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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047
	The organization may have to use a copy of this return to satisfy state reporting requirements	2008 Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 08-01-2008 and ending 07-31-2009		B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Termination ☐ Amended return ☐ Application pending		C Name of organization MILTON HERSHEY SCHOOL & SCHOOL TRUST Doing Business As Number and street (or P O box if mail is not delivered to street address) PO BOX 445 Room/suite City or town, state or country, and ZIP + 4 HERSHEY, PA 17033		D Employer identification number 23-1353340 E Telephone number (717) 520-1100 G Gross receipts \$ 1,027,658,337	
F Name and address of Principal Officer ROBERT REESE PO BOX 445 HERSHEY, PA 17033		H(a) Is this a group return for affiliates? ☐ Yes ☒ No		H(b) Are all affiliates included? ☐ Yes ☐ No (If "No," attach a list See instructions)		H(c) Group Exemption Number	
I Tax-exempt status ☒ 501(c) (3) (insert no) ☐ 4947(a)(1) or ☐ 527		J Web site: WWW MHS-PA ORG		L Year of Formation 1909		M State of legal domicile PA	
K Type of organization ☐ Corporation ☐ trust ☐ association ☒ other See Sch O							

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities IN KEEPING WITH MILTON AND CATHERINE HERSHEY'S DEED OF TRUST, MILTON HERSHEY SCHOOL NURTURES AND EDUCATES CHILDREN IN SOCIAL AND FINANCIAL NEED TO LEAD FULFILLING AND PRODUCTIVE LIVES SEE SCHEDULE O		
	2	Check this box ☐ 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	<u>8</u>
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	<u>0</u>
	5	Total number of employees (Part V, line 2a)	5	<u>1,483</u>
	6	Total number of volunteers (estimate if necessary)	6	<u>560</u>
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C) . . .	7a	<u>-374,507</u>
	b	Net unrelated business taxable income from Form 990-T, line 34 . . .	7b	<u>-374,507</u>
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	2,222	1,449
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,043,604	565,898
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	387,920,806	-5,360,601
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	160,642	57,718
			389,127,274	-4,735,536
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	5,830,691	7,780,835
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	89,037,148	95,404,827
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	(Total fundraising expenses, Part IX, column (D), line 25 ⁰ _____)		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	92,600,992	92,756,723
	18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	187,468,831	195,942,385
	19	Revenue less expenses Subtract line 18 from line 12	201,658,443	-200,677,921
Net Assets or Fund Balances			Beginning of Year	End of Year
	20	Total assets (Part X, line 16)	7,453,400,748	6,967,123,520
	21	Total liabilities (Part X, line 26)	148,005,189	157,042,496
	22	Net assets or fund balances Subtract line 21 from line 20	7,305,395,559	6,810,081,024

Part II Signature Block

Please 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.				
	*****		2010-06-14		
	Signature of officer		Date		
	Gayla M Bush VP Finance & Treasurer Type or print name and title				
Paid Preparer's Use Only	Preparer's signature		Date	Check if self-employed ☒	Preparer's PTIN (See Gen Inst)
	Firm's name (or yours if self-employed), address, and ZIP + 4 WTAS LLC 335 Commerce Drive - Suite 201 Fort Washington, PA 19034		EIN		
			Phone no (215) 654-1600		

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

Part III

Statement of Program Service Accomplishments (See the instructions.)

1

Briefly describe the organization’s mission

See Additional Data Table

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 (4) organizations and 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 \$ 64,175,347 including grants of \$ 7,780,835) (Revenue \$)

EDUCATION AND GUIDANCE - The student centered program provides for the educational, physical, social, and psychological needs of the students Teachers and specialists give their attention to each student individually During periods of career choice or planning of the student's program, the results of his or her achievement and aptitude tests are used in vocational guidance counseling to assist the student in making wise and appropriate choices

4b

(Code) (Expenses \$ 53,365,937 including grants of \$) (Revenue \$)

BOARD, LODGING, AND CLOTHING - With the help of the houseparents and older students, the new student soon feels at home in the new environment Meals consist of appetizing, nourishing food A complete wardrobe of appropriate clothing for all occasions is selected at the time of admission and is replenished as needed

4c

(Code) (Expenses \$ 23,981,027 including grants of \$) (Revenue \$)

HEALTH SERVICES, RECREATION & SOCIAL LIFE - During the year, students have regular physical and dental checkups Medical care is provided by the School's physician and nurses plus consulting medical specialists The School's well-equipped health care center is available when needed Proper dental care is assured through the services of a complete professional staff Recreation activities include intramural, team sports, individual sports, hobbies, boy and girl scouting and special events, etc In their social life students participate in parties, dances, HersheyPark privileges, volunteer and work programs Most social activities take place on campus as well as interaction with students from the town of Hershey

4d

Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e

Total program service expenses \$ 141,522,311 Must equal Part IX, Line 25, column (B).

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3	No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	4	No
5	Section 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? <i>If "Yes," complete Schedule C, Part III</i>	5	
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? <i>If "Yes," complete Schedule D, Part I</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> 	8	Yes
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> 	9	No
10	Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> 	10	Yes
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i> 	11	Yes
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? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i> 	12	Yes
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> 	13	Yes
14a	Did the organization maintain an office, employees, or agents outside of the U S?	14a	No
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? <i>If "Yes," complete Schedule F, Part I</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>	16	No
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>	17	No
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18	No
19	Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	No
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	20	No
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> 	21	No
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> 	22	Yes
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i> 	23	Yes
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25</i>	24a	No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	No
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>	25b	No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26	No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27	No

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		No
b	Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV		No
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		No
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		No
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		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	Yes	
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		No
36	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		No
37	Did the organization conduct more than 5 percent 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		No

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a320		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a1,483		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? . . . Note: <i>If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.</i>	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes	
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	Yes	
b	If "Yes," enter the name of the foreign country <u>LU , BD , CJ , CH , GK , IN , UK</u> 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		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?	5c		
6a	Did the organization solicit any contributions that were not tax deductible?	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	<i>Organizations that may receive deductible contributions under section 170(c).</i>			
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of \$75 or more?	7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .	7f		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		No
9	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</i>			
a	Did the organization make any taxable distributions under section 4966?	9a		No
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		No
10	<i>Section 501(c)(7) organizations.</i> Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	<i>Section 501(c)(12) organizations.</i> Enter			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b		
12a	<i>Section 4947(a)(1) non-exempt charitable trusts.</i> 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 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
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?		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?		No
6	Does the organization have members or stockholders?		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	Yes	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	the governing body?	Yes	
8b	each committee with authority to act on behalf of the governing body?	Yes	
9a	Does the organization have local chapters, branches, or affiliates?		No
9b	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?		
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	Yes	
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		No

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No", go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision		
15a	The organization's CEO, Executive Director, or top management official?	Yes	
15b	Other officers or key employees of the organization? Describe the process in Schedule O	Yes	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	If "Yes," 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?		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed _____
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you 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. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. GAYLA BUSH HERSHEY TRUST CO PO BOX 445 HERSHEY, PA 17033 (717) 520-1100

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

☐ Check this box if the organization did not compensate any officer, director, trustee or key employee

Form 990 (2008)

Part VII

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total								3,107,235	6,159,609	2,583,074

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **39**

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

Section B. Independent Contractors

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

(A)	(B)	(C)
Name and business address	Description of services	Compensation
WINALL INC DBA MID-STATE 638 ANTOINE STREET HARRISBURG, PA 17105	CONSTRUCTION SERVICE	3,431,284
WARFEL CONSTRUCTION 1110 ENTERPRISE ROAD EAST PETERSBURG, PA 17520	CONSTRUCTION SERVICE	3,372,923
PYRAMID CONSTRUCTION SERVICES 4425 VALLEY STREET ENOLA, PA 17025	CONSTRUCTION SERVICE	2,396,430
RANDALL YOST CONTRACTING PO BOX 692 MAYTOWN, PA 17550	CONSTRUCTION SERVICE	1,481,950
WHITING TURNER CONTRACTING CO 300 E JUPPA ROAD BALTIMORE, MD 21297	CONSTRUCTION SERVICE	1,372,379

2	Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization	0
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Part VIII

Statement of Revenue

				(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . . 1a		1,449			
	b	Membership dues 1b					
	c	Fundraising events 1c					
	d	Related organizations . . . 1d					
	e	Government grants (contributions) 1e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1,449 1f					
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total (Add lines 1a-1f) 1,449					
	Program Service Revenue	2a	AG MILK AND CROP SALES				
b		MEMORANDA SALES TO PUBLIC	900,099	41,840	41,840		
c		CONCESSION STAND SALES	900,099	32,897	32,897		
d							
e							
f		All other program service revenue					
g		Total. Add lines 2a-2f \$ 565,898					
Other Revenue		3	Investment income (including dividends, interest other similar amounts)		161,507,414		14,145
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
	6a	Gross Rents	(i) Real 5,291,686	(ii) Personal	57,718	-388,652	446,370
	b	Less rental expenses	5,233,968				
	c	Rental income or (loss)	57,718				
	d	Net rental income or (loss) 57,718					
	7a	Gross amount from sales of assets other than inventory	(i) Securities 860,259,054	(ii) Other 32,836	-166,868,015		-166,868,015
	b	Less cost or other basis and sales expenses	1,027,159,905	0			
	c	Gain or (loss)	-166,900,851	32,836			
	d	Net gain or (loss) -166,868,015					
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18 Attach Schedule G if total exceeds \$15,000 a		0			
	b	Less direct expenses b					
	c	Net income or (loss) from fundraising events 0					
	9a	Gross income from gaming activities See part IV, line 19 Complete Schedule G if total exceeds \$15,000 a		0			
	b	Less direct expenses b					
	c	Net income or (loss) from gaming activities 0					
	10a	Gross sales of inventory, less returns and allowances a		0			
	b	Less cost of goods sold . . . b					
	c	Net income or (loss) from sales of inventory 0					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
c							
d	All other revenue						
e	Total. Add lines 11a-11d \$ 0						
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e -4,735,536			-4,735,536	565,898	-374,507	-4,928,376

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).					
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	7,780,835	7,780,835		
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,233,317	866,881	1,366,436	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	62,106,942	52,880,302		0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,282,356	5,243,296	2,039,060	0
9	Other employee benefits	18,279,223	13,014,807	5,264,416	0
10	Payroll taxes	5,502,989	3,962,152	1,540,837	0
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	336,845	14,490	322,355	0
c	Accounting	106,647	76,786	29,861	0
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	13,061,883	0	13,061,883	0
g	Other	2,813,445	2,813,445	0	0
12	Advertising and promotion	1,026,524	393,821	632,703	0
13	Office expenses	359,237	244,281	114,956	0
14	Information technology	492,660	427,712	64,948	0
15	Royalties	0			
16	Occupancy	7,147,178	5,575,434	1,571,744	0
17	Travel	975,957	917,464	58,493	0
18	Payments of travel or entertainment expenses for any Federal, state or local public officials	0			
19	Conferences, conventions and meetings	161,624	118,439	43,185	0
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	36,625,405	28,567,816	8,057,589	0
23	Insurance	2,979,535	1,862,209	1,117,326	0
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	FOOD, CLOTHING, & PROVISIONS	6,285,264	6,107,878	177,386	0
b	OPERATING SUPPLIES	3,077,692	2,105,106	972,586	0
c	CONTRACTED SERVICES	8,435,802	4,428,698	4,007,104	0
d	EQUIPMENT RENTAL/MAINTENANCE	2,649,694	1,551,043	1,098,651	0
e	EXPENSE OF TRUSTEE	1,136,893	0	1,136,893	0
f	All other expenses	5,084,438	2,569,416	2,515,022	0
25	Total functional expenses. Add lines 1 through 24f	195,942,385	141,522,311	54,420,074	0
26	Joint Costs. Check ☐ 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)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing		1	
	2 Savings and temporary cash investments	83,829,138	2	76,499,030
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	20,309,859	4	16,115,548
	5 Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	1,597,762	8	1,851,196
	9 Prepaid expenses and deferred charges	1,891,854	9	2,112,175
	10a Land, buildings, and equipment cost basis	10a 1,073,758,355		
	b Less accumulated depreciation <i>Complete Part VI of Schedule D</i>	10b 331,431,930	705,486,326	10c 742,326,425
	11 Investments—publicly traded securities	1,978,990,256	11	1,766,549,009
	12 Investments—other securities See Part IV, line 11 <i>Complete Part VII of Schedule D</i>	4,661,295,553	12	4,361,670,137
	13 Investments—program-related See Part IV, line 11 <i>Complete Part VIII of Schedule D</i>		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11 <i>Complete Part IX of Schedule D</i>		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	7,453,400,748	16	6,967,123,520	
Liabilities	17 Accounts payable and accrued expenses	148,005,189	17	157,042,496
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability <i>Complete Part IV of Schedule D</i>		21	
	22 Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities <i>Complete Part X of Schedule D</i>		25	
	26 Total liabilities. Add lines 17 through 25	148,005,189	26	157,042,496
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,072,221,936	27	937,888,263
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets	6,233,173,623	29	5,872,192,761
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	7,305,395,559	33	6,810,081,024
	34 Total liabilities and net assets/fund balances	7,453,400,748	34	6,967,123,520

Part XI **Financial Statements and Reporting**

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ cash ☒ accrual ☐ other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	No
b	Were the organization's financial statements audited by an independent accountant?	2b Yes	
c	If "Yes" to 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 Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	No
b	If "Yes," did the organization undergo the required audit or audits?	3b	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization MILTON HERSHEY SCHOOL & SCHOOL TRUST	Employer identification number 23-1353340
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Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

1	☐	A church, convention of churches, or association of churches described in Section 170(b)(1)(A)(i).
2	☒	A school described in Section 170(b)(1)(A)(ii). (Attach Schedule E)
3	☐	A hospital or a cooperative hospital service organization described in Section 170(b)(1)(A)(iii). (Attach Schedule H)
4	☐	A medical research organization operated in conjunction with a hospital described in Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
5	☐	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in Section 170(b)(1)(A)(iv). (Complete Part II)
6	☐	A federal, state, or local government or governmental unit described in Section 170(b)(1)(A)(v).
7	☐	An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in Section 170(b)(1)(A)(vi) (Complete Part II)
8	☐	A community trust described in Section 170(b)(1)(A)(vi) (Complete Part II)
9	☐	An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See Section 509(a)(2). (Complete Part III)
10	☐	An organization organized and operated exclusively to test for public safety See Section 509(a)(4). (See instructions)
11	☐	An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See Section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h a ☐ Type I b ☐ Type II c ☐ Type III - Functionally Integrated d ☐ Type III - Other
e	☐	By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
f	☐	If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
g	☐	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? (ii) a family member of a person described in (i) above? (iii) a 35% controlled entity of a person described in (i) or (ii) above?
h	☐	Provide the following information about the organizations the organization supports

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

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

Part II

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

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 line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 Public Support subtract line 5 from line 4						

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						☐

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 for 2007 Schedule A, Part IV-A, line 26f	15	
16a 33 1/3% 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		☐
b 33 1/3% Test - 2007. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		☐
17a 10% Facts and Circumstances Test - 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 "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		☐
b 10% Facts and Circumstances Test - 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		☐
18 Private Foundation. If the organization did not check the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		☐

Part IIISupport Schedule for Organizations Described in IRC 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 ")						
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						
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						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
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 Total of lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

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						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
c Add lines 10a and 10b						
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)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Computation of Public Support Percentage			
15 Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15		
16 Public Support Percentage for 2007 Schedule A, Part IV -A, line 27g	16		

Computation of Investment Income Percentage			
17 Investment Income Percentage for 2008 (line 10c column (f) divided by line 13 column (f))	17		
18 Investment Income Percentage from 2007 Schedule A, Part IV -A, line 27h	18		
19a 33 1/3% 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			
b 33 1/3% 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			
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions			

Part IV

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

Facts and Circumstances Test

SCHEDULE D

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL & SCHOOL TRUST

Employer identification number

23-1353340

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
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 Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

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 the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	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 the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	6,233,173,623				
b Contributions					
c Investment earnings or losses	-360,980,862				
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	5,872,192,761				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100 %

c

Term endowment ▶

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

3a(i)

No

3a(ii)

No

b

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

3b

Yes

4

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

Part VI

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		77,419,919		77,419,919
b Buildings	33,316,479	884,128,875	276,868,135	640,577,219
c Leasehold improvements				
d Equipment		78,893,082	54,563,795	24,329,287
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				742,326,425

(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	3,180,772,215	F
Other FUNDS - OTHER	894,875,200	F
Other REIT FUNDS	14,277,766	F
Other ALTERNATIVE ASSETS-MARKETABLE	38,752,248	F
Other ALTERNATIVE ASSETS-NON MARKET	232,992,708	F
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)	4,361,670,137	

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

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Total. (Column (b) should equal Form 990, Part X, col (B) line 25) ▶	

Schedule D (Form 990) 2008

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	-4,735,536
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	195,942,385
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-200,677,921
4	Net unrealized gains (losses) on investments	4	-277,888,102
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-16,748,512
9	Total adjustments (net) Add lines 4 - 8	9	-294,636,614
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-495,314,535

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	-277,988,404
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-277,888,102
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	5,233,968
e	Add lines 2a through 2d	2e	-272,654,134
3	Subtract line 2e from line 1	3	-5,334,270
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	598,734
c	Add lines 4a and 4b	4c	598,734
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	-4,735,536

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	217,326,131
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	21,982,480
e	Add lines 2a through 2d	2e	21,982,480
3	Subtract line 2e from line 1	3	195,343,651
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	598,734
c	Add lines 4a and 4b	4c	598,734
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	195,942,385

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 XIV, 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

Identifier	Return Reference	Explanation
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SCHEDULE E (Form 990 or 990-EZ)	Schools	OMB No 1545-0047
		2008
		Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Attach to Form 990 or Form 990-EZ. To be completed by organizations that answer "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.

Name of the organization MILTON HERSHEY SCHOOL & SCHOOL TRUST	Employer identification number 23-1353340
--	--

		YES	NO
1	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	Yes	
2	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	Yes	
3	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe If "No," please explain THE APPLICATION FOR ADMISSION STATES "MILTON HERSHEY SCHOOL ADMITS STUDENTS OF ANY RACE AND DOES NOT DISCRIMINATE IN THE ADMINISTRATION OF ITS POLICIES AND PROGRAMS " We include on our website, publications and correspondence with perspective students complete disclosures of our "nondiscrimination policy "	Yes	
4	Does the organization maintain the following? a Records indicating the racial composition of the student body, faculty, and administrative staff? b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	Yes	
5	Does the organization discriminate by race in any way with respect to a Students' rights or privileges? b Admissions policies? c Employment of faculty or administrative staff? d Scholarships or other financial assistance? e Educational policies? f Use of facilities? g Athletic programs? h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		No
			No
			No
			No
			No
			No
			No
			No
6a	Does the organization receive any financial aid or assistance from a governmental agency?		No
6b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 6a or b, please explain using an attached statement		
7	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	Yes	

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
MILTON HERSHEY SCHOOL & SCHOOL TRUST

Grants and Other Assistance to Organizations,
Governments and Individuals in the U.S.

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

OMB No 1545-0047

2008

Open to Public
Inspection

Employer identification number
23-1353340

Part I General Information on Grants and Assistance

1

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

☒ Yes ☐ No

2

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

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 if additional space is needed.

☐

1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2

Enter total number of section 501(c)(3) and government organizations

3

Enter total number of other organizations

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
MILTON HERSHEY SCHOOL & SCHOOL TRUST

Employer identification number
23-1353340

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

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
See Additional Data Table	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
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	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						

Software ID:
Software Version:
EIN: 23-1353340
Name: MILTON HERSHEY SCHOOL & SCHOOL TRUST

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
ROBERT F CAVANAUGH	(i)	0	0	0	0	0	0	0
	(ii)	100,000	0	0	200,000	0	300,000	50,000
JAMES E NEVELS	(i)	0	0	0	0	0	0	0
	(ii)	192,500	0	0	133,859	0	326,359	91,667
LEROY S ZIMMERMAN ESQ	(i)	0	0	0	0	0	0	0
	(ii)	231,000	40,000	0	213,859	15,137	499,996	150,083
GAYLA M BUSH	(i)	0	0	0	0	0	0	0
	(ii)	155,237	57,230	202	29,920	10,063	252,652	149,105
Janice L Bratton	(i)	0	0	0	0	0	0	0
	(ii)	132,381	59,099	100	26,451	5,510	223,541	0
PETER GURT	(i)	215,626	0	24,570	31,176	32,232	303,604	136,196
	(ii)	0	0	0	0	0	0	0
JOHN O BRIEN	(i)	270,265	76,357	225,611	34,730	64,667	671,630	364,576
	(ii)	0	0	0	0	0	0	0
ELLIOTT ROBINSON	(i)	180,452	0	23,977	30,840	33,544	268,813	115,480
	(ii)	0	0	0	0	0	0	0
JAMES SHEEHAN	(i)	192,769	0	28,576	32,726	28,246	282,317	122,862
	(ii)	125,000	0	0	0	0	125,000	0
JOAN SINGLETON	(i)	175,147	0	24,527	26,058	32,027	257,759	113,115
	(ii)	0	0	0	0	0	0	0
Robert Fehrs	(i)	165,895	0	23,059	28,635	16,881	234,470	107,504
	(ii)	0	0	0	0	0	0	0
Kenneth Gall	(i)	0	0	0	0	0	0	0
	(ii)	102,112	32,520	0	19,327	16,215	170,174	0
ANNETTE COLE GILL	(i)	142,003	0	5,288	19,706	18,535	185,532	0
	(ii)	0	0	0	0	0	0	0
VINCENT B RUDISILL	(i)	0	0	0	0	0	0	0
	(ii)	329,239	479,036	1,826,966	469,608	6,457	3,111,306	0
BETH SHAW	(i)	165,756	0	1,154	21,822	15,200	203,932	94,791
	(ii)	0	0	0	0	0	0	0
D MICHAEL WELLER	(i)	136,492	0	4,996	21,390	12,469	175,347	0
	(ii)	0	0	0	0	0	0	0
AL CARBONARA	(i)	150,435	0	9,147	24,125	12,189	195,896	91,468
	(ii)	0	0	0	0	0	0	0
CARLOS POZZI	(i)	120,489	0	0	30,975	0	151,464	0
	(ii)	0	0	0	0	0	0	0
MARK SEYMOUR	(i)	126,509	0	0	31,592	0	158,101	0
	(ii)	0	0	0	0	0	0	0
ANTHONY J COLISTRA ED D	(i)	0	0	0	0	0	0	0
	(ii)	51,000	40,000	0	0	14,464	105,464	0
DELORAS JONES	(i)	92,667	0	145,665	11,618	10,190	260,140	56,069
	(ii)	0	0	0	0	0	0	0
WILLIAM LEPLEY	(i)	0	0	134,184	0	10,190	144,374	78,274
	(ii)	0	0	0	0	0	0	0
ROBERT C VOWLER	(i)	0	0	0	0	0	0	0
	(ii)	438,762	1,001,926	101,654	733,572	7,170	2,283,084	0

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

Name of the organization MILTON HERSHEY SCHOOL & SCHOOL TRUST	Employer identification number 23-1353340
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Identifier	Return Reference	Explanation
Milton Hershey School and School Trust Mission	Form 990 Part I Line 1	Founded by Deed of Trust in 1909 by Milton S Hershey and his wife Catherine, the Milton Hershey School provides children in financial and social need with an education, housing, food, clothing, medical and psychological health care, and recreational opportunities The School has never charged (and under the Deed of Trust may never charge) the children or their families any tuition or other fees, and the children come from families living at or below the federal poverty level (the Deed of Trust requiring that the students be in financial need) The School accepts children as young as four years old, educates and cares for them through high school, and supports many of them through college There are approximately 1,875 students currently enrolled in the School from pre-K to 12th grade The children are cared for in over 140 individual student homes (with eight to twelve per home), each with full-time live-in house parents, it being Mr and Mrs Hershey's intention that the children live as normal a family life as possible The children, depending on age, attend one of three school facilities elementary division, middle division, and senior division, each with a full complement of teachers and staff All needs of the children are provided for, including medical, dental and psychological

Identifier	Return Reference	Explanation
Election of Members of Governing Body	FORM 990, PART VI, SECTION A, LINE 7A	The Milton Hershey School and School Trust have a unique, self-perpetuating, interlocking and integrated governance structure Mr and Mrs Hershey organized the School in the form of a trust (the "School Trust") created under the 1909 Deed of Trust which, as amended, still governs the operation of the School The Deed of Trust sets forth the respective powers and authorities of the Trustee and Managers of the School and named Hershey Trust Company ("HTC"), a state chartered trust company, as Trustee for compensation of no more than \$1,000 per year Under the Deed of Trust, the Trustee is directed to hold title to all School property and all investments and assets that support the School The Managers, in turn, are not permitted to hold School assets, but are otherwise generally responsible for managing the School, including with respect to admissions, the program of educating and full-time caring for the children, and employment decisions Under the Deed of Trust, all revenues must be spent directly on the care and education of the children No moneys are allowed to be or are spent for any other purpose, there are no grants to other organizations or other non-MHS related spending As required by the Deed of Trust, the members of the Board of Managers of MHS are appointed by the Trustee from among the Trustee's own Board of Directors Since Mr Hershey's death in 1945, all of the stock of HTC has been owned by the School Trust The School Trust's 100% ownership of the stock of HTC has ensured a self-perpetuating, interlocking governance structure for the School because the HTC stock carries the right to elect the directors of HTC and in turn to appoint the Board of Managers of MHS from among HTC's own Board of Directors The same eight individuals serve as the Board of Directors of HTC and the Board of Managers of MHS For 100 years, the two Boards have always been identical (except for a five year period when one member of the HTC Board was not on the MHS Board)

Identifier	Return Reference	Explanation
Form 990 Review Process	FORM 990, PART VI, SECTION A, LINE 10	The Milton Hershey School and School Trust's Form990 is prepared under direction of the Senior Director-Finance of Milton Hershey School and the Vice President, Finance & Treasurer of Hershey Trust Company, Trustee The Form 990 is reviewed by additional members of Milton Hershey School and School Trust management, outside counsel and its independent tax advisors who sign the return as "Paid Preparers " The Audit Committee of the Board of Managers reviews and discusses the Form 990 at one of its scheduled meetings prior to filing the return with the IRS Additionally, the Form 990 is provided to the full Board of Managers, noting key disclosures, prior to the filing of the Form 990 with the IRS Due to the significant changes made in the current 990 form, both management and tax advisors reviewed the changes with the Audit Committee and the full board on several occasions over the last two years

Identifier	Return Reference	Explanation
Conflict of Interest	FORM 990, PART VI, SECTION B, LINE 12C	The Board of Managers, Officers and key employees of the Milton Hershey School & School Trust have a fiduciary relationship with the Milton Hershey School and School Trust which requires that they act in good faith with regard to the Milton Hershey School and School Trust's best interests It is essential in fulfilling their duties that they apply the highest moral, legal, and ethical standards in their conduct and business relationships The Milton Hershey School and Hershey Trust Company, trustee for the Milton Hershey School Trust have written conflict of interest policies which are intended to permit the Milton Hershey School and School Trust and its Managers, Officers and other key employees to identify, evaluate and address any conflict of interest that might call into question this fiduciary duty to the Milton Hershey School and School Trust The conflict of interest policy covering the Managers is documented in the Conflict of Interest section of their Governance Guidelines The conflict of interest policy covering Officers and other key employees of Milton Hershey School is documented in Milton Hershey School Policy No 5 10, Conflicts of Interest The conflict of interest policy covering Officers and other key employees of Hershey Trust Company, Trustee for Milton Hershey School is documented in Policy 1 3 Ethical Standards and Policy 1 5 Conflict of Interest of its Employee Policy Manual and Policy 1 02 Code of Conduct of its Policy Manual Each Manager, Officer and key employees is required to avoid all activity that could create a conflict of interest or even give an appearance of a conflict of interest Any conflicts of interest are to be reported as soon as practical after they become aware of such a conflict Annually each Manager, Officer and key employee is required to complete an Annual Statement of Disclosure The forms identify vendors, investments, other board memberships, and family members that could give rise to conflicts of interest The statements are reviewed by the School's General Counsel, the Senior Director-Finance and purchasing department personnel as well as the Vice President, Finance and payables personnel at Hershey Trust Company as Trustee 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 Presidents of Milton Hershey School and Hershey Trust Company, Trustee and the Compliance Officer 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 Presidents and managers, the matter would be discussed with the Audit Committee of the Board of Directors The Audit Committee of the Board of Managers in consultation with the other board members, excluding such conflicted person, has the final approval of any recommended corrective measures or imposed restrictions

Identifier	Return Reference	Explanation
Compensation Process	FORM 990, PART VI, SECTION B, LINES 15A AND 15B	An independent compensation consultant evaluates and compares the compensation of the officers and senior directors of Milton Hershey School to similarly qualified persons in functionally comparable positions at similarly situated organizations to determine that it is fair and reasonable This process occurs at the initial hire of the officer/senior director and at regular intervals thereafter, but not less frequently than every five years The compensation information is reviewed and approved by the Board of Managers, the governing body of the School, who do not have any conflict of interest with respect to the compensation arrangements of the officers and senior directors The review of the compensation of the officers and senior directors, including detail on the deliberations and decisions, is contemporaneously documented within the minutes from the Board meeting A file with position descriptions, resumes of officers and senior directors, the report of the independent compensation consultant and a copy of the applicable board minutes is maintained by the School The compensation of the officers and key employees of Hershey Trust Company, Trustee of Milton Hershey School is determined by periodic review (generally, at least every 3 years) by third party compensation consultants to determine it is fair and reasonable The compensation of the statutory officers, the Managing Director and Compliance Officer is fixed by the Board of Directors of Hershey Trust Company in accordance with Section 5 of its bylaws The President and Managing Director of Hershey Trust Company approves compensation of the other officers and key employees and reports this compensation to the Board of Directors or a designated committee of the Board of Directors as any changes are made The Board of Managers do not receive any compensation from Milton Hershey School and School Trust The Managers receive compensation from Hershey Trust Company as directors of the Trust Company in accordance with Section 16 of its bylaws The compensation is periodically reviewed by third party compensation consultants

Identifier	Return Reference	Explanation
State Filing of Form 990	FORM 990, PART VI, SECTION C, LINE 17	THE FORM 990 IS NOT REQUIRED TO BE FILED IN THE STATE OF PENNSYLVANIA, HOWEVER, A COPY IS DELIVERED TO THE PENNSYLVANIA OFFICE OF THE ATTORNEY GENERAL FOR THEIR REVIEW

Identifier	Return Reference	Explanation
Public Availability of Governing Documents	FORM 990, PART VI, SECTION C, LINE 19	THE DEED OF TRUST ESTABLISHING THE MILTON HERSHEY SCHOOL TRUST IS POSTED ON THE MILTON HERSHEY SCHOOL WEBSITE THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST DOES NOT MAKE AVAILABLE TO THE PUBLIC ITS OTHER GOVERNING DOCUMENTS OR CONFLICT OF INTEREST POLICY THE SCHOOL DOES HAVE ITS 990 POSTED ON ANOTHER WEBSITE, GUIDESTAR INCLUDED IN THE 990 ARE CERTAIN FINANCIAL STATEMENT COMPONENTS FOR REVIEW THE 990 AND TAX EXEMPTION LETTER ARE PROVIDED TO ANYONE WHO REQUESTS THEM IN ACCORDANCE WITH IRS REGULATIONS

Identifier	Return Reference	Explanation
Compensation	Part VII	Due to the change in reporting compensation from the fiscal year to the calendar year, this Form 990 (Schedule J-1, Part I(f)) includes compensation for the period 1/1/08 - 7/31/08 that was also reported on the 7/31/08 form 990

Identifier	Return Reference	Explanation
Revenue and Expenses	Form 990 Part VIII and IX	Part VIII, Statement of Revenue Line Milton Hershey Milton Hershey School Trust School Total 1f DONATIONS 1,449 0 1,449 2 PROGRAM SERVICE REV 0 565,898 565,898 3 INVESTMENT INCOME 161,507,414 0 161,507,414 6 NET RECEIVING INCOME 57,718 0 57,718 7(i)LOSS SALE SECURITIES (166,900,851) 0 (166,900,851) 7(ii)GAIN ON SALE OTHER 0 32,836 32,836 12 TOTAL REVENUE (5,334,270) 598,734 (4,735,536) Part IX, Statement of Functional Expenses Line Milton Hershey Milton Hershey School Trust School Total 2 GRANTS TO INDIVIDUALS 0 7 780,835 7 780,835 5 COMPENSATION OFFICERS 0 2,233,317 2,233,317 7 OTHER SALARIES &WAGES 0 62,106,942 62,106,942 8 PENSION PLAN CONTRIBUTIONS 0 7,282,356 7,282,356 9 OTHER EMPLOYEE BENEFITS 0 18,279,223 18,279,223 10 PAYROLL TAXES 0 5,502,989 5,502,989 11b LEGAL FEES 0 336,845 336,845 11c ACCOUNTING FEES 0 106,647 106,647 11f INVEST MANAGEMENT FEES 13,061,883 0 13,061,883 11g OTHER FEES FOR SERVICES 0 2,813,445 2,813,445 12 ADVERTISING 0 1,026,524 1,026,524 13 OFFICE EXPENSES 0 359,237 359,237 14 INFORMATION TECHNOLOGY 0 492,660 492,660 16 OCCUPANCY 0 7,147,178 7,147,178 17 TRAVEL 0 975,957 975,957 19 CONFERENCES MEETINGS 0 161,624 161,624 22 DEPRECIATION AMORTIZATION 0 36,625,405 36,625,405 23 INSURANCE 0 2,979,535 2,979,535 24a FOOD CLOTHING PROVISIONS 0 6,285,264 6,285,264 24b OPERATING SUPPLIES 0 3,077,692 3,077,692 24c CONTRACTED SERVICES 0 8,435,802 8,435,802 24d EQUIPMENT MAINTENANCE 0 2,649,694 2,649,694 24e EXPENSE OF TRUSTEE 1,136,893 0 1,136,893 24f ALL OTHER EXPENSES 0 5,084,438 5,084,438 26 TOTAL FUNCTIONAL EXPS 14,198,776 181,743,609 195,942,385

Identifier	Return Reference	Explanation
Other Fees for Service	FORM 990, PART IX, LINE 11G	THIS AMOUNT IS FOR HOSPITAL, MEDICAL, AND DENTAL SERVICES PROVIDED FOR THE STUDENTS

Identifier	Return Reference	Explanation
Unrestricted Net Assets	Part X Line 27	Milton Hershey Milton Hershey School Trust School Total Cash 2,881,729 15,595 2,897,324 Investments 355,710,151 0 355,710,151 Accounts Receivable 1,275,261 135,037 1,410,298 Accrued Interest & Dividends 10,203,230 0 10,203,230 Student Care & Education Inventories 0 1,851,196 1,851,196 Other Current Assets 0 2,670,543 2,670,543 Property Equipment, at cost 103,540,956 610,279,726 713,820,682 Current liabilities (3,870,197) (23,084,115) (26,954,312) Long term liabilities 0 (123,720,849) (123,720,849) Net Unrestricted Assets 469,741,130 468,147,133 937,888,263

Identifier	Return Reference	Explanation
Lobbying Activities of Related Organizations		Although not technically lobbying, the Milton Hershey School Trust paid \$77,610 during the reporting period to a consultant to maintain contact with local legislators for zoning and transportation issues The Hershey Trust Company, a for-profit corporation, wholly owned by the Milton Hershey School Trust, paid consultants \$86,584 during the reporting period for consulting on transportation issues Of this amount, \$8,125 was for Pennsylvania lobbying services Hershey Entertainment and Resorts Company, a for-profit company, wholly owned by the Milton Hershey School Trust, had lobbying expenses of \$346,580 Their political action committee made disbursements of \$16,612 during the reporting period The Hershey Company files quarterly Lobbyist Disclosure Reports that detail the issues being lobbied and the dollar value of time dedicated to each reportable issue These reports are filed as follows United States House of Representatives (Quarterly) ID# 312740000 United States Senate (Quarterly) ID# 18103-12 Pennsylvania Department of State (Quarterly) P-00645, L-00972 Filed reports represent expenditures relating to both internal and external resources

Identifier	Return Reference	Explanation
Schedule D, Parts V, VI and VII		The endowment funds and other investment assets of the School Trust (the "Assets") are invested for the long term because the school is to exist in perpetuity per the desire of Milton Hershey as stated in the Deed of Trust The assets are invested to ensure that funds are available to meet current and future obligations of the school As provided in the Deed of Trust, the corpus of the School Trust is to be held in perpetuity and is not to be expended Current and accumulated trust accounting income (generally, dividends, interest and net rental income) of the School Trust is available to pay the expenses of the school The Board and the Trustee continually review the performance of the Assets The Board also periodically reviews the process of investing the Assets with the assistance of the Trustee and third-party investment consultants They have a disciplined process to review asset allocation, manager selection, and outside manager fees, as well as the detailed Investment Policy and Guidelines

Identifier	Return Reference	Explanation
Hours Spent on Related Organizations	Schedule J-2	The following indicates Milton Hershey School and School Trust Managers officers and key employees who are also directors, officers or key employees of related organizations and the hours spent per week on duties for these related organizations Hershey MS Entertain Hershey Hershey Hershey & Resorts Co Fdn Trust Co Robert Cavanaugh - 6 - (1) Anthony Colistra 1 5 - - - Raymond Gover - - 6 (1) James Mead - - 3 (1) James Nevels - 16 - (1) Hilary Pennington - - - (1) Velma A Redmond - - 2 3 (1) Robert Reese - - 1 6 (1) Joseph M Senger - - - (1) LeRoy S Zimmerman 2 2 2 (1) Janice L Bratton - - 5 19 Gayla M Bush - - 2 10 Kenneth Gall - - 1 - Vincent B Rudisill - - 1 3 10 James Sheehan - - 3 (1) Robert C Vowler - - - (1) (1) Time spent on Hershey Trust Company matters is included in the average hours per week on Schedule J-2

Identifier	Return Reference	Explanation
Business Transaction with Interested Persons	Form 990, Part IV, Line 28b	Anthony B Seitz is a family member of Leroy S Zimmerman Anthony B Seitz is a partial owner of Delta Development Group, Inc (the Company) The Company provides transportation consulting for 2 wholly owned entities of Milton Hershey School and School Trust Delta Development Group, Inc was paid in total \$289,819 by the wholly-owned for-profit corporations, Hershey Trust Company and Hershey Entertainment & Resorts Company None of the amounts were paid by Milton Hershey School and School Trust

Identifier	Return Reference	Explanation
Related Organizations	Schedule R Part II	Hershey Cemetery PERPETUAL MAINTENANCE FUND Trust (EIN 23-6629638) is a Pennsylvania nonprofit trust that is exempt from federal tax pursuant to Internal Revenue Code Section 501(c)(13) HERSHEY TRUST COMPANY IS TRUSTEE OF THE TRUST Hershey Cemetery Trust was established to provide funding for the perpetual MAINTENANCE at Hershey Cemetery CoMPANY, a Pennsylvania nonprofit corporation THE HERSHEY TRUST COMPANY AND THE HERSHEY CEMETERY COMPANY ARE related to the Milton Hershey School & School Trust

Identifier	Return Reference	Explanation
Related Organizations	Schedule R Part IV	The Milton Hershey School Trust holds 32.2% of the total outstanding Common Stock and Class B Common Stock of the Hershey Company Each share of the Class B Common Stock entitles its holder to 10 votes The Trust has 80% of all votes entitled to be cast on matters requiring the vote of Common Stock and Class B Common Stock voting together Columns (F) and (G) reflect the Trust's 32.2% share of the Hershey Company's total income and end-of-year assets Column (H) reflects the Trust's total combined voting power

Identifier	Return Reference	Explanation
Transactions with Related Organizations	Schedule R Part V	The follwing is a summary of transactions between the Milton hershey School & School Trust and related organizations reported on Schedule R Part II and IV These transactions are not required to be reported per the instructions to Schedule R Performance of Service by Hershey Trust Co \$1,000 Purchase asset from The Hershey Company \$5,913,119 Reimbursement paid to The Hershey Company \$10,053 Performance of services by Hershey Entertainment & Resorts Co \$99,607 Reimbursement paid to by Hershey Entertainment & Resorts Co \$172,560 Reimbursement paid to Hershey Entetainment & Resorts Co \$303,051 Reimbursement paid to M S Hershey Foundation \$130,148 Other transfer of cash to M S Hershey Foundation \$350,000 Reimbursement paid to Dearden House Advisory Board \$38,235

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answerd "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL & SCHOOL TRUST

Employer identification number
23-1353340

Part I Identification of Disregarded Entities					
(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations					
(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
THE MS HERSHEY FOUNDATION PO BOX 445 HERSHEY, PA17033 23-0692150	EDUCATION	PA	501(c)(3)	9	HTC Trustee
DEARDEN HOUSE ADVISORY BOARD PO BOX 830 HERSHEY, PA17033 20-2579678	SVCS TO ALUM	PA	501(c)(3)	7	N/A
HERSHEY CEMETERY COMPANY PO BOX 445 HERSHEY, PA17033 23-1973529	CEMETERY	PA	501(c)(13)		HTC Trustee

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of- year assets	(H) Disproporionate allocations?		(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(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 HERSHEY, PA17033 23-0692150	STATE TRUST CO	PA	HTC Trustee	C CORP	10,380,243	52,090,822	100 %
HERSHEY ENTERTAINMENT & RESORTS CO 27 W CHOCOLATE HERSHEY, PA17033 23-0691815	ENTERTAINMENT	PA	HTC Trustee	C CORP	252,908,169	299,575,989	100 %
THE HERSHEY CO 100 CRYSTAL A DR HERSHEY, PA17033 23-0691590	CONFECTIONARY	PA	HTC Trustee	C CORP	1,168,227,199	704,879,367	80 %

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)

Yes

No

1a Yes

1b No

1c No

1d No

1e No

1f No

1g Yes

1h No

1i No

1j

1k No

1l Yes

1m

1n

1o Yes

1p No

1q Yes

1r No

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) HERSHEY ENTERTAINMENT & RESORTS CO	A	145,836
(2) HERSHEY TRUST COMPANY	A	293,379
(3) THE HERSHEY COMPANY	A	145,161
(4) MS HERSHEY FOUNDATION	A	49,110
(5)		
(6)		

Schedule R (Form 990) 2008

Additional Data

Software ID:

Software Version:

EIN: 23-1353340

Name: MILTON HERSHEY SCHOOL & SCHOOL TRUST

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ROBERT F CAVANAUGH , MANAGER	6 0	X						0	100,000	200,000
RAYMOND L GOVER , MANAGER	5 0	X						0	99,500	0
JAMES MEAD , MANAGER	4 0	X						0	125,000	0
JAMES E NEVELS , MANAGER	4 0	X						0	192,500	133,859
HILARY C PENNINGTON , MANAGER	5 0	X						0	103,000	0
VELMA A REDMOND ESQ , MANAGER	5 0	X						0	116,145	0
ROBERT REESE , MANAGER	55 0	X						0	125,000	0
JOSEPH M SENSER , Manager	8 0	X						0	95,000	0
LEROY S ZIMMERMAN ESQ , MANAGER	6 0	X						0	271,000	228,996
HERSHEY TRUST COMPANY , TRUSTEE			X					1,000	0	0
GAYLA M BUSH , TREASURER & VP Finance- HTC	40 0			X				0	212,669	39,983
PETER GURT , VP STUDENT LIFE DIVISION	40 0			X				240,196	0	63,408
JOHN O BRIEN , PRESIDENT	40 0			X				572,233	0	99,397
ELLIOTT ROBINSON , VP ADMINISTRATION	40 0			X				204,429	0	64,384
JAMES SHEEHAN , VP LEGAL AFFAIRS	57 0			X				221,345	125,000	60,972
JOAN SINGLETON , VP WORKFORCE EFFECTIVENESS	40 0			X				199,674	0	58,085
Janice L Bratton , VP Investment Hershey Trust Co	36 0				X			0	191,580	31,961
Robert Fehrs , Head Middle Division	40 0				X			188,954	0	45,516
Kenneth Gall , Director Real Estate- HTC	54 0				X			0	134,632	35,542
ANNETTE COLE GILL , HEAD ELEMENTARY DIVISION	40 0				X			147,291	0	38,241
VINCENT B RUDISILL , CHIEF INVESTMENT OFFICER- HTC	29 0				X			0	2,635,241	476,065
BETH SHAW , EXEC DIRECTOR STUDENT SUPPORT	40 0				X			166,910	0	37,022
D MICHAEL WELLER , HEAD SENIOR DIVISION	40 0				X			141,488	0	33,859
AL CARBONARA , Senior Director Finance	40 0					X		159,582	0	36,314
SANDRA CULLOTA , SR DIRECTOR APPLIED LEARNING	40 0					X		125,264	0	19,056
ADAM HOHENWATER , SR MANAGER SYSTEM ANALYSIS	40 0					X		119,355	0	30,643
CARLOS POZZI , DIRECTOR PSYCHOLOGY	40 0					X		120,489	0	30,975
MARK SEYMOUR , Senior Director Enrollment	40 0					X		126,509	0	31,592
ANTHONY J COLISTRA ED D , FORMER DIRECTOR AND MANAGER							X	0	91,000	14,464
ROBERT C VOWLER , Former CEO Hershey Trust Co							X	0	1,542,342	740,742

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DELORES JONES , FORMER DIRECTOR ORG LEARNING							X	238,332	0	21,808
WILLIAM LEPLEY , Former President							X	134,184	0	10,190

Form 990, Part III, Line 1 - Briefly describe the organization's mission:

MILTON HERSHEY SCHOOL PROVIDES, THROUGH ITS ELEMENTARY, MIDDLE, AND SENIOR PROGRAMS, AN EDUCATION AND RESIDENTIAL OPPORTUNITY FOR CHILDREN WHOSE FAMILY RELATIONSHIPS HAVE BEEN DISRUPTED. THE SCHOOL PROVIDES YEAR ROUND CARE AND EDUCATION FOR OUR CHILDREN WHO ARE HOUSED IN A HOME ENVIRONMENT. THE MILTON HERSHEY SCHOOL TRUST WAS ESTABLISHED IN 1909 BY THE LATE MILTON S. HERSHEY FOR THE PURPOSE OF FUNDING AND ENDOWING THE SCHOOL IN PERPETUITY.

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

[illegible]