31, 2009. THE FEDERAL FORM 990 IS REQUIRED TO PRESENT THE FINANCIAL RESULTS FOR THE 12-MONTHS ENDED JULY 31, 2009. BECAUSE THERE ARE NO STANDALONE AUDITED FINANCIALS FOR THE 12-MONTHS ENDED JULY 31, 2009, THE M.S. HERSHY FOUNDATION IS NOT REQUIRED TO COMPLETE SCHEDULE D, PARTS XI-XIII: RECONCILIATION OF CHANGE IN NET ASSETS, REVENUE AND EXPENSES FORM 990 TO AUDITED FINANCIAL STATEMENTS. HOWEVER, M.S. HERSHY FOUNDATION IS VOLUNTARILY DISCLOSING SUCH INFORMATION, AS IF IT RECEIVED A STANDALONE AUDITED FINANCIAL STATEMENT FOR THE TAX YEAR-ENDED JULY 31, 2009.

PART XI RECONCILIATION OF CHANGE IN NET ASSETS

1. TOTAL REVENUE (PART VIII, COLUMN (A), LINE 12)	\$ 12,343,652
2. TOTAL EXPENSES (PART IX, COLUMN (A), LINE 25)	\$ 10,153,320
3. EXCESS/(DEFICIT) FOR THE YEAR (LINE 1 LESS LINE 2)	\$ 2,190,332
4. NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS	\$ (4,215,859)
5. DONATED SERVICES AND USE OF FACILITIES	\$

Part XIV Supplemental Information (continued)

6 INVESTMENT EXPENSES	\$
7 PRIOR PERIOD ADJUSTMENTS	\$
8 OTHER (DESCRIBE IN PART XIV)	\$ (515,328)
9 TOTAL ADJUSTMENTS (NET). ADD LINES 4-8	\$ (4,731,187)
10 EXCESS/(DEFICIT) PER FINAN. STMTS. (ADD LINES 3 & 9)	\$ (2,540,855)

PART XII RECONCILIATION OF REVENUE

1 TOTAL REVENUE PER AUDITED FINANCIAL STATEMENTS	\$ 7,619,806
2 AMOUNTS INCLUDED ON LINE 1 NOT ON PART VIII, LINE 12:	
A NET UNREALIZED GAINS ON INVESTMENTS	\$ (4,215,859)
B DONATED SERVICES AND USE OF FACILITIES	\$ 28,352
C RECOVERIES OF PRIOR YEAR GRANTS	\$
D OTHER (DESCRIBE IN PART XIV)	\$ (515,328)
E ADD LINES 2A THROUGH 2D	\$ (4,702,835)
3 SUBTRACT LINE 2E FROM LINE 1	\$ 12,322,641
4 AMOUNTS INCLUDED ON PART VIII, LINE 12, & NOT ON LINE 1:	
A INVESTMENT EXP. NOT INCLUDED ON PART VIII, LINE 7B	\$
B OTHER (DESCRIBE IN PART XIV)	\$ 21,011
C ADD LINES 4A AND 4B	\$ 21,011
5 TOTAL REVENUE, (ADD LINES 3 & 4C) (PART 1, LINE 12)	\$ 12,343,652

PART XIII RECONCILIATION OF EXPENSES

1 TOTAL EXPENSES & LOSSES PER FINANCIAL STATEMENTS	\$ 10,160,661
2 AMOUNTS INCLUDED ON LINE 1 NOT ON PART IX, LINE 25:	
A DONATED SERVICES AND USE OF FACILITIES	\$ 28,352
B PRIOR YEAR ADJUSTMENTS	\$
C LOSSES REPORTED ON FORM 990, PART IX, LINE 25	\$

Part XIV Supplemental Information (continued)

D OTHER (DESCRIBE IN PART XIV)	\$ 560
E ADD LINES 2A THROUGH 2D	\$ 28,912
3 SUBTRACT LINE 2E FROM LINE 1	\$ 10,131,749
4 AMOUNTS INCLUDED ON PART IX, LINE 25, NOT ON LINE 1:	
A INVESTMENT EXP NOT INCLUDED ON PART VIII, LINE 7B	\$
B OTHER (DESCRIBE IN PART XIV)	\$ 21,571
C ADD LINES 4A AND 4B	\$ 21,571
5 TOTAL EXPENSES, (ADD LINES 3 & 4C) (PART I, LINE 18)	\$ 10,153,320

PART XIV SUPPLEMENTAL INFORMATION**1. PART XI, LINE 8 - OTHER**

PENSION/HEALTH & WELFARE BENEFIT ADJS	\$ (536,582)
DEACCESSION ADJUSTMENT	\$ 21,254
TOTAL OTHER	\$ (515,328)

2. PART XII, LINE 2D - OTHER

PENSION/HEALTH & WELFARE BENEFIT ADJS	\$ (536,582)
DEACCESSION ADJUSTMENT	\$ 21,254
TOTAL OTHER	\$ (515,328)

3. PART XII, LINE 4B - OTHER

RECLASS - MUSEUM PURCHASES	\$ 21,571
RECLASS - SPECIAL EVENT EXPENSES	\$ (560)
TOTAL OTHER	\$ 21,011

4. PART XIII, LINE 2D - OTHER

RECLASS - SPECIAL EVENT EXPENSES	\$ 560
TOTAL OTHER	\$ 560

5. PART XIII, LINE 4B - OTHER

RECLASS - MUSEUM PURCHASES	\$ 21,571
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Part XIV Supplemental Information (continued)

<u>TOTAL OTHER</u>	\$ 21,571
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LOAN GUARANTEE OBLIGATIONSCHEDULE D, PART X, OTHER LIABILITIES

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 LEASE 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 NONREOURSE 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 NONREOURSE LOAN BETWEEN THE AUTHORITY AND PNC TO FURTHER FUND THE CONSTRUCTION OF THE PROJECT.

SCHEDULE G
(Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No 1545-0047

2008

Open To Public Inspection

**Department of the Treasury
Internal Revenue Service**

Name of the organization

THE M. S. HERSCHEY FOUNDATION

Employer identification number

23-6242734

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

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

<input type="checkbox"/> a	Mail solicitations	<input type="checkbox"/> e	Solicitation of non-government grants
<input type="checkbox"/> b	Email solicitations	<input type="checkbox"/> f	Solicitation of government grants
<input type="checkbox"/> c	Phone solicitations	<input type="checkbox"/> g	Special fundraising events
<input type="checkbox"/> d	In-person solicitations		

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

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

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

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

		(a) Event #1 <u>BUSINESS BRKFST</u> (event type)	(b) Event #2 (event type)	(c) Other Events <u>NONE</u> (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	18,170.			18,170.
	2 Less Charitable contributions	14,570.			14,570.
	3 Gross revenue (line 1 minus line 2)	3,600.			3,600.
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Other direct expenses	560.			560.
	8 Direct expense summary Add lines 4 through 7 in column (d)				► (560.)
	9 Net income summary Combine lines 3 and 8 in column (d)				► 3,040.

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

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary Add lines 2 through 5 in column (d)				► ()
	8 Net gaming income summary Combine lines 1 and 7 in column (d)				►

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

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

b If "No," Explain

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

b If "Yes," Explain

11 Does the organization operate gaming activities with nonmembers?

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?

9a	
10a	
11	
12	

13 Indicate the percentage of gaming activity operated in

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

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

Name ► _____

Address ► _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? 15a

b If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____

c If "Yes," enter name and address

Name ► _____

Address ► _____

16 Gaming manager information

Name ► _____

Gaming manager compensation ► \$ _____

Description of services provided ► _____

Director/officer Employee Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? 17a

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 ► \$ _____

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization

THE M.S. HERSHEY FOUNDATION

Employer identification number
23-6242734

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

First-class or charter travel
 Travel for companions
 Tax indemnification 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)

Yes

No

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

Compensation committee
 Independent compensation consultant
 Form 990 of other organizations

Written employment contract
 Compensation survey or study
 Approval by the board or compensation committee

1b

2

4a

X

4b

X

4c

X

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a

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

Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?
b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?
b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III

5a

X

5b

X

6a

X

6b

X

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III

7

X

8

X

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

Schedule J (Form 990) 2008

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

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

REPORTABLE COMPENSATION**SCHEDULE J-2**

MILTON HERSHEY WAS A VISIONARY IN HIS DESIGN OF AN ORGANIZATIONAL STRUCTURE WHICH LIMITS THE COSTS OF MANAGING AND ADMINISTERING HIS CHARITIES, MILTON HERSHEY SCHOOL & SCHOOL TRUST AND THE M.S. HERSHEY FOUNDATION. MEMBERS OF THE M.S. HERSHEY FOUNDATION BOARD RECEIVE NO COMPENSATION FOR THEIR EFFORTS OVERSEEING THE CHARITIES.

BOARD MEMBERS SERVING ON THE HERSHEY TRUST COMPANY, HERSHEY ENTERTAINMENT & RESORTS COMPANY AND THE HERSHEY COMPANY BOARDS ARE COMPENSATED TO COMMENSURATE WITH THEIR JOB RESPONSIBILITIES WITH THE APPLICABLE ENTERPRISES.

MR. HERSHEY ALSO SEVERELY LIMITED THE COMPENSATION TO THE HERSHEY TRUST COMPANY FOR MANAGING AND ADMINISTERING HIS CHARITIES. PER THE DEED OF TRUST, THE M.S. HERSHEY FOUNDATION'S PAYMENT TO HERSHEY TRUST COMPANY FOR TRUSTEE SERVICES IS LIMITED TO \$1,000 PER YEAR.

Part III Supplemental Information

23-6242734

Page 3

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

THE FOLLOWING INFORMATION DETAILS BOARD OF MANAGERS' AND OFFICERS' WHO ARE COMPENSATED BY RELATED ENTITIES, COMPENSATION ARRANGEMENTS:

RAYMOND L. GOVER

COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM A

RELATED FOR-PROFIT COMPANY, HERSHEY TRUST COMPANY (EIN 23-0692150). NONE

OF THE COMPENSATION WAS PAID BY THE M.S.-HERSHEY FOUNDATION (EIN

23-6242734).

JAMES M. MEAD

COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM A

RELATED FOR-PROFIT COMPANY, HERSHEY TRUST COMPANY (EIN 23-0692150). NONE

OF THE COMPENSATION WAS PAID BY THE M.S.-HERSHEY FOUNDATION (EIN

23-6242734).

VELMA A. REDMOND, ESO

COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM A

RELATED FOR-PROFIT COMPANY, HERSHEY TRUST COMPANY (EIN 23-0692150). NONE

Part III Supplemental Information

23-6242734

Page 3

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

OF THE COMPENSATION WAS PAID BY THE M.S. HERSHEY FOUNDATION (EIN 23-6242734).

ROBERT REESE

COMPENSATION REPORTED CONSISTS ONLY OF AMOUNTS RECEIVED AS A DIRECTOR OF

A RELATED FOR-PROFIT COMPANY, HERSHEY TRUST COMPANY (EIN 23-0692150).

NONE OF THE COMPENSATION WAS PAID BY THE M.S. HERSHEY FOUNDATION (EIN

23-6242734).

LEROY S. ZIMMERMAN

COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM

RELATED FOR-PROFIT COMPANIES: HERSHEY TRUST COMPANY (EIN 23-0692150), THE

HERSHEY COMPANY (EIN 23-0691590) AND HERSHEY ENTERTAINMENT & RESORTS CO

(EIN 23-0691815). NONE OF THE COMPENSATION WAS PAID BY THE M.S. HERSHEY

FOUNDATION (EIN 23-6242734).

GAYLA BUSH

INDIVIDUAL IS AN OFFICER OF THE MILTON HERSHEY SCHOOL & SCHOOL TRUST (EIN

Part III Supplemental Information

23-6242734

Page 3

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

-23-1353340- AND AN OFFICER OF A RELATED FOR-PROFIT COMPANY, HERSHEY TRUST

-COMPANY (EIN 23-0692150).- SHE WAS ELECTED ASSISTANT SECRETARY/ASSISTANT

-TREASURER OF THE M. S. HERSHEY FOUNDATION ON JULY 15, 2009. THE

-COMPENSATION PAID BY THE RELATED FOR-PROFIT ENTITY IS ESTABLISHED UPON

-THE ADVICE OF THIRD PARTY COMPENSATION CONSULTANTS.- THE AMOUNT AND

-COMPOSITION OF THE INDIVIDUAL'S COMPENSATION IS BASED UPON MARKETPLACE

-COMPETITIVE CONSIDERATIONS, FINANCIAL AND BUSINESS OBJECTIVES, AND

-RESULTS ACHIEVED.- THE COMPENSATION RECEIVED INCLUDES BASE SALARY AND

-ANNUAL INCENTIVE PAID FOR SERVICES RENDERED IN CONNECTION WITH THE

-FOR-PROFIT COMPANY.- THE CONTRIBUTIONS TO BENEFIT PLANS CONSIST OF

-HEALTH, DENTAL, VISION, LIFE AND DISABILITY INSURANCE AS WELL AS

-RETIREMENT AND 401(K) SAVINGS PLAN EXPENSE ASSOCIATED WITH THE

-INDIVIDUAL'S SERVICE AS AN OFFICER OF THE FOR-PROFIT ENTITY. NONE OF THE

-COMPENSATION WAS PAID BY THE M. S. HERSHEY FOUNDATION (EIN 23-6242734).

-KENNETH GALL

-INDIVIDUAL IS AN OFFICER OF A RELATED FOR-PROFIT COMPANY, HERSHEY TRUST

-COMPANY (EIN 23-0692150).- THE COMPENSATION PAID BY THE RELATED

Part III Supplemental Information

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

FOR-PROFIT ENTITY IS ESTABLISHED UPON THE ADVICE OF THIRD PARTY
COMPENSATION CONSULTANTS. HE WAS ASSISTANT SECRETARY/ASSISTANT TREASURER
OF THE M. S. HERSHEY FOUNDATION UNTIL JULY 15, 2009. THE AMOUNT AND
COMPOSITION OF THE INDIVIDUAL'S COMPENSATION IS BASED UPON MARKETPLACE
COMPETITIVE CONSIDERATIONS, FINANCIAL AND BUSINESS OBJECTIVES, AND
RESULTS ACHIEVED. THE COMPENSATION RECEIVED INCLUDES BASE SALARY AND
ANNUAL INCENTIVE PAID FOR SERVICES RENDERED IN CONNECTION WITH THE
FOR-PROFIT COMPANY. THE CONTRIBUTIONS TO BENEFIT PLANS CONSIST OF
HEALTH, DENTAL, VISION, LIFE AND DISABILITY INSURANCE AS WELL AS
RETIREMENT AND 401(K) SAVINGS PLAN EXPENSE ASSOCIATED WITH THE
INDIVIDUAL'S SERVICE AS AN OFFICER OF THE FOR-PROFIT ENTITY. NONE OF THE
COMPENSATION WAS PAID BY THE M. S. HERSHEY FOUNDATION (EIN 23-6242734).

VINCENT B. RUDISILL
INDIVIDUAL IS AN OFFICER OF A RELATED FOR-PROFIT COMPANY, HERSHEY TRUST
COMPANY (EIN 23-0692150). THE COMPENSATION PAID BY THE RELATED
FOR-PROFIT ENTITY IS ESTABLISHED UPON THE ADVICE OF THIRD PARTY
COMPENSATION CONSULTANTS. THE AMOUNT AND COMPOSITION OF THE INDIVIDUAL'S

Part III Supplemental Information

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

COMPENSATION IS BASED UPON MARKETPLACE COMPETITIVE CONSIDERATIONS.

FINANCIAL AND BUSINESS OBJECTIVES, AND RESULTS ACHIEVED, THE COMPENSATION

RECEIVED INCLUDES BASE SALARY AND ANNUAL INCENTIVE PAID FOR SERVICES

RENDERED IN CONNECTION WITH THE FOR-PROFIT COMPANY. THE CONTRIBUTIONS TO

BENEFIT PLANS CONSIST OF HEALTH, DENTAL, VISION, LIFE AND DISABILITY

INSURANCE AS WELL AS RETIREMENT AND 401 (K) SAVINGS PLAN EXPENSE

ASSOCIATED WITH THE INDIVIDUAL'S SERVICE AS AN OFFICER OF THE FOR-PROFIT

ENTITY. NONE OF THE COMPENSATION WAS PAID BY THE M.S. HERSHEY FOUNDATION

(EIN 23-6242734).

JAMES M. SHEEHAN, ESQ.

INDIVIDUAL IS AN OFFICER OF THE MILTON HERSHEY SCHOOL & SCHOOL TRUST (EIN

23-1353340) AND AN OFFICER OF A RELATED FOR-PROFIT COMPANY, HERSHEY TRUST

COMPANY (EIN 23-0692150). THE COMPENSATION PAID BY MILTON HERSHEY SCHOOL

& SCHOOL TRUST AND THE RELATED FOR-PROFIT ENTITY IS ESTABLISHED UPON THE

ADVICE OF THIRD PARTY COMPENSATION CONSULTANTS. THE AMOUNT AND

COMPOSITION OF THE INDIVIDUAL'S COMPENSATION IS BASED UPON MARKETPLACE

COMPETITIVE CONSIDERATIONS, FINANCIAL AND BUSINESS OBJECTIVES, AND

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

RESULTS ACHIEVED. THE COMPENSATION REPORTED IN COLUMN (E) INCLUDES BASE

SALARY PAID FOR SERVICES RENDERED TO MILTON HERSHEY SCHOOL & SCHOOL TRUST
AND THE RELATED FOR-PROFIT ENTITY. NONE OF THE COMPENSATION REPORTED IN
COLUMN (E) WAS PAID BY THE M.S. HERSHY FOUNDATION (EIN 23-6242734).

ANTHONY J. COLISTRA

DR. COLISTRA WAS A DIRECTOR OF A RELATED FOR-PROFIT COMPANY, HERSHEY
TRUST COMPANY (EIN 23-0692150) AND A RELATED NOT-FOR-PROFIT COMPANY, THE
MILTON S. HERSHY SCHOOL & SCHOOL TRUST (EIN 23-1353340) UNTIL DECEMBER
2007. COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM
A RELATED FOR-PROFIT COMPANY, HERSHY ENTERTAINMENT & RESORTS CO (EIN
23-0691815). NONE OF THE COMPENSATION WAS PAID BY MILTON HERSHY SCHOOL
AND SCHOOL TRUST (EIN 23-1353340) OR THE M.S. HERSHY FOUNDATION (EIN
23-6242734).

ROBERT C. YOWLER

INDIVIDUAL WAS AN OFFICER OF A RELATED FOR-PROFIT COMPANY, HERSHY TRUST
COMPANY (EIN 23-0692150) WHO DEVOTED A SUBSTANTIAL AMOUNT OF HIS TIME ON

Part III Supplemental Information

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

M. S. HERSHEY FOUNDATION MATTERS UNTIL APRIL 2008. INDIVIDUAL ALSO WAS A DIRECTOR OF THE RELATED COMPANIES HERSHEY TRUST COMPANY, HERSHEY ENTERTAINMENT & RESORTS COMPANY (EIN 23-0691815) AND THE MILTON S. HERSHEY SCHOOL & SCHOOL TRUST (EIN 23-1353340) UNTIL APRIL 2008. THE COMPENSATION AND BENEFITS PAID BY THE RELATED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, WERE PAID ACCORDING TO AN ADVISOR CONTRACT EXECUTED ON APRIL 7, 2008. PRIOR TO APRIL 2008, THE COMPENSATION PAID BY THE RELATED FOR-PROFIT ENTITY WAS ESTABLISHED UPON THE ADVICE OF THIRD PARTY COMPENSATION CONSULTANTS. HE ALSO RECEIVED DIRECTOR FEES AND NON-TAXABLE BENEFITS FROM HERSHEY ENTERTAINMENT & RESORTS COMPANY DURING THE REPORTING PERIOD. NONE OF THE COMPENSATION WAS PAID BY THE M. S. HERSHEY FOUNDATION (EIN 23-6242734).

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization

THE M.S. HERSHEY FOUNDATION

Employer Identification number

23-6242734

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENT

FORM 990, PART III, LINE 2

THE FOUNDATION HAS TWO NEW SIGNIFICANT PROGRAMS FOR THE TAX YEAR ENDED

JULY 31, 2009:

(1) THE HERSHEY STORY TAKES VISITORS ON AN INSPIRATIONAL JOURNEY THROUGH

THE LIFE OF MILTON S. HERSHEY, THE MAN, HIS CHOCOLATE COMPANY, THE TOWN

THAT BEARS HIS NAME, AND HIS GENEROUS LEGACY. THE HERSHEY STORY EXPLORES

THE RAGS TO RICHES ACCOMPLISHMENTS OF AN AMERICAN ENTREPRENEUR WHO USED

HIS PERSONAL WEALTH TO ENRICH THE LIVES OF OTHERS. HEAR

NEVER-BEFORE-SHARED STORIES OF HIS INNOVATION AND DETERMINATION. FIND

OUT HOW MR. HERSHEY REVOLUTIONIZED THE PROCESS OF MAKING MILK CHOCOLATE.

DISCOVER HOW THE HERSHEY INDUSTRIAL SCHOOL'S ORPHAN BOYS BECAME HEIRS TO

HIS FORTUNE. FROM THE INTERACTIVE MUSEUM EXPERIENCE AND ITS CREATIVE

APPRENTICE PROGRAM TO THE CHOCOLATE LAB TO CAFÉ ZOOKA AND THE MUSEUM

SHOP, THE SWEET RESULTS OF MR. HERSHEY'S ENTREPRENEURSHIP, INGENUITY AND

PHILANTHROPY ARE GUARANTEED TO INSPIRE ALL WHO ENTER THE HERSHEY STORY.

(2) THE HERSHEY THEATRE APOLLO AWARDS WERE DEVELOPED BY THE M.S. HERSHEY

FOUNDATION'S EDUCATION DEPARTMENT TO HONOR OUTSTANDING ACHIEVEMENTS BY

LOCAL HIGH SCHOOL STUDENTS IN MUSICAL AND PLAY PRODUCTIONS. THE SHOW IS

PRODUCED BY THE HERSHEY THEATRE EDUCATION DEPARTMENT AND IS MODELED AFTER

THE TONY AWARDS®. HIGH SCHOOLS IN CUMBERLAND, DAUPHIN AND LEBANON

COUNTIES, AS WELL AS ELIZABETHTOWN AREA SCHOOL DISTRICT WERE INVITED TO

PARTICIPATE.

Name of the organization

THE M.S. HERSHY FOUNDATION

Employer identification number

23-6242734

GOVERNING BODY & MANAGEMENT

FORM 990, PART VI, LINE 3

THE M.S. HERSHY FOUNDATION HAS SEVERAL OPERATIONS IN HERSHY,

PENNSYLVANIA, INCLUDING THE HERSHY GARDENS, THE HERSHY COMMUNITY

ARCHIVES, THE HERSHY THEATRE, THE HERSHY STORY, AND CHOCOLATETOWN

SQUARE, COLLECTIVELY REFERRED TO AS "FOUNDATION OPERATIONS". THESE

OPERATIONS EXIST TO PRESERVE AND ENHANCE MILTON HERSHY'S LEGACY AND

COMMUNITY VISION AND TO PROVIDE EDUCATIONAL AND CULTURAL ENRICHMENT TO

RESIDENTS AND VISITORS OF HERSHY, PA.

HERSHY 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 HERSHY, PENNSYLVANIA. FOUNDED IN 1927, BY MILTON HERSHY,

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. HERSHY

FOUNDATION.

IN ORDER TO ENHANCE FOUNDATION OPERATIONS AND FURTHER ITS MISSION, THE

M.S. HERSHY FOUNDATION ENTERED INTO A CONTRACT WITH HE&R TO PROVIDE

VARIOUS SERVICES INCLUDING THE FOLLOWING:

1. WEDDING, PARTY AND EVENT CATERINGS

2. RETAIL OPERATIONS SUPPORT

Name of the organization

THE M.S. HERSHEY FOUNDATION

Employer identification number

23-6242734

3. THEATRE OPERATIONS MANAGEMENT4. IT, COMMUNICATIONS AND SECURITY SERVICESPRIOR TO THE COMMENCEMENT OF SERVICES, THE M.S. HERSHEY FOUNDATION,ASSISTED BY INDEPENDENT OUTSIDE COUNSEL, EVALUATED THE PROPOSED SERVICESTO ENSURE COMPLIANCE WITH INTERMEDIATE SANCTIONS RULES PURSUANT TO IRCSECTION 4958 AND PRIVATE INUREMENT RULES PURSUANT TO TREASURY REGULATIONS53.4958-4. THESE SERVICES ARE REVIEWED AND APPROVED BY THE BOARD OFMANAGERS ON AN ANNUAL BASIS.THE M.S. HERSHEY FOUNDATION HAS ESTABLISHED AN INDEPENDENT COMMITTEE TOPERIODICALLY REVIEW THE SERVICES BEING PERFORMED AND THE CONTRACTUALRELATIONSHIP 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 ENSURECOMPLIANCE WITH THE IRC SECTION AND TREASURY REGULATION NOTED ABOVE.

Name of the organization

THE M. S. HERSHY FOUNDATION

Employer identification number

23-6242734

FORM 990 REVIEW PROCESSFORM 990, PART VI, SECTION A, LINE 10THE FORM 990 IS PREPARED UNDER THE DIRECTION OF THE DIRECTOR OF FINANCEOF THE M. S. HERSHY FOUNDATION. THE FORM 990 IS REVIEWED BY ADDITIONALMEMBERS OF THE M. S. HERSHY FOUNDATION, OUTSIDE COUNSEL AND ITSINDEPENDENT TAX ADVISORS WHO SIGN THE RETURN AS "PAID PREPARERS."THE BOARD OF MANAGERS OF THE M. S. HERSHY FOUNDATION REVIEWS ANDDISCUSSES THE FORM 990 AT ONE OF ITS SCHEDULED MEETINGS PRIOR TO FILINGTHE RETURN WITH THE INTERNAL REVENUE SERVICE. ADDITIONALLY, THE FORM 990IS PROVIDED TO THE FULL BOARD OF MANAGERS, NOTING KEY DISCLOSURES, PRIORTO THE FILING OF THE FORM 990 WITH THE INTERNAL REVENUE SERVICE. DUE TOTHE SIGNIFICANT CHANGES MADE IN THE CURRENT FORM 990, BOTH MANAGEMENT ANDTAX ADVISORS REVIEWED THE CHANGES WITH THE BOARD OF MANAGERS AND THE FULLBOARD ON SEVERAL OCCASIONS OVER THE LAST TWO YEARS.

Name of the organization

THE M.S. HERSHY FOUNDATION

Employer identification number

23-6242734

COMPENSATION PROCESSFORM 990, PART VI, SECTION B, LINES 15A AND 15BTHE M.S. HERSHY FOUNDATION'S BOARD OF MANAGERS (THE GOVERNING BODY OFTHE M.S. HERSHY FOUNDATION) CONTROLS THE PROCESS IN DETERMINING WHETHERTHE TOTAL COMPENSATION OF THE EXECUTIVE DIRECTOR IS FAIR AND REASONABLE.THIS PROCESS OCCURS AT THE INITIAL HIRE OF THE EXECUTIVE DIRECTOR AND ATREGULAR INTERVALS THEREAFTER. THE REVIEW OF THE TOTAL COMPENSATION OFTHE EXECUTIVE DIRECTOR, INCLUDES BUT IS NOT LIMITED TO, A REVIEW OFCOMPARABLE EXECUTIVE DIRECTOR TOTAL COMPENSATION AS DISCLOSED IN THEFORMS 990 OF SIMILAR-SIZED EXEMPT ORGANIZATIONS. AS PART OF THISPROCESS, THE COMPENSATION INFORMATION IS REVIEWED AND APPROVED BY THEBOARD OF MANAGERS FOR THE EXECUTIVE DIRECTOR. THOSE BOARD OF MANAGERSWITH A CONFLICT IN REGARD TO THE EXECUTIVE DIRECTOR'S COMPENSATION REVIEWPROCESS ABSTAIN FROM THE DELIBERATIONS.THE BOARD OF MANAGERS AND OFFICERS, EXCEPT FOR THE EXECUTIVE DIRECTOR, DONOT RECEIVE ANY COMPENSATION FROM M.S. HERSHY FOUNDATION. THE BOARD OFMANAGERS AND OFFICERS, EXCLUDING THE EXECUTIVE DIRECTOR, RECEIVECOMPENSATION FROM HERSHY TRUST COMPANY AS DIRECTORS OF THE TRUST COMPANYIN ACCORDANCE WITH SECTION 16 OF ITS BYLAWS. THE COMPENSATION ISPERIODICALLY REVIEWED BY THIRD PARTY COMPENSATION CONSULTANTS.THE COMPENSATION OF THE M.S. HERSHY FOUNDATION'S BOARD OF MANAGERS ANDOFFICERS, WHO ARE DIRECTORS OR EMPLOYEES OF THE HERSHY TRUST COMPANY(TRUSTEE OF M.S. HERSHY FOUNDATION), IS DETERMINED BY PERIODIC REVIEW(GENERALLY PERFORMED AT LEAST EVERY 3 YEARS) BY THIRD PARTY COMPENSATIONCONSULTANTS TO DETERMINE THAT IT IS FAIR AND REASONABLE AS PART OF THE

Name of the organization THE M.S. HERSHEY FOUNDATION	Employer identification number 23-6242734
--	---

HERSHEY TRUST COMPANY'S COMPENSATION REVIEW PROCESS. THE COMPENSATION OF
THE STATUTORY OFFICERS, THE MANAGING DIRECTOR AND COMPLIANCE OFFICER IS
FIXED BY THE BOARD OF DIRECTORS OF HERSEY TRUST COMPANY IN ACCORDANCE
WITH SECTION 5 OF ITS BYLAWS. THE PRESIDENT AND MANAGING DIRECTOR OF
HERSEY TRUST COMPANY APPROVES COMPENSATION OF THE OTHER OFFICERS AND KEY
EMPLOYEES AND REPORTS THIS COMPENSATION TO THE BOARD OF DIRECTORS OR A
DESIGNATED COMMITTEE OF THE BOARD OF DIRECTORS AS ANY CHANGES ARE MADE.

Name of the organization

Employer identification number

THE M. S. HERSEY FOUNDATION

23-6242734

PUBLIC AVAILABILITY OF GOVERNING DOCUMENTS

FORM 990, PART VI, SECTION C, LINE 19

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.

Name of the organization

THE M.S. HERSHÉY FOUNDATION

Employer identification number

23-6242734

CONFLICT OF INTERESTFORM 990, PART VI, SECTION B, LINE 12CTHE BOARD OF MANAGERS, OFFICERS AND KEY EMPLOYEES OF THE M.S. HERSHÉYFOUNDATION HAVE A FIDUCIARY RELATIONSHIP WITH THE M.S. HERSHÉY FOUNDATIONWHICH REQUIRES THAT THEY ACT IN GOOD FAITH WITH REGARD TO THE M.S.HERSHÉY FOUNDATION'S BEST INTERESTS. IT IS ESSENTIAL IN FULFILLING THEIRDUTIES THAT THEY APPLY THE HIGHEST MORAL, LEGAL, AND ETHICAL STANDARDS INTHEIR CONDUCT AND BUSINESS RELATIONSHIPS. THE HERSHÉY TRUST COMPANY,TRUSTEE FOR THE M.S. HERSHÉY FOUNDATION, HAS WRITTEN CONFLICT OF INTERESTPOLICIES WHICH ARE INTENDED TO PERMIT THE M.S. HERSHÉY FOUNDATION AND ITSMANAGERS, OFFICERS AND OTHER KEY EMPLOYEES TO IDENTIFY, EVALUATE ANDADDRESS ANY CONFLICT OF INTEREST THAT MIGHT CALL INTO QUESTION THISFIDUCIARY DUTY TO THE M.S. HERSHÉY FOUNDATION.THE CONFLICT OF INTEREST POLICY COVERING THE MANAGERS IS DOCUMENTED INTHE CONFLICT OF INTEREST SECTION OF THEIR GOVERNANCE GUIDELINES. THECONFLICT OF INTEREST POLICY COVERING OFFICERS AND OTHER KEY EMPLOYEES OFHERSHÉY TRUST COMPANY, TRUSTEE FOR THE M.S. HERSHÉY FOUNDATION ISDOCUMENTED IN POLICY 1.3 ETHICAL STANDARDS AND POLICY 1.5 CONFLICT OFINTEREST OF ITS EMPLOYEE POLICY MANUAL AND POLICY 1.02 CODE OF CONDUCT OFITS POLICY MANUAL.EACH MANAGER, OFFICER AND KEY EMPLOYEE IS REQUIRED TO AVOID ALL ACTIVITYTHAT COULD CREATE A CONFLICT OF INTEREST OR EVEN GIVE AN APPEARANCE OF ACONFLICT OF INTEREST. ANY CONFLICTS OF INTEREST ARE TO BE REPORTED ASSOON AS PRACTICAL AFTER THEY BECOME AWARE OF SUCH A CONFLICT.ANNUALLY EACH MANAGER (IN EFFECT FOR THE TAX YEAR ENDING 7/31/2009).

Name of the organization

THE M.S. HERSHEY FOUNDATION

Employer identification number

23-6242734

OFFICER AND KEY EMPLOYEE (IN EFFECT FOR THE TAX YEAR BEGINNING 8/1/2009)
IS REQUIRED TO COMPLETE AN ANNUAL STATEMENT OF DISCLOSURE. THE FORMS
IDENTIFY VENDORS, INVESTMENTS, OTHER BOARD MEMBERSHIPS, AND FAMILY
MEMBERS THAT COULD GIVE RISE TO CONFLICTS OF INTEREST. THE STATEMENTS
ARE REVIEWED BY THE FOUNDATION'S EXECUTIVE DIRECTOR AND THE DIRECTOR OF
FINANCE IN ORDER FOR THEM TO BE AWARE OF ACTIVITIES THAT COULD GIVE RISE
TO CONFLICTS OF INTEREST.

POTENTIAL CONFLICTS OF INTEREST RELATED TO MANAGERS, OFFICERS AND KEY
EMPLOYEES ARE BROUGHT TO THE ATTENTION OF THE PRESIDENT OF THE BOARD OF
MANAGERS OF THE M.S. HERSHEY FOUNDATION. THE PRESIDENT (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 PRESIDENT,
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.

Name of the organization

THE M.S. HERSHEY FOUNDATION

Employer identification number

23-6242734

SUMMARYFORM 990, PART I, LINE 6 - VOLUNTEER INFORMATIONVOLUNTEERS ARE A VITAL PART OF THE M.S. HERSHEY FOUNDATION. MANY OF OURVOLUNTEERS HAVE INTRODUCED A CHILD TO HISTORY, NATURE OR LIVE THEATRE.OTHERS HAVE HELPED BEAUTIFY HERSHEY GARDENS, USHERED A SHOW AT THEHERSHEY THEATRE OR PROUDLY ANSWERED QUESTIONS ABOUT OUR COMMUNITY'S RICHHISTORY AT THE MUSEUM: THE HERSHEY STORY.

Name of the organization

THE M. S. HERSHEY FOUNDATION

Employer identification number

23-6242734

EXECUTIVE COMPENSATIONPART VIIDUE TO THE CHANGE IN REPORTING COMPENSATION FROM THE FISCAL YEAR TO THECALENDAR YEAR, THIS FORM 990 INCLUDES COMPENSATION FROM THE PERIODJANUARY 1, 2008 - JULY 31, 2008 THAT WAS ALSO REPORTED ON THE FORM 990FOR THE TAX YEAR ENDED JULY 31, 2008.

Name of the organization

THE M.S. HERSHEY FOUNDATION

Employer identification number

23-6242734

HOURS SPENT ON RELATED ORGANIZATIONSSCHEDULE JTHE FOLLOWING TABLE DETAILS M.S. HERSHEY FOUNDATION BOARD OF MANAGERSMEMBERS AND OFFICERS WHO ARE ALSO BOARD OF MANAGERS MEMBERS AND OFFICERSOF RELATED ORGANIZATIONS AND THE HOURS SPENT PER WEEK ON DUTIES FOR THESERELATED ORGANIZATIONS:

	HERSHEY	MILTON		
	ENTERTAIN	HERSHEY	HERSHEY	
	& RESORTS	CO	SCHOOL &	
			TRUST CO	
			SCHOOL TRUST	
RAYMOND GOVER	-	-	5	FOOTNOTE 1
JAMES MEAD	-	-	4	FOOTNOTE 1
VELMA A. REDMOND	-	-	5	FOOTNOTE 1
ROBERT REESE	-	-	55	FOOTNOTE 1
LEROY S. ZIMMERMAN	2	2	6	FOOTNOTE 1
GAYLA M. BUSH	-	-	40	10
KENNETH GALL	-	-	54	-
VINCENT B. RUDISILL	-	-	29	10
JAMES SHEEHAN	-	-	57	FOOTNOTE 1
ANTHONY J. COLISTRA	1.50	-	-	-
ROBERT C. VOWLER	-	-	-	FOOTNOTE 1

FOOTNOTE 1: TIME SPENT ON HERSHEY TRUST COMPANY MATTERS IS INCLUDED IN
THE AVERAGE HOURS WORKED PER WEEK UNDER THE COLUMN FOR THE MILTON HERSHEY
SCHOOL & SCHOOL TRUST.

Name of the organization

THE M.S. HERSHY FOUNDATION

Employer identification number

23-6242734

FINANCIAL STATEMENTS AUDITED BY INDEPENDENT ACCOUNTANTPART XI, LINE 2BTHE M.S. HERSHY FOUNDATION IS CHANGING ITS TAX YEAR END FROM JULY 31 TODECEMBER 31. AS A RESULT OF THIS CHANGE, THE M.S. HERSHY FOUNDATIONDECIDED TO HAVE ITS INDEPENDENT ACCOUNTANTS CONDUCT AN AUDIT AND PRODUCEFINANCIAL STATEMENTS FOR THE 17-MONTH PERIOD: AUGUST 1, 2008 THROUGHDECEMBER 31, 2009.THE M.S. HERSHY FOUNDATION DOES NOT HAVE STANDALONE AUDITED FINANCIALSTATEMENTS FOR THE 12-MONTH PERIOD: AUGUST 1, 2008 THROUGH JULY 31, 2009;HOWEVER, THE FINANCIAL INFORMATION FOR THE 12-MONTH PERIOD ENDED JULY 31,2009, AS PRESENTED ON THIS FEDERAL FORM 990, WILL BE AUDITED FINANCIALINFORMATION UPON THE COMPLETION OF THE 17-MONTH PERIOD AUDIT.

Name of the organization

THE M.S. HERSEY FOUNDATION

Employer identification number

23-6242734

POLICIES: WHISTLEBLOWER/DOCUMENT RETENTION & DESTRUCTION

FORM 990, PART VI, SECTION B, LINES 13 & 14

SUBSEQUENT TO JULY 31, 2009, THE M.S. HERSEY FOUNDATION DEVELOPED AND

PLACED INTO EFFECT A WHISTLEBLOWER POLICY AND A DOCUMENT RETENTION AND

DESTRUCTION POLICY.

Name of the organization

THE M.S. HERSHEY FOUNDATION

Employer identification number

23-6242734

SCHEDULE R - SUPPLEMENTAL DISCLOSURE

SCHEDULE R, PART V, TRANSACTIONS WITH RELATED ORGANIZATIONS

ACCORDING TO THE INSTRUCTIONS TO SCHEDULE R, PART V, TRANSACTIONS WITH

RELATED ORGANIZATIONS, THE FOLLOWING TRANSACTIONS ARE TO BE REPORTED IN

LINE 2:

(1) (A) ALL RECEIPTS OR ACCRUALS, REGARDLESS OF THE AMOUNT, OF INTEREST,

ANNUITIES, ROYALTIES, OR RENT FROM A CONTROLLED ENTITY; (B) A LOAN MADE

TO A CONTROLLED ENTITY*; OR (C) ANY OTHER TRANSFER OF FUNDS BETWEEN THE

ORGANIZATION AND THE CONTROLLED ENTITY*

(2) TRANSACTIONS WITH RELATED TAX-EXEMPT ORGANIZATIONS NOT DESCRIBED IN

SECTION 501(C)(3)*

* THESE TRANSACTIONS ARE TO BE DISREGARDED WHERE THE TOTAL AMOUNTS

INVOLVED DO NOT EXCEED \$50,000

ALTHOUGH THE M.S. HERSHEY FOUNDATION IS NOT REQUIRED TO DISCLOSE ITS

RELATED PARTY TRANSACTIONS IN SCHEDULE R, PART V, LINE 2 ACCORDING TO THE

INSTRUCTIONS ABOVE, THE M.S. HERSHEY FOUNDATION IS ELECTING TO DISCLOSE

ALL TRANSACTIONS WITH ITS RELATED PARTIES AS FOLLOWS:

SCHEDULE R, PART V, LINE 1C

GIFT, GRANT OR CAPITAL CONTRIBUTION FROM OTHER ORGANIZATIONS:

HERSHEY ENTERTAINMENT & RESORTS COMPANY \$553,061

MILTON HERSHEY SCHOOL & SCHOOL TRUST \$380,075

THE HERSHEY COMPANY \$230,075

HERSHEY TRUST COMPANY \$52,825

SCHEDULE R, PART V, LINE 1I

Name of the organization

THE M.S. HERSHEY FOUNDATION

Employer identification number

23-6242734

LEASE OF FACILITIES, EQUIPMENT OR OTHER ASSETS TO OTHER ORGANIZATION:HERSHEY TRUST COMPANY \$2,196 (STORAGE OF THE ARCHIVES)SCHEDULE R, PART V, LINE 1JLEASE OF FACILITIES, EQUIPMENT OR OTHER ASSETS FROM OTHER ORGANIZATION:MILTON HERSHEY SCHOOL & SCHOOL TRUST \$49,110 (STORAGE OF MUSEUM ITEMS ANDLEASING OF OFFICE SPACE)SCHEDULE R, PART V, LINE 1KPERFORMANCE OF SERVICES OR MEMBERSHIP OR FUNDRAISING SOLICITATIONS FOROTHER ORGANIZATIONS:HERSHEY TRUST COMPANY \$6,496 (PLAYBILL ADVERTISING)SCHEDULE R, PART V, LINE 1LPERFORMANCE OF SERVICES OR MEMBERSHIP OR FUNDRAISING SOLICITATIONS BYOTHER ORGANIZATIONS:THE HERSHEY COMPANY \$14,043 (PRINTING SERVICES)HERSHEY ENTERTAINMENT & RESORTS COMPANY \$206,776 (IT SERVICES, MUSEUMRELATED SERVICES, MANAGEMENT FEE)HERSHEY TRUST COMPANY \$1,000 (TRUSTEE FEE)SCHEDULE R, PART V, LINE 1OREIMBURSEMENT PAID TO OTHER ORGANIZATION FOR EXPENSES:HERSHEY TRUST COMPANY \$496 (CLEANING AND TRADEMARK)HERSHEY ENTERTAINMENT & RESORTS COMPANY \$62,206 (TAXES, SECURITY,INSURANCE RESERVE)

Identification of Related Organizations Taxable as a Partnership

Part IV

(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
HERSHEY TRUST COMPANY PO BOX 445 HERSHY, PA 17033	23-069150	STATE TRUST CO.	PA	N/A	C CORP		
HERSHEY ENTERTAINMENT RESORTS CO 27 WEST CHOCOLATE AVENUE HERSHY, PA 17033	23-0691815	ENTERTAINMENT	PA	N/A	C CORP		
THE HERSHY COMPANY 1100 CRYSTAL A DRIVE HERSHY, PA 17033	23-0691590	CONFECTIONARY	PA	N/A	C CORP		

Part V Transactions With Related Organizations

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

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 (iv) rent from a controlled entity
- b Gift, grant, or capital contribution to other organization(s)
- c Gift, grant, or capital contribution from other organization(s)
- d Loans or loan guarantees to or for other organization(s)
- e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

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

(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		

Part VI Unrelated Organizations Taxable as a Partnership

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

Schedule R (Form 990) 2008

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES COMPENSATION
THE WHITING TURNER CONTRACTING COMPANY 300 EAST JOPPA ROAD BALTIMORE, MD 21286	CONSTRCTN/ENGINEER 5,809,689.
EXPLUS INC 44156 MERCURE CIRCLE DULLES, VA 20166	MUSEUM EXHIBIT SVCS 1,546,662.
BOSTON PRODUCTIONS INC 100 MORSE STREET NORWOOD, MA 02062	MEDIA DESIGN 760,581.
STORAGETEK INC 8130 ADAMS DRIVE HUMMELSTOWN, PA 17036	CONSTRUCTION SVCS 155,883.
HERSHEY ENTERTAINMENT RESORTS INC 75 EAST DERRY ROAD HERSHEY, PA 17033	TECHNOLOGY/CONSTRUCT 154,001.
	TOTAL COMPENSATION 8,426,816.

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

DESCRIPTION	AMOUNT
ANNUAL BUSINESS BREAKFAST	14,570.
TOTAL	14,570.

FORM 990, PART VIII - FUNDRAISING EVENTS

DESCRIPTION	GROSS INCOME	DIRECT EXPENSES	NET INCOME
ANNUAL BUSINESS BREAKFAST	3,600.	560.	3,040.
TOTALS	3,600.	560.	3,040.

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

DESCRIPTION	ENDING BOOK VALUE	COST OR FMV
COMMON & PREFERRED STOCKS	18,749,513.	FMV
CORPORATE BONDS	1,697,793.	FMV
TREASURY BONDS AND NOTES	1,906,405.	FMV
AGENCY BONDS	183,586.	FMV
CAPITAL GUARDIAN NON-US EQ FD	620,537.	FMV
 TOTALS	23,157,834.	