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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)

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

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 08-01-2012 , 2012, and ending 07-31-2013

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

C Name of organization
MILTON HERSHEY SCHOOL AND SCHOOL TRUST

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite
PO BOX 445
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 $ 3,127,903,066

F Name and address of principal officer
JOHN ESTEY ESQ
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) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J **Website:** ▶ WWW MHS-PA ORG

K Form of organization ☐ Corporation ☐ Trust ☐ Association ☑ Other ▶ SEE SCH O

L Year of formation 1909

M State of legal domicile PA

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 net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	0
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	2,086
6	Total number of volunteers (estimate if necessary)	6	791
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	826,419
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	30,325	40,067
9	Program service revenue (Part VIII, line 2g)	667,944	754,868
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	384,479,087	681,210,365
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,201,749	4,063,544
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	386,379,105	686,068,844
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	5,951,970	4,333,096
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)	104,441,037	109,613,277
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	95,687,443	99,083,747
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	206,080,450	213,030,120
19	Revenue less expenses Subtract line 18 from line 12	180,298,655	473,038,724
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	9,941,648,726	12,021,875,765
21	Total liabilities (Part X, line 26)	199,040,551	171,050,039
22	Net assets or fund balances Subtract line 21 from line 20	9,742,608,175	11,850,825,726

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer — Date 2014-06-11

GAYLA BUSH VICE PRESIDENT, FINANCE
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ PricewaterhouseCoopers LLP — Firm's EIN ▶

Firm's address ▶ 2001 MARKET ST SUITE 1700
PHILADELPHIA, PA 19103 — Phone no (267) 330-3000

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

SEE SCHEDULE O FOR FURTHER DETAILS

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 175,266,643 including grants of $ 4,333,096) (Revenue $ 2,058,762)

SEE SCHEDULE O FOR FURTHER DETAILS

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 175,266,643

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	251			
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2,086			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	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		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		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 receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

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

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

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
▶GAYLA BUSH HERSHEY TRUST CO PO BOX 445 HERSHEY, PA (717) 520-1100

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
1b Sub-Total . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . ▶								3,096,512	2,961,315	1,440,906

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶37

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Simeral Construction Inc , 129 W Airport Rd LITITZ PA 17543	construction	4,739,804
REMCO , 195 HEMPT ROAD MECHANICSBURG PA 17050	construction	1,758,795
HR Mechanical , PO BOX 430 MIDDLETOWN PA 17057	CONSTRUCTION	1,550,407
Wellington Trust Company NA , PO Box 13766 NEWARK NJ 071880766	INVESTMENT MGMT	1,539,825
Silchester , 780 Third Avenue 42nd Floor NEW YORK NY 10017	investment mgmt	1,423,616

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶95

Part VIII Statement of Revenue

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

Section	Line	Description			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a					
	b	Membership dues	1b					
	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	1f	40,067				
	g	Noncash contributions included in lines 1a-1f $		7,400				
	h	**Total.** Add lines 1a-1f . . . . ▶			40,067			
Program Service Revenue				Business Code				
	2a	AG MILK AND CROP SALES		900099	643,533	643,533		
	b	MEMORABILIA SALES TO PUBLIC		900099	7,001	7,001		
	c	CONCESSION STAND SALES		900099	46,957	46,957		
	d	UTILITIES REBATES		900099	41,279	41,279		
	e	FOOD REBATES		900099	6,633	6,633		
	f	All other program service revenue			9,465	9,465		
	g	**Total.** Add lines 2a–2f . . . . ▶			754,868			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . ▶			258,211,703		1,489,715	256,721,988
	4	Income from investment of tax-exempt bond proceeds . . ▶			0			
	5	Royalties . . . . ▶			0			
			(i) Real	(ii) Personal				
	6a	Gross rents	7,534,841					
	b	Less rental expenses	4,775,191					
	c	Rental income or (loss)	2,759,650	0				
	d	Net rental income or (loss) . . . . ▶			2,759,650		-663,296	3,422,946
			(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	2,859,987,438	70,255				
	b	Less cost or other basis and sales expenses	2,436,710,773	348,258				
	c	Gain or (loss)	423,276,665	-278,003				
	d	Net gain or (loss) . . . . ▶			422,998,662			422,998,662
	8a	Gross income from fundraising events (not including $ ____________ of contributions reported on line 1c) See Part IV, line 18 . .	a					
	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 . . .	a					
	b	Less direct expenses . . .	b					
	c	Net income or (loss) from gaming activities . . . ▶			0			
	10a	Gross sales of inventory, less returns and allowances .	a					
	b	Less cost of goods sold . .	b					
	c	Net income or (loss) from sales of inventory . . ▶			0			
		Miscellaneous Revenue		Business Code				
	11a	INSURANCE PROCEEDS/RECOVERIES		900099	1,303,894	1,303,894		
	b							
	c							
	d	All other revenue						
	e	**Total.** Add lines 11a–11d . . . . . . ▶			1,303,894			
	12	**Total revenue.** See Instructions . . . . . ▶			686,068,844	2,058,762	826,419	683,143,596

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States See Part IV, line 22	4,333,096	4,333,096		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	2,796,183	1,712,465	1,083,718	
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	66,960,824	63,891,286	3,069,538	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	17,117,209	16,090,176	1,027,033	
9 Other employee benefits	16,986,497	15,967,307	1,019,190	
10 Payroll taxes	5,752,564	5,407,410	345,154	
11 Fees for services (non-employees)				
a Management	0			
b Legal	686,277	43,508	642,769	
c Accounting	109,575		109,575	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	20,673,959		20,673,959	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	4,060,377	4,060,377		
12 Advertising and promotion	1,996,116	1,143,787	852,329	
13 Office expenses	1,400,041	1,261,777	138,264	
14 Information technology	1,077,237	1,053,514	23,723	
15 Royalties . .	0			
16 Occupancy	5,483,748	5,389,782	93,966	
17 Travel	837,620	827,187	10,433	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	263,804	240,029	23,775	
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	37,007,345	34,046,757	2,960,588	
23 Insurance	3,611,206	1,004,697	2,606,509	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a TRUST EXPENSES	1,589,363		1,589,363	
b FOOD, CLOTHING & HOUSEHOLD	6,532,227	6,381,261	150,966	
c SUPPLIES	1,945,432	1,887,413	58,019	
d CONTRACTED SERVICES/CONSULTING	5,683,366	4,542,842	1,140,524	
e All other expenses	6,126,054	5,981,972	144,082	
25 **Total functional expenses.** Add lines 1 through 24e	213,030,120	175,266,643	37,763,477	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X **Balance Sheet**

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

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	25,995	1	16,995
	2	Savings and temporary cash investments	89,603,810	2	73,368,572
	3	Pledges and grants receivable, net	0	3	0
	4	Accounts receivable, net	16,279,280	4	18,325,795
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L	0	6	0
	7	Notes and loans receivable, net	0	7	0
	8	Inventories for sale or use	1,301,717	8	1,375,448
	9	Prepaid expenses and deferred charges	1,350,776	9	1,168,961
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D — 10a: 1,171,550,770			
	b	Less accumulated depreciation — 10b: 456,426,183	720,558,999	10c	715,124,587
	11	Investments—publicly traded securities	1,846,367,624	11	1,140,733,627
	12	Investments—other securities See Part IV, line 11	7,266,160,525	12	10,071,761,780
	13	Investments—program-related See Part IV, line 11	0	13	0
	14	Intangible assets	0	14	0
	15	Other assets See Part IV, line 11	0	15	0
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	9,941,648,726	16	12,021,875,765
Liabilities	17	Accounts payable and accrued expenses	199,040,551	17	171,050,039
	18	Grants payable	0	18	0
	19	Deferred revenue	0	19	0
	20	Tax-exempt bond liabilities	0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D	0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22	0
	23	Secured mortgages and notes payable to unrelated third parties	0	23	0
	24	Unsecured notes and loans payable to unrelated third parties	0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	0	25	0
	26	**Total liabilities.** Add lines 17 through 25	199,040,551	26	171,050,039
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	996,559,549	27	1,140,501,700
	28	Temporarily restricted net assets	0	28	0
	29	Permanently restricted net assets	8,746,048,626	29	10,710,324,026
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	9,742,608,175	33	11,850,825,726
	34	Total liabilities and net assets/fund balances	9,941,648,726	34	12,021,875,765

Part XI **Reconcilliation of Net Assets**

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	686,068,844
2	Total expenses (must equal Part IX, column (A), line 25)	2	213,030,120
3	Revenue less expenses Subtract line 2 from line 1	3	473,038,724
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	9,742,608,175
5	Net unrealized gains (losses) on investments	5	1,604,126,778
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	31,052,049
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	11,850,825,726

Part XII **Financial Statements and Reporting**

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

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

Additional Data

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

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ROBERT F CAVANAUGH BOARD OF MANAGERS	15 0 7 0	X						0	235,000	122,029
JAMES M MEAD BOARD OF MANAGERS	4 5 3 5	X						0	200,000	122,029
JAMES E NEVELS BOARD OF MANAGERS	5 0 13 0	X						0	459,982	122,029
VELMA A REDMOND ESQ BOARD OF MANAGERS	8 0 1 0	X						0	120,000	2,029
JOSEPH M SENSER BOARD OF MANAGERS	10 0 3 0	X						0	216,667	6,170
ROBERT CONNOR HEIST BOARD OF MANAGERS	14 0 0 0	X						0	112,549	2,029
LT GEN RICHARD C ZILMER BOARD OF MANAGERS	9 5 1 0	X						0	125,000	2,029
JOAN E STEEL BOARD OF MANAGERS BEGIN 12/12	4 5 0 0	X						0	0	0
JOHN A FRY BOARD OF MANAGERS BEGIN 12/12	1 5 0 0	X						0	0	0
HERSHEY TRUST COMPANY TRUSTEE	0 0 0 0		X					1,000	0	0
ELLIOTT H ROBINSON VP ADMINISTRATION	48 0 0 0			X				228,317	0	75,860
JOAN K SINGLETON VP HUMAN RESOURCES	50 0 0 0			X				223,184	0	71,929
PETER G GURT SR VP/CHIEF OPERATING OFFICER	55 0 0 0			X				251,120	0	116,233
ANTHONY J COLISTRA ED D PRESIDENT to 7/13	55 0 0 0			X				302,466	0	142,830
ROBERT J CROBAK VP CURRIC & INSTRUCT to 7/13	45 0 0 0			X				153,698	0	61,141
CONSTANCE M MCNAMARA-JEFFREY VP - COMMUNICATIONS to 9/12	50 0 0 0			X				144,678	0	37,295
MARC A WOOLLEY ESQ SECRETARY begin 12/12	0 0 50 0			X				0	366,624	4,206
ERIC HENRY ACTING TREASURER begin 12/12	0 0 60 0			X				0	259,190	15,570
ANDREW H CLINE VP LEGAL AFFRS/GEN COUNSL 4/13	55 0 0 0			X				0	0	0
THOMAS A K QUEENAN CHIEF FIN OFFICER begin 3/13	55 0 0 0			X				0	0	0
ROBERT L FEHRS HEAD-MIDDLE DIVISION	50 0 0 0				X			208,907	0	71,215
ANNETTE K COLE GILL HEAD-ELEMENTARY DIVISION	50 0 0 0				X			179,223	0	62,739
BETH J SHAW EXEC DIRECTOR- STUDENT SUPPORT	50 0 0 0				X			184,751	0	49,787
MICHAEL D WELLER HEAD- SENIOR DIVISION	50 0 0 0				X			173,007	0	70,179
TIMOTHY C FAKE SR DIRECTOR IT	48 0 0 0					X		140,910	0	27,568

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
JOHN J OSMOLINSKI SR DIR CONSTRUCTION/FAC	50 0 0 0					X		141,511	0	43,884
STEPHEN MARK SEYMOUR SR DIR ENROLL MGT/FAMIL	40 0 0 0					X		139,538	0	40,510
ERICA M WEILER-TIMMONS DIR PSYCHOLOGICAL SERVICE	50 0 0 0					X		129,963	0	45,486
DENISE L ALSTON DIR DENTAL SERVICES	45 0 0 0					X		128,975	0	21,087
JAMES M SHEEHAN ESQ Board of Managers to 7/12	0 0 0 0						X	0	59,583	9,501
GAYLA M BUSH TREASURER to 2/11	0 0 55 0						X	0	234,609	44,585
MARY LOUISE PORTER ESQ GENL COUNS, SEC, VP LEG TO1/12	0 0 0 0						X	365,264	9	9,088
WILLIAM E DAVIES CFO & TREASURER to 7/12	0 0 0 0						X	0	309,392	29,642
JOHN ESTEY ESQ SECRETARY TO 2/12	0 0 50 0						X	0	262,710	12,227

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SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL AND SCHOOL TRUST

Employer identification number
23-1353340

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

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

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

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

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

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

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

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

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

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

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) | **14** |

15 Public support percentage for 2011 Schedule A, Part II, line 14 | **15** |

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
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 through 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 $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
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 June 30, 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** ▶☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

Facts And Circumstances Test

Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493167008244

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

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

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ **Yes** ☐ **No**

4a Was a correction made? ☐ **Yes** ☐ **No**

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ **Yes** ☐ **No**

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

	(a)	(b)
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2009	**(b)** 2010	**(c)** 2011	**(d)** 2012	**(e)** Total
2a Lobbying nontaxable amount	0	0			0
b Lobbying ceiling amount (150% of line 2a, column(e))					0
c Total lobbying expenditures	0	0			0
d Grassroots nontaxable amount	0	0			0
e Grassroots ceiling amount (150% of line 2d, column (e))					0
f Grassroots lobbying expenditures	0	0			0

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities?			
j	Total Add lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation
FORM 990, SCHEDULE C, PART IV		The Milton Hershey School and School Trust paid $76,142 during the reporting period to a real estate consultant to provide security and wildlife management services and maintain contact with township and state officials pertaining to zoning and transportation issues The Hershey Trust Company, a for-profit corporation, paid a consultant $101,427 during the reporting period for consulting on legislation regarding the Hershey Trust Company structure as well as zoning and related development issues Of this amount, $52,677 was for Pennsylvania lobbying services Hershey Entertainment & Resorts Company, a for-profit corporation, had transportation and other lobbying expenses of $135,985 during the reporting period The Hershey Company, a for-profit corporation, 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-00745, L-00972 Filed reports represent expenditures relating to both internal and external resources All reportable lobbying expenses incurred by the Hershey Company are posted on the Company website

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL AND 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 can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

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

☐ Preservation of land for public use (e g , recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

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

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

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

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

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

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

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

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

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	8,746,048,626	7,798,674,181	6,641,166,089	5,872,192,761	6,233,173,623
b Contributions					
c Net investment earnings, gains, and losses	1,964,275,400	947,374,445	1,157,508,092	768,973,328	-360,980,862
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	10,710,324,026	8,746,048,626	7,798,674,181	6,641,166,089	5,872,192,761

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

a Board designated or quasi-endowment ▶

b Permanent endowment ▶ 100 000 %

c Temporarily restricted endowment ▶

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		65,745,392		65,745,392
b Buildings	124,837,000	889,056,974	386,823,649	627,070,325
c Leasehold improvements				
d Equipment		91,911,404	69,602,534	22,308,870
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				715,124,587

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	0	

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

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

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	0

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

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

1	Total revenue, gains, and other support per audited financial statements			1	2,292,912,051
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	1,604,126,778		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	2,716,429		
e	Add lines **2a** through **2d**			2e	1,606,843,207
3	Subtract line **2e** from line **1**			3	686,068,844
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	686,068,844

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

1	Total expenses and losses per audited financial statements			1	184,694,500
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d	2,716,429		
e	Add lines **2a** through **2d**			2e	2,716,429
3	Subtract line **2e** from line **1**			3	181,978,071
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	31,052,049		
c	Add lines **4a** and **4b**			4c	31,052,049
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	213,030,120

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE D, PART III, LINE 1A & 4		MAINTAINING COLLECTIONS OF ART, HISTORICAL TREASURES, OR SIMILAR ASSETS 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 THE DEPARTMENT OF SCHOOL HISTORY AND THE MHS HERITAGE CENTER AT KINDERHAUS PROVIDE FOR THE CARE AND MANAGEMENT OF THE HISTORICAL ASSETS OF THE MILTON HERSHEY SCHOOL COMMUNITY THE HISTORICAL ASSETS (COLLECTION) CONSIST OF ARCHIVAL RECORDS AND DOCUMENTS, THREE DIMENSIONAL OBJECTS, INTERPRETIVE EXHIBITS, AND HISTORICAL CAMPUS BUILDINGS WHICH HELP TO DOCUMENT THE LIVES AND VALUES OF MILTON AND CATHERINE HERSHEY AS FOUNDERS OF OUR SCHOOL, THE HISTORY AND TRADITIONS OF THE SCHOOL AS AN INSTITUTION, AND THE STORIES OF THE STUDENTS, STAFF, AND ALUMNI WHO MAKE UP THE SCHOOL COMMUNITY EXCLUDED FROM THIS MANDATE ARE LEGAL BOARD RECORDS, STUDENT RECORDS, AND ALUMNI RECORDS Schedule D, Part V, Line 4 TRUST Funds AS MANDATED BY MILTON HERSHEY'S DEED OF TRUST, THE TRUST FUNDS ARE USED TO OPERATE THE MILTON HERSHEY SCHOOL AND MANAGE THE SCHOOL TRUST IN PERPETUITY THE SCHOOL HAS MADE A POSITIVE DIFFERENCE IN THE LIVES OF ITS STUDENTS FOR OVER 100 YEARS IN ORDER TO CONTINUE TO CHANGE LIVES FOR THE NEXT 100 YEARS AND BEYOND, THE TRUST FUNDS AND OTHER ASSETS OF THE MILTON HERSHEY SCHOOL TRUST (THE "ASSETS") ARE INVESTED FOR THE LONG TERM DOING SO HELPS TO ENSURE FUNDS ARE AVAILABLE TO MEET CURRENT AND FUTURE OBLIGATIONS OF MILTON HERSHEY SCHOOL THE BOARD AND THE TRUSTEE, WITH ASSISTANCE FROM THIRD-PARTY INVESTMENT CONSULTANTS, CONTINUALLY REVIEW THE PERFORMANCE OF THE ASSETS AND INVESTMENT DECISIONS STRICT INVESTMENT GUIDELINES GOVERN A DISCIPLINED PROCESS FOR ASSET ALLOCATION, MANAGER SELECTION AND REVIEW OF MANAGEMENT FEES SCHEDULE D, PART X LINE 2 FIN 48 FOOTNOTE TAX POSITIONS ARE RECOGNIZED OR DERECOGNIZED BASED ON A "MORE-LIKELY THAN-NOT" THRESHOLD FOR POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST'S ACCOUNTING POLICY FOR EVALUATING UNCERTAIN TAX POSITIONS IS THAT RECOGNIZED INCOME TAX POSITIONS ARE MEASURED AT THE LARGEST AMOUNT THAT IS GREATER THAN 50% LIKELY OF BEING REALIZED THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST DOES NOT BELIEVE THERE ARE ANY UNRECOGNIZED TAX BENEFITS OR LIABILITIES THAT SHOULD BE RECORDED SCHEDULE D, PART XI, LINE 2D RECONCILIATION OF REVENUE PER AUDITED FIN STMTS WITH REVENUE PER RETURN RENTAL EXPENSE (RECLASS) 4,775,191 PROGRAM SERVICE REVENUE (RECLASS) (2,058,762) ________ 2,716,429 SCHEDULE D, PART XII, LINE 2D RECONCILIATION OF EXPENSES PER AUDITED FIN STMTS WITH EXPENSES PER RETURN RENTAL EXPENSE (RECLASS) 4,775,191 PROGRAM SERVICE REVENUE (RECLASS) (2,058,762) _________ 2,716,429 SCHEDULE D, PART XII, LINE 4B RECONCILIATION OF EXPENSES PER AUDITED FIN STMTS WITH EXPENSES PER RETURN UNRECOGNIZED PENSION & POST RETIREMENT BENEFIT 31,052,049 SUPPLEMENTAL INFORMATION FORM 990, PARTS VIII AND IX DETAIL OF REVENUE AND EXPENSES PART VIII, STATEMENT OF REVENUE MILTON HERSHEY MILTON HERSHEY TOTAL LINE SCHOOL TRUST SCHOOL 1F CONTRIBUTIONS 40,067 - 40,067 2 PROGRAM SERVICE REV - 2,058,762 2,058,762 3 INVESTMENT INCOME 258,211,703 - 258,211,703 6 NET RENTAL INCOME 2,759,650 - 2,759,650 7(I) GAIN ON SALE-SECURITIES 423,276,665 - 423,276,665 7(II) GAIN ON SALE-OTHER (29,440) (248,563) (278,003) __________ _________ __________ 12 TOTAL REVENUE 684,258,645 1,810,199 686,068,844 PART IX, STATEMENT OF FUNCTIONAL EXPENSES MILTON HERSHEY MILTON HERSHEY TOTAL LINE SCHOOL TRUST SCHOOL 2 GRANTS TO INDIVIDUALS - 4,333,096 4,333,096 5 COMPENSATION OFFICERS 1,000 2,795,183 2,796,183 7 OTHER SALARIES & WAGES - 66,960,824 66,960,824 8 PENSION PLAN CONTRIBUTIONS - 17,117,209 17,117,209 9 OTHER EMPLOYEE BENEFITS - 16,986,497 16,986,497 10 PAYROLL TAXES - 5,752,564 5,752,564 11B LEGAL FEES - 686,277 686,277 11C ACCOUNTING FEES - 109,575 109,575 11F INVEST MGMT FEES 20,673,959 - 20,673,959 11G OTHER FEES FOR SERVICES - 4,060,377 4,060,377 12 ADVERTISING - 1,996,115 1,996,115 13 OFFICE EXPENSES - 1,400,040 1,400,040 14 INFORMATION TECHNOLOGY - 1,077,237 1,077,237 16 OCCUPANCY - 5,483,748 5,483,748 17 TRAVEL - 837,620 837,620 19 CONFERENCES - 263,804 263,804 22 DEPRECIATION - 37,007,346 37,007,346 23 INSURANCE - 3,611,206 3,611,206 24A TRUST EXPENSES (*) 1,589,363 - 1,589,363 24b FOOD/CLOTHING/HOUSEHOLD - 6,532,227 6,532,227 24C SUPPLIES - 1,945,432 1,945,432 24D CONTRACTED SERV/CONSULTING - 5,683,365 5,683,365 24E ALL OTHER EXPENSES - 6,126,056 6,126,056 __________ _________ __________ 26 TOTAL FUNCTIONAL EXPENSES 22,264,322 190,765,798 213,030,120 (*) TRUST EXPENSES INCLUDE LEGAL, CONSULTING AND OTHER EXPENSES RELATED TO MANAGEMENT OF THE TRUST SUPPLEMENTAL INFORMATION FORM 990, PART X, LINE 27 UNRESTRICTED NET ASSETS (INCOME FUND) MILTON HERSHEY MILTON HERSHEY TOTAL LINE SCHOOL TRUST SCHOOL 1 CASH 0 16,995 16,995 2 SAVINGS & TEMP INVEST 25,618,855 2,825 25,621,680 4 ACCOUNTS RECEIVABLE 12,911,015 44,505 12,955,520 8 INVENTORIES FOR SALE/USE 0 1,375,448 1,375,448 9 PREPAID/DEFERRED CHARGES 0 1,168,961 1,168,961 10A PROPERTY EQPMT, AT COST 954,645,482 91,911,404 1,046,556,886 10B LESS ACCUMULATED DEP (386,823,648) (69,602,534) (456,426,183) 11 INVEST PUBLICLY TRADED 165,813,252 0 165,813,252 12 INVEST OTHER 504,401,033 0 504,401,033 17 LIABILITIES (6,671,871) (154,310,022) (160,981,892) ____________ ____________ ____________ NET UNRESTRICTED ASSETS 1,269,894,118 (129,392,418) 1,140,501,700 OF THE $1,140,501,700 IN NET UNRESTRICTED ASSETS, $665,408,529 IS AVAILABLE IN MARKETABLE INVESTMENTS THE REMAINDER OF THE NET UNRESTRICTED ASSETS IS IN NON-LIQUID REAL ESTATE, INCLUDING CAMPUS BUILDINGS, AND INVESTMENTS FORM 990, PART X BALANCE SHEET DETAIL PART X, LINE 11 PUBLICLY TRADED SECURITIES U S GOVERNMENT OBLIGATIONS $ 208,054,895 FMV AGENCY BONDS 215,202,798 FMV CORPORATE BONDS 328,777,499 FMV BOND FUNDS 161,415,330 FMV COMMON STOCKS-OTHER 227,283,105 FMV ____________ TOTAL PART X, LINE 11 $1,140,733,627 PART X, LINE 12/SCHEDULE D, PART VII CLOSELY HELD EQUITY INTERESTS THE HERSHEY COMPANY - COMMON SHARES $1,187,167,224 FMV HERSHEY ENTERTAINMENT & RESORTS 289,700,000 FMV HERSHEY TRUST COMPANY 52,706,916 FMV THE HERSHEY CO - CLASS B SHARES 5,750,261,579 FMV ____________ SUB-TOTAL CLOSELY-HELD INTERESTS $7,279,835,719 PART X, LINE 12 (CONTINUED) OTHER STOCK FUNDS - OTHER $1,983,045,272 FMV OTHER BOND FUNDS 137,501,776 FMV REIT FUNDS 34,985,792 FMV ALTERNATIVE ASSETS-MARKETABLE 168,568,969 FMV ALTERNATIVE ASSETS-NON MARKETABLE 467,824,252 FMV ____________ SUB-TOTAL OTHER $2,791,926,061 ____________ TOTAL PART X, LINE 12 $10,071,761,780

SCHEDULE E
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

▶Complete if the organization answered "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.
▶ Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL AND SCHOOL TRUST

Employer identification number
23-1353340

Part I

		Line	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?	1	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?	2	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 If you need more space use Part II	3	Yes	
4	Does the organization maintain the following?			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	4a	Yes	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	4b	Yes	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	4c	Yes	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	4d	Yes	
	If you answered "No" to any of the above, please explain If you need more space, use Part II			
5	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	5a		No
b	Admissions policies?	5b		No
c	Employment of faculty or administrative staff?	5c		No
d	Scholarships or other financial assistance?	5d		No
e	Educational policies?	5e		No
f	Use of facilities?	5f		No
g	Athletic programs?	5g		No
h	Other extracurricular activities?	5h		No
	If you answered "Yes" to any of the above, please explain If you need more space, use Part II			
6a	Does the organization receive any financial aid or assistance from a governmental agency?	6a		No
b	Has the organization's right to such aid ever been revoked or suspended?	6b		No
	If you answered "Yes" to either line 6a or line 6b, explain on Part II			
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," explain on Part II	7	Yes	

Part II Supplemental Information. Complete this part to provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable Also complete this part to provide any other additional information (see instructions)

Identifier	Return Reference	Explanation
SCHEDULE E, LINE 3		The Milton Hershey School annually publishes its non-discrimination policy in newspapers of its general community The current advertisement was published in the Philadelphia Inquirer, the Patriot News, the Wall Street Journal and the Pittsburgh Post-Gazette The advertisement reads as follows The Milton Hershey School admits students of any race, color, national and ethnic origin, religion, gender, disability and any other status protected under federal or Pennsylvania law, to all the rights, privileges, programs and activities generally accorded or made available to students at the school The Milton Hershey School does not discriminate on the basis of race, color, national and ethnic origin, religion, gender, disability and any other status protected under federal or Pennsylvania law in the administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL AND SCHOOL TRUST

Employer identification number
23-1353340

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** 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 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
Europe (Including Iceland and Greenland)			Investments		36,531,008
Central America and the Caribbean			Investments		141,059,328
North America			Investments		3,486,786
Sub-Saharan Africa			Investments		6,007,016
3a Sub-total					187,084,138
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)					187,084,138

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . ▶

3 Enter total number of other organizations or entities . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	**(b)** Region	**(c)** Number of recipients	**(d)** Amount of cash grant	**(e)** Manner of cash disbursement	**(f)** Amount of non-cash assistance	**(g)** Description of non-cash assistance	**(h)** Method of valuation (book, FMV, appraisal, other)

Part IV Foreign Forms

		Yes	No
1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☑	☐
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organizationmay be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐	☑
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*	☐	☑
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	☑	☐
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*	☑	☐
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*	☐	☑

Part V **Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	ReturnReference	Explanation

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL AND SCHOOL TRUST

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" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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 listed in the line 1 table . . . ▶

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) CONTINUING EDUCATION SCHOLARSHIPS	543	4,333,096			

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
SCHEDULE I, PART I, QUESTION 2	MONITORING THE USE OF GRANT FUNDS	THE CONTINUING EDUCATION SCHOLARSHIP (CES) HAS BEEN ESTABLISHED TO PROVIDE SCHOLARSHIP ASSISTANCE TO ELIGIBLE MILTON HERSHEY SCHOOL GRADUATES PURSUING FULL-TIME STUDY IN AN ACCREDITED UNDERGRADUATE PROGRAM WITH THE INTENTION TO EARN A DIPLOMA, CERTIFICATE, OR DEGREE THE CES EASES - AND OFTEN ELIMINATES - THE BURDEN OF STUDENTS' POST-SECONDARY COSTS BY HELPING TO PAY FOR STANDARD FULL-TIME TUITION, FEES, ROOM AND BOARD, AND POSSIBLY HEALTH INSURANCE NOT COVERED BY AID FROM POSTSECONDARY SCHOOLS THE CES COVERS COSTS FOR RECENT GRADUATES UP TO $80,000 THESE FUNDS ARE AVAILABLE TO ALUMNI WHO PURSUE THEIR POSTGRADUATE STUDIES WITHIN FIVE YEARS OF GRADUATION CES STAFF AND RESOURCES ARE DEVOTED TO FOLLOWING UP WITH ALUMNI TO ENSURE THEY HAVE THE SUPPORT THEY NEED AS THEY NAVIGATE THE POSTGRADUATE YEARS 80% OF GRADUATES CONTINUE THEIR STUDIES AFTER LEAVING MHS THE MILTON HERSHEY SCHOOL, THROUGH CES OFFICE STAFF, UTILIZES A COMBINATION OF THE FOLLOWING DOCUMENTS TO VALIDATE SCHOLARSHIP ELIGIBILITY AND COLLEGE COST & FINANCIAL AID DATA COLLEGE ACADEMIC TRANSCRIPTS/GRADES, STANDARDIZED COST AND AID ASSESSMENT FORM THAT IS COMPLETED BY THE INSTITUTION'S FINANCIAL AID OFFICE (RELEASE FORM), COLLEGE BILLS, SIGNED COPIES OF LEASES/RENTAL AGREEMENTS, RECEIPTS, DEGREE COMPLETION EVALUATIONS, AND OTHER DOCUMENTATION AS NEEDED SCHEDULE I, PART III GRANTS & ASSISTANCE TO INDIVIDUALS IN THE U S THE MILTON HERSHEY SCHOOL OFFERS A CONTINUING EDUCATION SCHOLARSHIP PROGRAM FOR STUDENTS GRADUATING AFTER THE SPRING OF 2004, WHERE SCHOLARSHIP CREDITS ARE EARNED GRADUALLY EACH YEAR OF HIGH SCHOOL THE MAXIMUM AWARD FOR THE GRADUATING CLASS OF 2014 WILL BE $80,000 THE MAXIMUM AWARD MAY BE INCREASED EVERY YEAR TO MATCH THE AVERAGE U S COLLEGE INFLATION RATE THE EARNING OF THE SCHOLARSHIP AWARD IS DEPENDENT ON THE STUDENTS' ANNUAL ACADEMIC PERFORMANCE AND CERTAIN OTHER CONDITIONS UPON INCEPTION OF THIS PROGRAM, CURRENT HIGH SCHOOL STUDENTS WERE AWARDED THE SCHOLARSHIP CREDIT FOR GRADES PREVIOUSLY COMPLETED STUDENTS WHO HAD GRADUATED IN OR PRIOR TO THE SPRING OF 2004 WERE NOT AFFECTED BY THE NEW POLICY SIGNIFICANT ASSUMPTIONS IN DETERMINING THE LIABILITY FOR THIS PROGRAM INCLUDE PARTICIPATION AND DISCOUNT RATES THE EXPENSE RECOGNIZED FOR THE CONTINUING EDUCATION PROGRAMS DESCRIBED ABOVE WAS $4,333,096 AND $5,951,970 DURING THE YEARS ENDED JULY 31, 2013 AND 2012 RESPECTIVELY, AND IS INCLUDED IN CONTINUING EDUCATION PROGRAMS ON THE STATEMENT OF ACTIVITIES OF THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST FINANCIAL STATEMENTS THE AMOUNT REPORTED COVERS THE 543 STUDENTS CURRENTLY RECEIVING CONTINUING EDUCATION SCHOLARSHIPS AS WELL AS THE 924 STUDENTS EARNING CREDITS TOWARD THEIR FUTURE SCHOLARSHIPS SCHEDULE I, PART III, COLUMN (C) THE AMOUNT REPORTED IN COLUMN C "AMOUNT OF CASH GRANT" CONSISTS OF $5,195,112 OF CASH GRANTS PAID DURING THE YEAR AND $(862,016) WHICH REPRESENTS A DECREASE IN THE TUITION ACCRUAL FOR GRANTS TO BE PAID IN FUTURE YEARS THE TOTAL OF THESE AMOUNTS IS $4,333,096

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL AND SCHOOL TRUST

Employer identification number
23-1353340

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE J, PART I, LINE 1A		TRAVEL FOR COMPANIONS SPOUSE/DEPENDENT TRAVEL IF A SPOUSE OR DEPENDENT ACCOMPANIES A BOARD MANAGER/DIRECTOR TO THE ANNUAL RETREAT, ALL CHARGES RELATED TO THE SPOUSE OR CHILD ARE THE RESPONSIBILITY OF THE MANAGER/DIRECTOR IF A SPOUSE OR DEPENDENT ATTENDS GRADUATION WEEKEND EVENTS, THE COST OF MEALS, LODGING AND TRAVEL WILL BE PAID BY THE TRUST COMPANY AND REPORTED AS TAXABLE INCOME TO THE MANAGER/DIRECTOR SPOUSES AND CHILDREN MAY BE INVITED TO ATTEND GRADUATION AND THE ANNUAL BOARD RETREAT AT THE DISCRETION OF THE SCHOOL OR TRUST COMPANY ORDINARILY, TRUST COMPANY STAFF WILL MAKE ALL TRAVEL AND LODGING ARRANGEMENTS REIMBURSEMENT WILL ONLY BE MADE FOR THE COST OF COACH AIRFARE ALL REQUESTS FOR EXPENSE REIMBURSEMENT MUST BE ACCOMPANIED BY ORIGINAL RECEIPTS AND MUST BE SUBMITTED WITHIN 60 DAYS OF THE DATE ON WHICH THE EXPENSES WERE INCURRED ADEQUATE DESCRIPTIONS INCLUDING THE DATE, PURPOSE, AND INDIVIDUALS ENTERTAINED MUST ALSO BE INCLUDED SCHEDULE J, PART I, LINE 1A Housing Allowance or Residence for Personal Use The President and the Senior Vice President/Chief Operating Officer of Milton Hershey School are provided with residences on campus for both public and personal use The Presidents employment contract includes provisions which require hosting both internal and external events on behalf of the School at the provided home The Senior Vice President/Chief Operating Officer is required to live on campus as a condition of his employment to provide 24/7 residential and student support, as well as hosting internal campus events The value of these benefits (fair market value of rental) plus operating costs are nontaxable benefits Certain Milton Hershey School executives, who serve on the Schools Crisis Response Command and provide leadership to both School operations and within the community of Hershey, are asked to live within 5 miles of the School and are provided with a housing allowance of $15,457 per year, which is included in reportable compensation and is taxable to the employee Health Club Dues All employees of the Milton Hershey School are eligible for reimbursement of health club dues not to exceed $120 per annum for A single membership and $240 for a family membership SCHEDULE J, PART I, LINE 4a WILLIAM E DAVIES RECEIVED SEVERANCE PAYMENTS OF $63,442 FROM HERSHEY TRUST COMPANY, A FOR-PROFIT RELATED CORPORATION MARY LOUISE PORTER, ESQ RECEIVED SEVERANCE PAYMENTS OF $114,000 FROM THE MILTON HERSHEY SCHOOL SCHEDULE J Reportable Compensation Mr and Mrs Hershey organized the Milton Hershey School ("the School") in the form of a trust ("School Trust") created under an original 1909 Deed of Trust that, as amended, still governs the operation of the School The Deed of Trust sets forth the respective powers and authorities of the trustee and Managers of the School, names the Hershey Trust Company, a state-chartered trust company, as trustee for compensation of no more than $1,000 per year and provides for the trustee to appoint the individual Managers of the School from its own Board of Directors The Managers subsequently incorporated That corporation, acting as manager under the deed of trust, together with the School Trust are the components of the integrated tax-exempt organization, the Milton Hershey School and School Trust (EIN 23-1353340) Mr Hershey created the same structure for his other charity, The M S Hershey Foundation (EIN 23-6242734) As a result of the structure created by Mr Hershey, Hershey Trust Company (A) serves as trustee for the Milton Hershey School & School Trust (administration of which trust includes responsibility for (1) The Hershey Company, a Fortune 500 company, (2) Hershey Entertainment & Resorts Company, a $289 7 million resort and entertainment company, (3) an actively managed portfolio of approximately $4 1 billion in securities and other investments, and (4) approximately 10,000 acres of real estate), and (B) serves as trustee for the $36 6 million M S Hershey Foundation Trust The compensation of Board members serving on the boards of any of the related for-profit entities (Hershey Trust Company, Hershey Entertainment & Resorts Company and The Hershey Company) is commensurate with their responsibilities with respect to the relevant for-profit entity The following information details the compensation arrangements of the Board of Managers who are compensated by related for-profit entities None of the compensation was paid directly by Milton Hershey School and School Trust (EIN 23-1353340) Robert F Cavanaugh Compensation reported consists only of director fees received from related for-profit companies, Hershey Trust Company (EIN 23-0692150) and The Hershey Company (EIN 23-0691590) John A Fry Mr Fry joined the Hershey Trust Company and Milton Hershey School boards in December 2012, however, he was not paid any compensation in 2012 from the related for-profit company, Hershey Trust Company (EIN 23-0692150) Robert C Heist Compensation reported consists only of director fees received from a related for-profit company, Hershey Trust Company (EIN 23-0692150) James M Mead Compensation reported consists only of director fees received from related for-profit companies, Hershey Trust Company (EIN 23-0692150) and The Hershey Company (EIN 23-0691590) Mr Mead serves as President of Hershey Trust Company, however, he is not compensated for this position James E Nevels Compensation reported consists only of director fees received from related for-profit companies, Hershey Trust Company (EIN 23-0692150) and The Hershey Company (EIN 23-0691590) This report also includes approximately $151,000 of payment of compensation reported on the prior year's Form 990 This compensation, received in 2012, was earned in 2011, and was previously reported as deferred compensation Velma A Redmond Compensation reported consists only of director fees received from a related for-profit company, Hershey Trust Company (EIN 23-0692150) Joseph M Senser Compensation reported consists only of director fees received from related for-profit companies, Hershey Trust Company (EIN 23-0692150) and Hershey Entertainment & Resorts Co (EIN 23-0691815) James M Sheehan, Esq Mr Sheehan served as General Counsel of Hershey Trust Company (EIN 23-0692150), a for-profit related corporation and as the Vice President, Legal Affairs & External Relations of Milton Hershey School (EIN 23-1353340) until June 2010 In August 2010, Mr Sheehan joined the boards of Hershey Trust Company and Milton Hershey School Mr Sheehan left the Boards of Milton Hershey School and Hershey Trust Company in July 2012 Compensation reported includes director fees received from the related for-profit company, Hershey Trust Company Joan E Steel Ms Steel joined the Hershey Trust Company and Milton Hershey School boards in December 2012, however, she was not paid any compensation from the for-profit entity Hershey Trust Company (EIN 23-0692150) in 2012 Lt Gen Richard Zilmer Compensation reported includes director fees received from a related for-profit company, Hershey Trust Company (EIN 23-0692150) The following information details the compensation arrangements of certain officers and key employees of the Milton Hershey School and School Trust They are compensated by related for-profit entities Their compensation is determined by independent compensation consultants This process is based on position comparables taking into account responsibilities and duties, authority, and objectives None of their compensation, employee benefit contributions or non-taxable benefits was paid directly by the Milton Hershey School and School Trust during the reporting period Gayla M Bush Ms Bush served as the Treasurer of Hershey Trust Company and Milton Hershey School and School Trust until February 2011 She also serves as Vice President, Finance of Hershey Trust Company (EIN 23-0692150), a for-profit related corporation None of her compensation, employee benefit contributions or non-taxable benefits was paid by Milton Hershey School & School Trust William E Davies Mr Davies served as the Chief Financial Officer (effective November 2009) and Treasurer (effective February 2011) of Milton Hershey School and School Trust and Hershey Trust Company (EIN 23-0692150) until July 2012 Mr Davies previously served as Treasurer of Hershey Entertainment & Resorts Company (EIN 23-0691815), a for-profit company wholly owned by Milton Hershey School and School Trust until November 2009 None of his compensation, employee benefit contributions or non-taxable benefits was paid by Milton Hershey School & School Trust John Estey Mr Estey served as Secretary of Milton Hershey School and Hershey Trust Company from January 2012 to February 2012 He also served as Acting Secretary, Acting General Counsel and Acting Compliance Officer of Hershey Trust Company from September 2011 to July 2012 He currently serves as Executive Vice President of

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-1353340
Name: MILTON HERSHEY SCHOOL AND 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)	235,000	0	0	120,000	2,029	357,029	0
JAMES M MEAD	(i)	0	0	0	0	0	0	0
	(ii)	200,000	0	0	120,000	2,029	322,029	0
JAMES E NEVELS	(i)	0	0	0	0	0	0	0
	(ii)	309,192	0	150,790	120,000	2,029	582,011	120,000
JOSEPH M SENSER	(i)	0	0	0	0	0	0	0
	(ii)	216,667	0	0	0	6,170	222,837	0
ELLIOTT H ROBINSON	(i)	200,047	0	28,270	50,927	24,933	304,177	0
	(ii)	0	0	0	0	0	0	0
JOAN K SINGLETON	(i)	191,172	0	32,012	45,532	26,397	295,113	0
	(ii)	0	0	0	0	0	0	0
PETER G GURT	(i)	239,995	0	11,125	49,641	66,592	367,353	0
	(ii)	0	0	0	0	0	0	0
ANTHONY J COLISTRA ED D	(i)	261,948	0	40,518	54,750	78,632	435,848	0
	(ii)	0	0	0	0	9,448	9,448	0
GAYLA M BUSH	(i)	0	0	0	0	0	0	0
	(ii)	168,980	63,258	2,371	34,950	9,635	279,194	0
MARY LOUISE PORTER ESQ	(i)	44,083	0	321,181	5,859	3,229	374,352	0
	(ii)	9	0	0	0	0	9	0
WILLIAM E DAVIES	(i)	0	0	0	0	0	0	0
	(ii)	176,621	68,503	64,268	13,823	15,819	339,034	0
ROBERT J CROBAK	(i)	152,844	0	854	40,561	20,580	214,839	0
	(ii)	0	0	0	0	0	0	0
CONSTANCE M MCNAMARA-JEFFREY	(i)	144,533	0	145	19,071	18,224	181,973	0
	(ii)	0	0	0	0	0	0	0
ROBERT L FEHRS	(i)	183,569	0	25,338	48,523	22,692	280,122	0
	(ii)	0	0	0	0	0	0	0
ANNETTE K COLE GILL	(i)	171,142	0	8,081	40,621	22,118	241,962	0
	(ii)	0	0	0	0	0	0	0
BETH J SHAW	(i)	184,380	0	371	27,995	21,792	234,538	0
	(ii)	0	0	0	0	0	0	0
MICHAEL D WELLER	(i)	172,006	0	1,001	53,321	16,858	243,186	0
	(ii)	0	0	0	0	0	0	0
JAMES M SHEEHAN ESQ	(i)	0	0	0	0	7,472	7,472	0
	(ii)	59,583	0	0	0	2,029	61,612	0
TIMOTHY C FAKE	(i)	140,698	0	212	18,476	9,092	168,478	0
	(ii)	0	0	0	0	0	0	0
JOHN J OSMOLINSKI	(i)	140,738	0	773	21,502	22,382	185,395	0
	(ii)	0	0	0	0	0	0	0

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				
STEPHEN MARK SEYMOUR	(i)	139,327	0	211	18,430	22,080	180,048	0
	(ii)	0	0	0	0	0	0	0
ERICA M WEILER-TIMMONS	(i)	129,809	0	154	17,241	28,245	175,449	0
	(ii)	0	0	0	0	0	0	0
MARC A WOOLLEY ESQ	(i)	0	0	0	0	0	0	0
	(ii)	364,644	0	1,980	0	4,206	370,830	0
DENISE L ALSTON	(i)	128,889	0	86	5,052	16,035	150,062	0
	(ii)	0	0	0	0	0	0	0
JOHN ESTEY ESQ	(i)	0	0	0	0	0	0	0
	(ii)	261,845	0	865	0	12,227	274,937	0
ERIC HENRY	(i)	0	0	0	0	0	0	0
	(ii)	258,038	0	1,152	0	15,570	274,760	0

Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL AND SCHOOL TRUST

Employer identification number
23-1353340

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

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

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

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

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

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

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction	**(d)** Description of transaction	**(e)** Sharing of organization's revenues? Yes	No
(1) HERSHEY ENTERTAINMENT RESORTS CO	COMMON DIRECTORS	526,396	PAYMENT OF RENT TO MHS&ST		No
(2) HERSHEY TRUST COMPANY	COMMON DIRECTORS	212,870	PAYMENT OF RENT TO MHS&ST		No
(3) HERSHEY ENTERTAINMENT RESORTS CO	COMMON DIRECTORS	573,043	REIMBUR PAID FOR EXPENSES		No
(4) HERSHEY ENTERTAINMENT RESORTS CO	COMMON DIRECTORS	311,482	SEE PART V		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE L, PART IV, COLUMN (B)		SEE SCHEDULE J, PART III FOR A DESCRIPTION OF THE COMMON DIRECTOR RELATIONSHIPS SCHEDULE L, PART IV, ITEM 4 HERSHEY ENTERTAINMENT & RESORTS CO PROVIDED HERSHEYPARK AND GIANT CENTER TICKETS AND OTHER BENEFITS TO MILTON HERSHEY SCHOOL STUDENTS AT NO COST THE VALUE OF THESE BENEFITS WAS $311,482

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL AND SCHOOL TRUST

Employer identification number
23-1353340

Identifier	Return Reference	Explanation
FORM 990, PART I, LINE 1 & FORM 990, PART III, LINE 1	MILTON HERSHEY SCHOOL & SCHOOL TRUST MISSION	Unable to have children of their ow n, Milton and Catherine Hershey signed the Deed of Trust establishing Milton Hershey School in 1909 For more than 100 years, the mission of the School has remained the same-to provide a nurturing home and school to children in need MILTON HERSHEY SCHOOL SERVES AS A HOME AND SCHOOL FOR APPROXIMATELY 1,891 STUDENTS IN GRADES PRE-K THROUGH 12 THE SCHOOL AIMS TO PROVIDE EACH OF THEM WITH AMAZING OPPORTUNITIES FOR LEARNING AND DEVELOPMENT INSIDE AND OUTSIDE THE CLASSROOM OUR PROGRAMS TAKE A WHOLE CHILD APPROACH AND REMAIN TRUE TO OUR DEED OF TRUST, AS WE WORK EVERY DAY TO NURTURE AND EDUCATE CHILDREN SO THEY CAN LEAD FULFILLING AND PRODUCTIVE LIVES STUDENTS LIVE IN 163 HOMES ACROSS CAMPUS THESE STUDENT HOMES ARE DESIGNED TO PROVIDE SAFE AND SUPPORTIVE ENVIRONMENTS FOR 8-12 STUDENTS OF SIMILAR AGES AND THE SAME GENDER, UP UNTIL THEIR SENIOR YEAR HEALTHY LIVING AND PERSONAL WELLNESS ARE AN IMPORTANT PART OF THE CURRICULUM AT ALL GRADE LEVELS, AND STUDENTS RECEIVE MEDICAL AND DENTAL CARE AT NO COST TO THEIR FAMILIES STUDENT GROWTH AND LEARNING IS FORTIFIED BY FOCUSING NOT ONLY ON INTELLECTUAL DEVELOPMENT, BUT ALSO ON EMOTIONAL, SOCIAL, AND SPIRITUAL ENRICHMENT CHILDREN AT MILTON HERSHEY SCHOOL RECEIVE A PREMIER EDUCATION, WITH SMALL CLASS SIZES AVERAGING 15 STUDENTS THEY ALSO HAVE ACCESS TO CAREER/TECHNICAL AND EXTRACURRICULAR OPPORTUNITIES UNOBTAINABLE IN THEIR HOME COMMUNITIES THE SCHOOL PROVIDES CHILDREN WITH VALUABLE NURTURING RELATIONSHIPS AND THE CRITICAL TOOLS THEY NEED NOT ONLY TO OVERCOME THE CIRCUMSTANCES OF POVERTY, BUT TO GUIDE THEM TOWARD SUCCESS IN TODAY'S COMPETITIVE AND CHALLENGING WORLD STUDENT TEST SCORES ARE JUST ONE INDICATOR OF STUDENT SUCCESS AT MHS MILTON HERSHEY STUDENTS PERFORM WELL ACADEMICALLY, OFTEN SCORING BETTER THAN STATE AVERAGES ON STANDARDIZED TESTING AND RANKING EXCEPTIONALLY HIGHER THAN STUDENTS FROM SIMILAR SOCIO-ECONOMIC STATUS MHS SETS ITS SIGHTS HIGH BY ADOPTING THE STATE TARGETS AS A MINIMUM GOAL AND HAS OUT-PERFORMED STATE AVERAGES AND SCORES OF SOME PREMIER SCHOOL DISTRICTS 80 PERCENT OF MILTON HERSHEY SCHOOL GRADUATES CONTINUE THEIR EDUCATION AT A TWO- OR FOUR-YEAR COLLEGE OR TRADE SCHOOL FOR STUDENTS WHO WILL GO ON TO HIGHER EDUCATION, MHS OFFERS SCHOLARSHIP CREDITS TO COVER MOST OF THE TUITION, FEES AND ROOM AND BOARD ONE OF THE PROGRAMS CONTRIBUTING TO SUCCESS FOR OUR GRADUATES IS THE TRANSITIONAL LIVING PROGRAM DURING THEIR FINAL YEAR OF RESIDENCE AT MHS, SENIORS ARE PLACED IN A SEMI-INDEPENDENT ENVIRONMENT UNDER ADULT LIVE-IN SUPERVISION THIS COLLEGE/DORMITORY LIFESTYLE AND ITS ACCOMPANYING RESPONSIBILITIES ARE AN IMPORTANT PART OF THE SENIOR-YEAR LEARNING EXPERIENCE EVERYTHING FROM PERSONAL FINANCE TO PERSONAL SAFETY TO HEALTHY SLEEPING AND EATING HABITS ARE COVERED AS PART OF THE TRANSITIONAL LIVING CURRICULUM STUDENTS SURVEYED SAY THE EXPERIENCE ENHANCES THEIR KNOWLEDGE AND BUILDS THEIR CONFIDENCE THE SCHOOL CARES FOR ITS STUDENTS 24 HOURS A DAY AND OPERATES YEAR ROUND, INCLUDING HOLIDAYS AND THE SUMMER MONTHS WHILE MANY SCHOOLS CLOSE DOWN FOR THE SUMMER, STUDENTS AT MILTON HERSHEY SCHOOL CONTINUE TO LEARN THROUGH THE SCHOOL'S OPTIONAL YEAR ROUND EXPERIENCE (YRE) PROGRAM STUDENTS WHO CHOOSE TO STAY ON CAMPUS DURING SUMMER BREAK ARE PROVIDED WITH A NUMBER OF ENRICHMENT LEARNING OPPORTUNITIES FROM A SUZUKI FESTIVAL FEATURING ART, MUSIC, AND DANCE TO OPPORTUNITIES TO WORK ALONGSIDE VOLUNTEER FIREFIGHTERS IN NON-EMERGENCY ENVIRONMENTS, A WIDE RANGE OF PROGRAMS TO SUIT ALL INTERESTS ARE OFFERED ON AND OFF CAMPUS SIX WEEKS ARE PACKED FULL OF LEARNING EXPERIENCES AND ADVENTURES IF YOU ASK THE CHILDREN, MANY SAY THE TIME GOES BY VERY QUICKLY SEVENTY-NINE PERCENT OF STUDENTS PARTICIPATED IN YRE PROGRAMMING IN THE 2012-2013 SCHOOL YEAR THE MAIN GOAL FOR ALL OF OUR STUDENTS IS THAT THEY LEAVE THE SCHOOL WELL-PREPARED TO ENTER SOCIETY AS PRODUCTIVE CITIZENS WE WANT ALL ENROLLED AT MHS TO BE GOOD STUDENTS, BUT WE ALSO WANT THEM TO BE GOOD PEOPLE, GOOD EMPLOYEES AND RESPONSIBLE MEMBERS OF THEIR COMMUNITIES FORM OF ORGANIZATION MILTON HERSHEY SCHOOL AND SCHOOL TRUST IS AN INTEGRATED TAX-EXEMPT ORGANIZATION COMPOSED OF THE NOT-FOR-PROFIT CORPORATION, MILTON HERSHEY SCHOOL, ACTING AS MANAGER UNDER THE DEED OF TRUST, AND THE TRUST ITSELF THIS INFORMATIONAL RETURN IS REQUIRED TO INCLUDE THE EXPENSES OF THE ORGANIZATION AS A WHOLE, WITH DETAIL AS REQUIRED BY THE FORM INSTRUCTIONS AS A RESULT, THIS RETURN INCLUDES ALL EXPENSES OF SERVING THE STUDENTS ENROLLED IN THE SCHOOL AND SCHOLARSHIP COSTS FOR ALUMNI PURSUING CONTINUING EDUCATION, AS WELL AS THE COSTS ASSOCIATED WITH ADMINISTERING THE INVESTMENTS HELD IN THE TRUST

Identifier	Return Reference	Explanation
FORM 990, PART III	PROGRAM SERVICE ACCOMPLISHMENTS	MILTON HERSHEY SCHOOL SEEKS TO NURTURE AND EDUCATE THE "WHOLE CHILD" WHICH MEANS THE SCHOOL AND SCHOOL TRUST PROVIDE FOR EACH CHILD IN A COMPREHENSIVE MANNER - COVERING THE EXPENSES OF BUT NOT LIMITED TO THE FOLLOWING -THE EDUCATION OF STUDENTS IN STATE-OF-THE-ART CLASSROOMS WITH SMALL CLASS SIZES AVERAGING 15 STUDENTS PER CLASSROOM -THE PHYSICAL, DENTAL, AND PSYCHOLOGICAL CARE OF ALL STUDENTS -CLOTHING, FOOD, AND ROOM AND BOARD -CAREER-TECHNICAL TRAINING, COLLEGE COURSES BEFORE GRADUATION, VISUAL AND PERFORMING ARTS, MUSICAL INSTRUCTION, ATHLETIC PROGRAMS AND CAMPS, AND ENVIRONMENTAL AND AGRICULTURAL EDUCATION OFTEN STUDENTS WHO COME TO THE SCHOOL HAVE FALLEN AT LEAST ONE OR TWO GRADE LEVELS BEHIND BECAUSE OF FACTORS RELATED TO POVERTY, SUCH AS HOMELESSNESS, FAMILY DRUG AND ALCOHOL ADDICTION, OR MENTAL ILLNESS THIRTY-SIX PERCENT OF STUDENTS HAVE ATTENDED THREE TO FIVE DIFFERENT SCHOOLS BEFORE ARRIVING AT MHS FIFTY PERCENT HAVE EXPERIENCED DRUG AND ALCOHOL ABUSE IN THEIR FAMILY, AND THIRTY-NINE PERCENT HAVE WITNESSED DOMESTIC VIOLENCE STUDENTS ARE GIVEN PSYCHOLOGICAL AND EMOTIONAL SUPPORT WHEN NEEDED, AND CLOSE TO 89 PERCENT OF STUDENTS RECEIVE ANYWHERE FROM ONE TO NINE SPECIALTY SERVICES ELEVEN PERCENT RECEIVE TEN OR MORE SERVICES, WHILE LESS THAN ONE PERCENT OF STUDENTS RECEIVE NONE A RIGOROUS ACADEMIC PROGRAM HELPS TO BRING STUDENTS UP TO GRADE LEVEL, AND THE AGGRESSIVE ACADEMIC SUPPORTS BRING MEASURABLE RESULTS STUDENTS OUTPERFORM PEERS IN MOST SUBJECT AREAS ON STATE STANDARDIZED TESTING IN FACT, MHS TEST SCORES ARE COMPARABLE TO SOME OF PENNSYLVANIA'S TOP SCHOOL DISTRICTS A STRONG FOCUS ON CAREER TECHNICAL EDUCATION, JOB SHADOWING, AND HANDS-ON LEARNING HELPS TO PREPARE STUDENTS FOR LIFE BEYOND MILTON HERSHEY SCHOOL FOR THE PAST TWO YEARS, EVERY GRADUATING SENIOR EARNED AT LEAST ONE INDUSTRY CERTIFICATION BY PASSING AN INDUSTRY-APPROVED TEST IN THEIR AREA OF STUDY CURRENTLY, THERE ARE ELEVEN CAREER PATHWAYS STUDENTS ARE ABLE TO PURSUE, INCLUDING BUSINESS/FINANCIAL MANAGEMENT & ACCOUNTING, LAW, PUBLIC SAFETY, & SECURITY, AND HEALTH SCIENCE THE SCHOOL OPERATES YEAR ROUND AND MORE THAN 70% OF STUDENTS ATTEND DURING HOLIDAY BREAKS OR SUMMER MONTHS A COMPREHENSIVE LIST OF PROGRAMS FOR CONTINUED LEARNING ARE OFFERED FOR CHILDREN TO PARTICIPATE BOTH ON AND OFF CAMPUS, IN ADDITION TO MUSIC AND ATHLETIC CAMPS THESE PROGRAMS OFFER BOTH ENRICHMENT AND ENJOYMENT TO STUDENTS DURING THE SCHOOL YEAR, STUDENTS ARE ABLE TO PARTICIPATE IN MORE THAN ONE HUNDRED DIFFERENT EXTRACURRICULAR ACTIVITIES AND CLUBS IN ADDITION TO LODGING, FOOD, AND CLOTHING, EACH STUDENTS RECEIVES REGULAR PHYSICAL AND DENTAL CHECKUPS FROM THE SCHOOL, AS WELL AS ANY NECESSARY HEALTH SERVICE OR MEDICATION THERE WERE 36,124 MEDICAL VISITS BY STUDENTS TO THE SCHOOL'S MEDICAL PROFESSIONALS DURING THE REPORTING YEAR IN ADDITION TO 44,023 DENTAL PROCEDURES PERFORMED ON STUDENTS IT IS NOT RARE TO HAVE A HIGH SCHOOL STUDENT ARRIVE AT MILTON HERSHEY AND HAVE THEIR FIRST TRIP TO THE DENTIST BE AT THE MHS CAMPUS CLINIC

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	FAMILY/BUSINESS RELATIONSHIP	SEVERAL OF THE BOARD OF MANAGERS MEMBERS AND OFFICERS OF THE FILING ORGANIZATION ALSO SERVE AS DIRECTORS AND OFFICERS OF BUSINESS ENTITIES THAT ARE RELATED TO THIS FILING ORGANIZATION OTHER THAN THEIR OVERLAPPING SERVICE ON RELATED COMPANY BOARDS, THEY HAVE NO FAMILY OR BUSINESS RELATIONSHIPS WITH EACH OTHER PLEASE SEE FORM 990, SCHEDULES J AND R FOR FURTHER INFORMATION

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	ELECTION OF MEMBERS OF GOVERNING BODY	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 AN ORIGINAL 1909 DEED OF TRUST THAT, AS AMENDED, STILL GOVERNS THE OPERATION OF THE SCHOOL THE DEED OF TRUST SETS FORTH THE RESPECTIVE POWERS AND AUTHORITIES OF THE TRUSTEE AND INDIVIDUAL MANAGERS OF THE SCHOOL AND NAMES THE 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 INDIVIDUAL 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 AS REQUIRED UNDER THE DEED OF TRUST, THE MEMBERS OF THE BOARD OF MANAGERS OF THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST 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 MILTON HERSHEY SCHOOL AND SCHOOL TRUST THE MILTON HERSHEY SCHOOL AND 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 THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST FROM AMONG HTC'S OWN BOARD OF DIRECTORS THE SAME NINE INDIVIDUALS (AS OF 7/31/13) SERVE ON THE BOARD OF DIRECTORS OF HTC AND THE BOARD OF MANAGERS OF THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	FORM 990 REVIEW PROCESS	THE FORM 990 IS REVIEWED BY MILTON HERSHEY SCHOOL AND SCHOOL TRUST MANAGEMENT AND BY MILTON HERSHEY SCHOOL AND SCHOOL TRUST'S INDEPENDENT TAX ADVISOR, WHO SIGNS THE RETURN AS THE "PAID PREPARER " 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

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	CONFLICT OF INTEREST	THE BOARD OF MANAGERS OPERATES UNDER A CONFLICT OF INTEREST POLICY WHICH REQUIRES DIRECTORS TO DISCLOSE "ALL ACTUAL OR POTENTIAL CONFLICTS OF INTEREST" WITH MILTON HERSHEY SCHOOL OR HERSHEY TRUST COMPANY THE CONFLICTS POLICY CANNOT BE MODIFIED OR AMENDED WITHOUT THE PRIOR WRITTEN APPROVAL OF THE PENNSYLVANIA OFFICE OF ATTORNEY GENERAL ("PA OAG") THE CONFLICT OF INTEREST POLICY COVERING THE MANAGERS OF THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST AND THE DIRECTORS OF HERSHEY TRUST IS DOCUMENTED IN THEIR GOVERNANCE GUIDELINES MANUAL AND IS ALSO POSTED ON THE MILTON HERSHEY SCHOOL WEBSITE THE CONFLICT OF INTEREST POLICY COVERING OFFICERS AND OTHER KEY EMPLOYEES OF MILTON HERSHEY SCHOOL IS DOCUMENTED IN MILTON HERSHEY SCHOOL'S CONFLICT OF INTEREST POLICY AND CODE OF ETHICS THE CONFLICT OF INTEREST POLICY COVERING OFFICERS AND OTHER KEY EMPLOYEES OF HERSHEY TRUST COMPANY, TRUSTEE FOR MILTON HERSHEY SCHOOL AND SCHOOL TRUST, IS DOCUMENTED IN HERSHEY TRUST COMPANY'S ETHICAL STANDARDS, CONFLICT OF INTEREST, AND CODE OF CONDUCT SECTIONS OF ITS POLICY MANUALS EACH MANAGER, DIRECTOR, OFFICER AND KEY EMPLOYEE IS REQUIRED TO AVOID ALL ACTIVITY THAT COULD CREATE A CONFLICT OF INTEREST OR EVEN GIVE AN APPEARANCE OF A CONFLICT OF INTEREST ANY CONFLICTS OF INTEREST ARE TO BE REPORTED AS SOON AS PRACTICAL AFTER THEY BECOME AWARE OF SUCH A CONFLICT ANNUALLY EACH MANAGER, DIRECTOR, 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 COMPLIANCE OFFICER AND DEPUTY GENERAL COUNSEL OF HERSHEY TRUST COMPANY IN ORDER FOR HIM TO BE AWARE OF ACTIVITIES THAT COULD GIVE RISE TO CONFLICTS OF INTEREST POTENTIAL CONFLICTS OF INTEREST RELATED TO MANAGERS, DIRECTORS, OFFICERS AND KEY EMPLOYEES ARE BROUGHT TO THE ATTENTION OF THE PRESIDENT OF MILTON HERSHEY SCHOOL OR THE CHIEF EXECUTIVE OFFICER OR COMPLIANCE OFFICER OF HERSHEY TRUST COMPANY THE RELEVANT EXECUTIVE (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 EXECUTIVES OR MANAGERS/DIRECTORS, THE MATTER WOULD BE DISCUSSED WITH THE NOMINATING AND GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS OF THE HERSHEY TRUST COMPANY AND THE BOARD OF MANAGERS OF THE MILTON HERSHEY SCHOOL THE NOMINATING AND GOVERNANCE COMMITTEE, 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
FORM 990, PART VI, SECTION B, LINES 15A AND 15B	COMPENSATION PROCESS	AN INDEPENDENT COMPENSATION CONSULTANT EVALUATES AND COMPARES THE COMPENSATION OF THE OFFICERS AND SENIOR DIRECTORS OF MILTON HERSHEY SCHOOL AND SCHOOL TRUST 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 MILTON HERSHEY 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 MILTON HERSHEY SCHOOL AND SCHOOL TRUST THE COMPENSATION OF THE OFFICERS AND KEY EMPLOYEES OF HERSHEY TRUST COMPANY, TRUSTEE OF MILTON HERSHEY SCHOOL AND SCHOOL TRUST 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 (PRESIDENT, SECRETARY, AND TREASURER) AND ALSO THE COMPLIANCE OFFICER IS FIXED BY THE BOARD OF DIRECTORS OF HERSHEY TRUST COMPANY IN ACCORDANCE WITH SECTION 5 OF ITS BYLAWS THE CHIEF EXECUTIVE OFFICER 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 MEMBERS OF THE BOARD OF MANAGERS OF MILTON HERSHEY SCHOOL AND SCHOOL TRUST DO NOT RECEIVE ANY DIRECT 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 REVIEWED AT LEAST EVERY TWO YEARS BY INDUSTRY-RECOGNIZED INDEPENDENT CONSULTING FIRMS APPROVED BY THE PA OAG THE FIRM'S RECOMMENDATION MUST BE PROVIDED TO THE PA OAG BEFORE ACTING ON IT INDEPENDENT COUNSEL OPINES ON THE COMPENSATION PROCESS FOR DETERMINING COMPENSATION OF OFFICERS, AS APPROPRIATE, THAT IS IN ACCORDANCE WITH THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" PROCEDURES SET OUT IN THE REGULATIONS FOR SECTION 4958 OF THE INTERNAL REVENUE CODE

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 17	STATE FILING OF FORM 990	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
FORM 990, PART VI, SECTION C, LINE 19	PUBLIC AVAILABILITY OF GOVERNING DOCUMENTS	THE DEED OF TRUST ESTABLISHING THE MILTON HERSHEY SCHOOL TRUST AND THE CONFLICT OF INTEREST POLICY ARE POSTED ON THE MILTON HERSHEY SCHOOL WEBSITE THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST DOES HAVE ITS FORM 990 POSTED ON ANOTHER WEBSITE, GUIDESTAR INCLUDED IN THE 990 ARE CERTAIN FINANCIAL STATEMENT COMPONENTS FOR REVIEW THE FORM 990 AND TAX EXEMPTION LETTER ARE PROVIDED TO ANYONE WHO REQUESTS THEM IN ACCORDANCE WITH IRS REGULATIONS

Identifier	Return Reference	Explanation
FORM 990, PART IX, LINE 11G	OTHER FEES FOR SERVICE	THIS AMOUNT IS FOR HOSPITAL, MEDICAL, AND DENTAL SERVICES PROVIDED FOR THE STUDENTS

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 9	RECONCILIATION OF NET ASSETS	DECREASE IN UNRECOGNIZED PENSION SERVICE COST 31,052,049

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL AND SCHOOL TRUST

Employer identification number
23-1353340

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) MHST CORPUS LLC PO BOX 445 HERSHEY, PA 17033 27-1451942	RE RENTAL	PA	633,333	12,788,900	MHS TRUST
(2) MHST INCOME LLC PO BOX 445 HERSHEY, PA 17033 27-1451914	RE RENTAL	PA	0	0	MHS TRUST

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(1) THE MS HERSHEY FOUNDATION PO BOX 445 HERSHEY, PA 17033 23-6242734	EDUCATION	PA	501(c)(3)	9	HTC TRUSTEE		No
(2) THE WILLIAM E DEARDEN ALUMNI CAMPUS INC PO BOX 830 HERSHEY, PA 17033 20-2579678	SVCS TO ALUM	PA	501(c)(3)	7	NA		No
(3) HERSHEY CEMETERY COMPANY PO BOX 445 HERSHEY, PA 17033 23-1973529	CEMETERY	PA	501(c)(13)	N/A	NA		No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) HERSHEY TRUST COMPANY PO BOX 445 HERSHEY, PA 17033 23-0692150	STATE TRUST C	PA	HTC TRUSTEE	C CORP	5,886,907	62,978,474	100 000 %	Yes	
(2) HERSHEY ENTERTAINMENT & RESORTS CO 27 W CHOCOLATE HERSHEY, PA 17033 23-0691815	ENTERTAINMENT	PA	HTC TRUSTEE	C CORP	257,190,426	321,576,394	100 000 %	Yes	
(3) THE HERSHEY CO 100 CRYSTAL A DR HERSHEY, PA 17033 23-0691590	CONFECTIONARY	PA	HTC TRUSTEE	C CORP	1,027,310,662	1,422,717,390	80 000 %	Yes	

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

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

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

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

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

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

Additional Data

Return to Form

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE R, PART I		Disregarded Entities The Milton Hershey School and School Trust owns 100% of MHST Corpus LLC and MHST Income LLC Both are Pennsylvania single-member limited liability companies The LLCs' principal activity are the acquisition, holding and development of rent-producing real estate, and their principal source of revenue is rent They are disregarded single-member LLCs for tax purposes MHST Corpus LLC holds investment real estate, MHST Income LLC does not currently have any assets or income All of MHST Corpus LLC's rental income and expenses are included in the Milton Hershey School and School Trust's financial statements SCHEDULE R, PART II RELATED TAX-EXEMPT ORGANIZATIONS The M S Hershey Foundation (EIN 23-6242734) is a Pennsylvania nonprofit that is exempt from Federal income tax pursuant to Internal Revenue Code Section 501(c)(3) Milton Hershey funded the Foundation in 1935 and appointed Hershey Trust Company as its trustee The Foundation has several operations in Hershey, Pennsylvania including the Hershey Story, Hershey Gardens, Hershey Community Archives and the Hershey Theatre The members of the Board of Managers of the Foundation are appointed by the Hershey Trust Company, in its capacity as trustee, from among its own board of directors Together the trustee and board of managers serve as the governing body of the Foundation Hershey Cemetery Company (EIN 23-1973529) is a Pennsylvania cemetery company that is exempt from Federal income tax pursuant to INTERNAL REVENUE CODE Section 501(c)(13) Hershey Trust Company operates the Cemetery Company and is trustee of the Hershey Cemetery Perpetual Maintenance Fund Trust (EIN 23-6629638) that was established to provide funding for perpetual maintenance for the Hershey Cemetery Hershey Cemetery is the final resting place of Milton & Catherine Hershey The Hershey Trust Company and the Hershey Cemetery Company are related to Milton Hershey School and School Trust The WILLIAM E DEARDEN ALUMNI CAMPUS, INC (EIN 20-2579678) is a Pennsylvania nonprofit that is exempt from Federal income tax pursuant to Internal Revenue Code Section 501(c)(3) The nonprofit's mission is to promote and enhance the education and general welfare of the students and alumni of the School, to achieve closer cooperation between the School and alumni, in the interest of the education and general welfare of the students and alumni, to develop among teachers, administration, students, alumni and the general public such programs and activities as will secure for all students and alumni the highest advantages in physical, mental and social education and development, to serve as a clearing house for the gathering and dissemination of information and know-how in furtherance of the foregoing purposes, and to solicit and accept donations, gifts, grants, legacies and bequests to further the foregoing purposes Per its governing instrument, several of the board members are selected from the officers of the Milton Hershey School and School Trust or are appointed by the President of the Milton Hershey School SCHEDULE R, PART IV RELATED ORGANIZATIONS TAXABLE AS A CORPORATION OR TRUST The Milton Hershey School and School Trust holds 32 7% of the outstanding combined Common and Class B shares of the Hershey Company Each share of the Class B common stock entitles its holder to 10 votes The Milton Hershey School and School 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 Milton Hershey School and School Trust's 32 7% share of the Hershey Company's total income and end-of-year assets Column (H) reflects the Milton Hershey School and School Trust's total combined voting power (PERCENTAGES AS OF DECEMBER 31, 2012) SCHEDULE R, PART V, LINE 2 (ITEM 6) HERSHEY ENTERTAINMENT & RESORTS CO PROVIDED HERSHEYPARK AND GIANT CENTER TICKETS AND OTHER BENEFITS TO MILTON HERSHEY SCHOOL STUDENTS AT NO COST THE VALUE OF THESE BENEFITS WAS $311,482

--> **Form 990, Schedule R, Part V - Transactions With Related Organizations**

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
HERSHEY ENTERTAINMENT & RESORTS CO	A	526,396	FMV
HERSHEY TRUST COMPANY	A	212,870	FMV
THE MS HERSHEY FOUNDATION	A	4,549	FMV
HERSHEY ENTERTAINMENT & RESORTS CO	P	573,043	FMV
HERSHEY TRUST COMPANY	O	291,545	FMV
HERSHEY ENTERTAINMENT & RESORTS CO	c	311,482	FMV
HERSHEY ENTERTAINMENT & RESORTS CO	F	5,275,000	FMV
THE HERSHEY COMPANY	F	110,470,484	FMV