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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2016

Open to Public Inspection

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

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

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

Department of the Treasury
Internal Revenue Service

A For the 2016 calendar year, or tax year beginning 08-01-2016 , and ending 07-31-2017

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final

☒ Return/terminated

☐ Amended return

☐ Application pending

C Name of organization

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

% GAYLA MOLINELLI HERSHEY TRU

Doing business as

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

PO BOX 445

Room/suite

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

HERSHEY, PA 17033

F Name and address of principal officer

PETER GURT

PO BOX 445

HERSHEY, PA 17033

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

☐ Yes ☒ No

H(b) Are all subordinates included?

☐ Yes ☐ No

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

H(c) Group exemption number ▶

D Employer identification number

23-1353340

E Telephone number

(717) 520-1100

G Gross receipts \$ 1,667,508,059

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 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)

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

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

6 Total number of volunteers (estimate if necessary)

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

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

Revenue

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

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

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

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

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

Expenses

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

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

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

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

b Total fundraising expenses (Part IX, column (D), line 25) ▶0

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

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

19 Revenue less expenses Subtract line 18 from line 12

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

21 Total liabilities (Part X, line 26)

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

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

2018-06-11

Date

GAYLA MOLINELLI VP, FINANCE

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

ERIC M MCNEIL

Preparer's signature

ERIC M MCNEIL

Date

Check ☐ if self-employed

PTIN P00460263

Firm's name ▶ PricewaterhouseCoopers LLP

Firm's EIN ▶

Firm's address ▶ 2001 MARKET ST SUITE 1800

Phone no (267) 330-3000

PHILADELPHIA, PA 19103

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2016)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission

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 \$ 209,048,923	including grants of \$ 8,438,318	(Revenue \$ 462,144)
See Additional Data				

4b	(Code)	(Expenses \$	including grants of \$	(Revenue \$)
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4c	(Code)	(Expenses \$	including grants of \$	(Revenue \$)
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4d	Other program services (Describe in Schedule O)	(Expenses \$	including grants of \$	(Revenue \$)
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4e	Total program service expenses ▶	209,048,923
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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 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 other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV 	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV 	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	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

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	Yes	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		No
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		No
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		No
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		No
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		No
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		No
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	Yes	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	Yes	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	Yes	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		No
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		No
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	Yes	

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	309
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	2,120
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" to line 3b, 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 FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	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. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
9a	Did the sponsoring organization make any taxable distributions under section 4966?	9a	
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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

Check if Schedule O contains a response or note to any line in this Part VI ☒

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

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

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

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

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

20 State the name, address, and telephone number of the person who possesses the organization's books and records:
 ▶ GAYLA MOLINELLI HERSHEY TRU PO BOX 445 HERSHEY, PA 17033 (717) 520-1100

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

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

Form **990** (2016)

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 (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			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,980,695	4,401,726	1,507,895

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 ► 99

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
KINSLEY CONSTRUCTION INC, PO BOX 2886 YORK, PA 174052886	Construction	9,476,494
HERSHEY TRUST COMPANY, PO BOX 445 HERSHEY, PA 17033	INVEST & SHARED SRVS	8,335,206
SODEXO INC AFFILIATES, PO BOX 360170 PITTSBURGH, PA 152516170	FOOD SERVICE/MGT	6,001,009
HANDWERK SITE CONTRACTORS, PO BOX 55 SKIPPACK, PA 19474	CONSTRUCTION	3,089,058
NRG BUILDING SERVICES INC, 48 S HARRISBURG ST 2ND FLOOR HARRISBURG, PA 17113	CONSTRUCTION	2,171,816

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 ► 91

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns . . .	1a					
	b Membership dues . . .	1b					
	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	43,789				
	g Noncash contributions included in lines 1a-1f \$ <u>9,726</u>						
	h Total. Add lines 1a-1f ▶		43,789				
Program Service Revenue			Business Code				
	2a Ag Milk & Crop Sales		900099	333,123	333,123		
	b CONCESSION STAND SALES		900099	69,223	69,223		
	c UTILITY REBATES		900099	49,964	49,964		
	d MEMORABILIA SALES TO PUBLIC		900099	5,168	5,168		
	e FOOD REBATES		900099	1,188	1,188		
	f All other program service revenue			3,478	3,478		
	g Total. Add lines 2a-2f ▶		462,144				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		307,171,604		-4,964,672	312,136,276	
	4 Income from investment of tax-exempt bond proceeds ▶		0				
	5 Royalties ▶		0				
	6a Gross rents	(i) Real	(ii) Personal				
		b Less rental expenses					
		c Rental income or (loss)					
	d Net rental income or (loss) ▶		2,926,809		-24,874	2,951,683	
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less cost or other basis and sales expenses					
		c Gain or (loss)					
	d Net gain or (loss) ▶		159,210,833			159,210,833	
	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							
b							
c							
d All other revenue							
e Total. Add lines 11a-11d ▶		0					
12 Total revenue. See Instructions ▶		469,815,179	462,144	-4,989,546	474,298,792		

Part IX Statement of Functional Expenses

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

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

**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.	0			
2 Grants and other assistance to domestic individuals. See Part IV, line 22.	8,438,318	8,438,318		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.	0			
4 Benefits paid to or for members.	0			
5 Compensation of current officers, directors, trustees, and key employees.	2,950,455	1,168,046	1,782,409	
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.	79,152,347	74,250,336	4,902,011	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	18,335,640	16,868,789	1,466,851	
9 Other employee benefits.	23,021,461	21,179,744	1,841,717	
10 Payroll taxes.	7,015,938	6,454,663	561,275	
11 Fees for services (non-employees):				
a Management.	0			
b Legal.	2,120,927	539,321	1,581,606	
c Accounting.	242,900	223,468	19,432	
d Lobbying.	0			
e Professional fundraising services. See Part IV, line 17.	0			
f Investment management fees.	36,805,945		36,805,945	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	5,797,057	5,169,155	627,902	
12 Advertising and promotion.	2,407,141	1,163,857	1,243,284	
13 Office expenses.	1,870,286	1,687,044	183,242	
14 Information technology.	1,509,094	1,464,558	44,536	
15 Royalties.	0			
16 Occupancy.	5,776,916	5,766,663	10,253	
17 Travel.	2,255,113	2,158,571	96,542	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19 Conferences, conventions, and meetings.	206,443	162,263	44,180	
20 Interest.	0			
21 Payments to affiliates.	0			
22 Depreciation, depletion, and amortization.	40,844,328	36,932,310	3,912,018	
23 Insurance.	3,582,492	1,076,345	2,506,147	
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 CONTRACTED SERVICES/CONSULTING	9,752,477	8,374,254	1,378,223	0
b FOOD, CLOTHING & HOUSEHOLD	6,976,639	6,811,686	164,953	
c EQUIP RENTAL & MAINTENANCE	4,454,797	4,147,274	307,523	
d TRUST EXPENSES	2,904,528	0	2,904,528	
e All other expenses	5,216,133	5,012,258	203,875	
25 Total functional expenses. Add lines 1 through 24e.	271,637,375	209,048,923	62,588,452	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 SheetCheck if Schedule O contains a response or note to any line in this Part IX ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	81,571	1	26,998
	2 Savings and temporary cash investments	68,749,539	2	59,382,745
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	25,815,996	4	36,599,495
	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	1,592,951	8	1,857,445
	9 Prepaid expenses and deferred charges	1,205,622	9	986,723
	10a Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D.	1,178,119,326		
	b Less: accumulated depreciation	522,130,601		
		645,925,250	10c	655,988,725
	11 Investments—publicly traded securities	1,510,698,766	11	1,718,389,692
	12 Investments—other securities. See Part IV, line 11	11,747,050,342	12	11,750,358,860
	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)	14,001,120,037	16	14,223,590,683	
Liabilities	17 Accounts payable and accrued expenses	249,660,055	17	230,777,665
	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	249,660,055	26	230,777,665
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	1,195,174,875	27	1,324,137,569
	28 Temporarily restricted net assets	0	28	0
	29 Permanently restricted net assets	12,556,285,107	29	12,668,675,449
	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	13,751,459,982	33	13,992,813,018
34 Total liabilities and net assets/fund balances	14,001,120,037	34	14,223,590,683	

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	469,815,179
2	Total expenses (must equal Part IX, column (A), line 25)	2	271,637,375
3	Revenue less expenses Subtract line 2 from line 1	3	198,177,804
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	13,751,459,982
5	Net unrealized gains (losses) on investments	5	8,781,385
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	34,393,847
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	13,992,813,018

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		No
b Were the organization's financial statements audited by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	Yes	
c If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Additional Data

Software ID:

Software Version:

EIN: 23-1353340

Name: MILTON HERSHEY SCHOOL AND SCHOOL TRUST

Form 990 (2016)

Form 990, Part III, Line 4a:

SEE SCHEDULE O FOR FURTHER DETAILS

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors			
(A)	(B)	(C)	(D)
1. Name of the individual	2. Title or position	3. Compensation for services rendered to the organization	4. Compensation for services rendered to the organization
		(a) Salary or fee	(b) Other compensation
		(c) Total compensation	(d) Compensation for services rendered to the organization

(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 TO 12/16	11 5 6 0	X						0	256,200	135,202
JAMES M MEAD BOARD OF MANAGERS	7 0 4 5	X						0	268,000	135,000
JAMES E NEVELS BOARD OF MANAGERS TO 12/16	4 5 6 0	X						0	337,844	135,000
VELMA A REDMOND ESQ BOARD OF MANAGERS	28 0 1 0	X						0	216,000	0
JOSEPH M SENSER BOARD OF MANAGERS TO 12/16	3 5 2 0	X						0	197,167	1,711
ROBERT CONNOR HEIST BOARD OF MANAGERS	30 0 0 0	X						0	196,000	0
DAVID SALTZMAN Board of Managers	5 5 0 0	X						0	114,500	0
M Diane Koken Board of Managers	10 5 0 5	X						0	121,000	0
James Brown Board of Managers	6 0 0 0	X						0	191,000	0
Jan L Bergen Board of Managers began 4/17	5 0 0 0	X						0	0	0

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			
Melissa L Fullmore board of Managers began 4/17	6 5 0 0	X						0	0	0
James Katzman Board of Managers began 4/17	5 0 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				261,992	0	89,226
JOAN K SINGLETON VP HUMAN RESOURCES	55 0 0 0			X				253,262	0	82,037
PETER G GURT PRESIDENT	60 0 0 0			X				465,437	0	137,384
LISA RASHID VP - COMMUNICATIONS	60 0 0 0			X				191,936	0	69,296
ERIC HENRY ACTING TREASURER	56 0 5 0			X				0	1,350,611	53,085
ANDREW H CLINE VP LEGAL AFFRS/GEN COUNSEL	60 0 0 0			X				271,250	0	88,577
LINDA VETTORI ASSISTANT SECRETARY	48 0 2 0			X				0	104,975	31,911

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			
FREDA F MARTINE VP OF EDU AND STUDENT LIFE	60 0 0 0			X				202,485	0	96,574
STEVEN SPARKS ESQ Secretary	48 0 2 0			X				0	222,593	11,702
ANNETTE K COLE GILL HEAD-ELEMENTARY DIVISION	47 0 0 0				X			199,704	0	57,634
BETH J SHAW EXEC DIRECTOR- STUDENT SUPPORT	57 0 0 0				X			202,305	0	57,578
WILLIAM H WEBER III HEAD OF SR DIVISION	53 0 0 0				X			155,786	0	43,997
TIMOTHY C FAKE SR DIRECTOR IT	54 0 0 0					X		170,669	0	35,971
JOHN J OSMOLINSKI SR DIR CONSTRUCTION/FAC	55 0 0 0					X		154,449	0	50,786
ERICA M WEILER-TIMMONS DIR PSYCHOLOGICAL SERVICE	50 0 0 0					X		149,556	0	47,129
DENISE L ALSTON DDS DIR DENTAL SERVICES	47 0 0 0					X		143,430	0	34,126
DAVID C MILLER JR SR DIR RISK MANAGEMENT	48 0 0 0					X		157,434	0	39,446

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			
JOAN E STEEL BOARD OF MANAGERS TO 7/9/16	8 5 0 0						X	0	67,000	0
Stephanie Bell-Rose BOARD OF MANAGERS to 3/26/16	4 5 0 0						X	0	27,000	0
MARC A WOOLLEY ESQ SECRETARY TO 6/30/2016	48 0 2 0						X	0	201,962	15,990
JOHN ESTEY ESQ INTERIM PRESIDENT to 7/14	50 0 0 0						X	0	210,976	24,034
THOMAS A K QUEENAN CFO to 6/16	55 0 0 0						X	0	318,898	34,499

SCHEDULE A (Form 990 or 990-EZ)	Public Charity Status and Public Support Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust. ▶ Attach to Form 990 or Form 990-EZ. ▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990 .	OMB No 1545-0047 2016 Open to Public Inspection
	Department of the Treasury Internal Revenue Service Name of the organization 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 12, check only one box)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☒ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ))
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university _____
- 10 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 11 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization
- f Enter the number of supported organizations _____
- g Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, 8, or 9 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						
Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Do not include gain or loss from the sale of capital assets (Explain in Part VI.))						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ ☐						
Section C. Computation of Public Support Percentage						
14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f))					14	
15 Public support percentage for 2015 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2016. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☐						
b 33 1/3% support test—2015. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☐						
17a 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐						
b 10%-facts-and-circumstances test—2015. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐						
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐						

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

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
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)2012	(b)2013	(c)2014	(d)2015	(e)2016	(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 VI.)						
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 section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a 33 1/3% support tests—2016. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests—2015. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally-Integrated Supporting Organizations

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

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

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

Section A - Adjusted Net Income

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

Section B - Minimum Asset Amount

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

Section C - Distributable Amount

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

Part V

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

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

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

Part VI **Supplemental Information.**

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

Facts And Circumstances Test

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

OMB No 1545-0047

2016

Open to Public Inspection

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

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

Name of the organization MILTON HERSHEY SCHOOL AND SCHOOL TRUST	Employer identification number 23-1353340
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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-
2				
3				
4				
5				
6				

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)		0													
b Total lobbying expenditures to influence a legislative body (direct lobbying)		0													
c Total lobbying expenditures (add lines 1a and 1b)		0													
d Other exempt purpose expenditures		209,048,923													
e Total exempt purpose expenditures (add lines 1c and 1d)		209,048,923													
f Lobbying nontaxable amount Enter the amount from the following table in both columns		1,000,000													
<table><thead><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr></thead><tbody><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></tbody></table>		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		
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														
g Grassroots nontaxable amount (enter 25% of line 1f)		250,000													
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 separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) Total
2a Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	0	0	0	0	0
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
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 on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity

		(a)		(b)
		Yes	No	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

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, lines 1 and 2 (see instructions), and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation
FORM 990, SCHEDULE C, PART II-A	MHSST HAD NO LOBBYING EXPENSES FOR THE REPORTING PERIOD AND AS SUCH HAS REPORTED \$0 FOR PART II-A, LINES 2C AND 2F. SCHEDULE C IS COMPLETED BECAUSE OF A PREVIOUSLY FILED 501(H) ELECTION THAT ALLOWS MHSST TO INCUR NONTAXABLE LOBBYING EXPENDITURES OF \$1 MILLION AND NONTAXABLE GRASSROOTS LOBBYING EXPENDITURES OF \$250,000.

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493165006268	
SCHEDULE D (Form 990) Department of the Treasury Internal Revenue Service		Supplemental Financial Statements ► Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. ► Attach to Form 990. Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.			OMB No 1545-0047 2016 Open to Public Inspection
Name of the organization 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" on Form 990, Part IV, line 6.					
		(a) Donor advised funds		(b) Funds and other accounts	
1	Total number at end of year				
2	Aggregate value of contributions to (during year)				
3	Aggregate value of grants from (during year)				
4	Aggregate value at end of year				
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?				☐ Yes ☐ No
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?				☐ Yes ☐ No
Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.					
1	Purpose(s) of conservation easements held by the organization (check all that apply) ☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area ☐ Protection of natural habitat ☐ Preservation of a certified historic structure ☐ Preservation of open space				
2	Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year				
a	Total number of conservation easements	Held at the End of the Year			
b	Total acreage restricted by conservation easements	2a			
c	Number of conservation easements on a certified historic structure included in (a)	2b			
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2c			
		2d			
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►				
4	Number of states where property subject to conservation easement is located ►				
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?				☐ Yes ☐ No
6	Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ►				
7	Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \$				
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?				☐ Yes ☐ No
9	In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements				
Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.					
1a	If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items				
b	If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items				
(i) Revenue included on Form 990, Part VIII, line 1		► \$			
(ii) Assets included in Form 990, Part X		► \$			
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items				
a	Revenue included on Form 990, Part VIII, line 1	► \$			
b	Assets included in Form 990, Part X	► \$			
For Paperwork Reduction Act Notice, see the Instructions for Form 990.					
		Cat No 52283D		Schedule D (Form 990) 2016	

Part III

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

3

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

a

☒ Public exhibition

b

☒ Scholarly research

c

☒ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☒ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☐ Yes

☐ No

b

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

☐

Part V

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

	(a)Current year	(b)Prior year	(c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	12,556,285,107	11,072,259,160	10,695,613,308	10,710,324,026	8,746,048,626
b Contributions					
c Net investment earnings, gains, and losses	112,390,342	1,484,025,947	376,645,852	-14,710,718	1,964,275,400
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	12,668,675,449	12,556,285,107	11,072,259,160	10,695,613,308	10,710,324,026

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 on lines 2a, 2b, and 2c should equal 100%

3a

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

(i) unrelated organizations

3a(i)

No

(ii) related organizations

3a(ii)

Yes

b

If "Yes" on 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.
Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		64,393,293		64,393,293
b Buildings	103,494,000	927,765,355	469,497,500	561,761,855
c Leasehold improvements				
d Equipment		82,466,678	52,633,101	29,833,577
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				655,988,725

Part VII

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____ (A) SEE PART XIII	11,750,358,860	F
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ▶	11,750,358,860	

Part VIII

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

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

Part IX

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

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

Part X

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

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes	0	
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	0	

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

☒

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

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

1	Total revenue, gains, and other support per audited financial statements	1	480,681,987
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains (losses) on investments	2a	8,781,385
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	2,085,423
e	Add lines 2a through 2d	2e	10,866,808
3	Subtract line 2e from line 1	3	469,815,179
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	469,815,179

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

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

1	Total expenses and losses per audited financial statements	1	236,770,181
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	-473,347
e	Add lines 2a through 2d	2e	-473,347
3	Subtract line 2e from line 1	3	237,243,528
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	34,393,847
c	Add lines 4a and 4b	4c	34,393,847
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	271,637,375

Part XIII Supplemental Information

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

Return Reference	Explanation
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Supplemental Information

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 ASC 958-360-25-1 and 958-605-25-19 (formerly 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 INCOME (RECLASS) (11,203) PROGRAM SERVICE REVENUE (RECLASS) (462,144) RENTAL EXPENSES 2,558,770 2,085,423 SCHEDULE D, PART XII, LINE 2D RECONCILIATION OF EXPENSES PER AUDITED FIN STMTS WITH EXPENSES PER RETURN RENTAL INCOME (RECLASS) (11,203) PROGRAM SERVICE REVENUE (RECLASS) (462,144) (473,347) SCHEDULE D, PART XII, LINE 4B RECONCILIATION OF EXPENSES PER AUDITED FIN STMTS WITH EXPENSES PER RETU

Supplemental Information

Return Reference	Explanation
SCHEDULE D, PART III, LINE 1A & 4	RN UNRECOGNIZED PENSION & POST RETIREMENT GAIN 34,393,847 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 43,789 - 43,789 2 PROGRAM SERVICE REV - 462,144 462,144 3 INVESTMENT INCOME 307,171,604 - 307,171,604 6 NET RENTAL INCOME 2,915,606 11,203 2,926,809 7(I) GAIN ON SALE-SECURITIES 159,147,207 - 159,147,207 7(II) GAIN ON SALE-OTHER 83,444 (19,818) 63,626 11A OTHER INCOME - - - 12 TOTAL REVENUE 469,361,651 453,528 469,815,179 PART IX, STATEMENT OF FUNCTIONAL EXPENSES MILTON HERSHEY MILTON HERSHEY TOTAL LINE SCHOOL TRUST SCHOOL 2 GRANTS TO INDIVIDUALS - 8,438,318 8,438,318 5 COMPENSATION OF OFFICERS 1,000 2,949,455 2,950,455 7 OTHER SALARIES & WAGES - 79,152,347 79,152,347 8 PENSION PLAN CONTRIBUTIONS - 18,335,640 18,335,640 9 OTHER EMPLOYEE BENEFITS - 23,021,461 23,021,461 10 PAYROLL TAXES - 7,015,938 7,015,938 11B LEGAL FEES - 2,120,927 2,120,927 11C ACCOUNTING FEES - 242,900 242,900 11F IN VEST MGMT FEES 36,805,945 - 36,805,945 11G OTHER FEES FOR SERVICES - 5,797,057 5,797,057 12 ADVERTISING - 2,407,141 2,407,141 13 OFFICE EXPENSES - 1,870,286 1,870,286 14 INFORMATION TECHNOLOGY - 1,509,094 1,509,094 16 OCCUPANCY - 5,776,916 5,776,916 17 TRAVEL - 2,255,113 2,255,113 19 CONFERENCES - 206,443 206,443 22 DEPRECIATION 700,513 40,143,815 40,844,328 23 INSURANCE - 3,582,492 3,582,492 24A CONTRACTED SERV/CONSULTING - 9,752,477 9,752,477 24B FOOD/CLOTHING/HOUSEHOLD - 6,976,639 6,976,639 24C EQUIP RENTAL & MAINTENANCE - 4,454,797 4,454,797 24D TRUST EXPENSES (*) 2,904,528 - 2,904,528 24E ALL OTHER EXPENSES - 5,216,133 5,216,133 26 TOTAL FUNCTIONAL EXPENSES 40,411,986 231,225,079 271,637,375 (*) 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 C ASH 3 26,995 26,998 2 SAVINGS & TEMP INVEST 14,684,294 - 14,684,294 4 ACCOUNTS RECEIVABLE 20,662,018 1,326,423 21,988,441 8 INVENTORIES FOR SALE/USE - 1,857,445 1,857,445 9 PREPAID EXPENSES - 986,723 986,723 10A PROPERTY EQPMT, AT COST 992,001,763 82,466,679 1,074,468,4 42 10B LESS ACCUMULATED DEP (469,497,500) (52,633,101) (522,130,601) 11 INVEST PUBLICLY TRADED 451,599,917 - 451,599,917 12 INVEST OTHER 497,665,477 - 497,665,477 17 LIABILITIES (10,505,724) (206,503,843) (217,009,567) NET UNRESTRICTED ASSETS 1,496,610,248 (172,472,679) 1,324,137,569 OF THE \$1,324,137,569 IN NET UNRESTRICTED ASSETS, \$953,304,310 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 \$ 484

Supplemental Information

Return Reference	Explanation
SCHEDULE D, PART III, LINE 1A & 4	,272,460 FMV AGENCY BONDS 88,725,185 FMV CORPORATE BONDS 365,515,772 FMV BOND FUNDS 174,58 9,823 FMV COMMON STOCKS-OTHER 605,286,452 FMV _____ TOTAL PART X, LINE 11 \$1,71 8,389,692 PART X, LINE 12/SCHEDULE D, PART VII CLOSELY HELD EQUITY INTERESTS THE HERSHEY C OMPANY - COMMON SHARES \$1,343,073,297 FMV HERSHEY ENTERTAINMENT & RESORTS 725,000,000 FMV HERSHEY TRUST COMPANY 38,077,595 FMV THE HERSHEY CO - CLASS B SHARES 6,383,050,984 FMV ____ _____ SUB-TOTAL CLOSELY-HELD INTERESTS \$8,489,201,876 PART X, LINE 12 (CONTINUED) OTHER STOCK FUNDS - OTHER \$1,966,580,297 FMV OTHER BOND FUNDS 459,221,127 FMV MARKETABLE A LTERNATIVES 57,079,850 FMV ALTERNATIVE ASSETS-NON MARKETABLE 778,275,710 FMV _____ SUB-TOTAL OTHER \$3,261,156,984 _____ TOTAL PART X, LINE 12 \$11,750,358,860 TOTAL PART X, LINE 12 \$11,750,358,860

SCHEDULE E (Form 990 or 990-EZ)	Schools ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48. ▶ Attach to Form 990 or Form 990-EZ. ▶ Information about Schedule E (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.	OMB No 1545-0047
		2016
	Department of the Treasury Name of the organization MILTON HERSHEY SCHOOL AND SCHOOL TRUST	Employer identification number 23-1353340

Part I		YES	NO
1	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	Yes	
2	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	Yes	
3	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe If "No," please explain If you need more space use Part II	Yes	
4	Does the organization maintain the following?		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	Yes	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	Yes	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	Yes	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain If you need more space, use Part II	Yes	
5	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		No
b	Admissions policies?		No
c	Employment of faculty or administrative staff?		No
d	Scholarships or other financial assistance?		No
e	Educational policies?		No
f	Use of facilities?		No
g	Athletic programs?		No
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain If you need more space, use Part II		No
6a	Does the organization receive any financial aid or assistance from a governmental agency?		No
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either line 6a or line 6b, explain on Part II		No
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	Yes	

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

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 HARRISBURG PATRIOT NEWS, THE NEW YORK TIMES AND THE PITTSBURGH POST-GAZETTE THE ADVERTISEMENT READS AS FOLLOWS QUALIFIED STUDENTS ARE ELIGIBLE FOR ADMISSION REGARDLESS OF RACE, COLOR, NATIONAL OR ETHNIC ORIGIN, ANCESTRY, SEX, RELIGIOUS CREED OR DISABILITY MILTON HERSHEY SCHOOL DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, NATIONAL OR ETHNIC ORIGIN, ANCESTRY, SEX, RELIGIOUS CREED OR DISABILITY IN THE ADMINISTRATION OF ITS EDUCATIONAL POLICIES, ADMISSIONS POLICIES, SCHOLARSHIP AND LOAN PROGRAMS, AND ATHLETIC AND OTHER SCHOOL-ADMINISTERED PROGRAMS

**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.

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

OMB No 1545-0047

2016

**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 its grants and other 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 its grants and other assistance outside the United States

3 Activities 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
(1) See Add'l Data					
(2)					
(3)					
(4)					
(5)					
3a Sub-total					532,298,759
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					532,298,759

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 non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									

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)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

- 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)* ☒ Yes ☐ No
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately 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)* ☐ Yes ☒ No
- 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)* ☒ Yes ☐ No
- 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, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)* ☒ Yes ☐ No
- 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)* ☒ Yes ☐ No
- 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 separately file Form 5713, International Boycott Report (see Instructions for Form 5713)* ☐ Yes ☒ No

Additional Data

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

Part V

Supplemental Information
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).

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, 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 region
Europe (Including Iceland and Greenland)			Investments		153,662,362
Central America and the Caribbean			Investments		346,529,384
Sub-Saharan Africa			Investments		19,295,042

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, 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 region
North America			Investments		12,811,971

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
MILTON HERSHEY SCHOOL AND SCHOOL TRUST

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

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

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

OMB No 1545-0047

2016

Open to Public Inspection

Employer identification number
23-1353340

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

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

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

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

Part III can be duplicated if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) Continuing Education Scholarships	582	8,438,318			
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

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

Return Reference	Explanation
SCHEDULE I, PART I, QUESTION 2	MONITORING THE USE OF GRANT FUNDS THE CONTINUING EDUCATION SCHOLARSHIP (CES) HAS BEEN ESTABLISHED TO PROVIDE POST-SECONDARY 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 \$87,500 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 WILL IMMEDIATELY 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, A 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 2017 WILL BE \$87,500 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 \$8,438,318 AND \$8,559,057 DURING THE YEARS ENDED JULY 31, 2017 AND 2016 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 582 STUDENTS CURRENTLY RECEIVING CONTINUING EDUCATION SCHOLARSHIPS AS WELL AS THE 940 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 \$6,936,894 OF CASH GRANTS PAID DURING THE YEAR AND \$1,501,424 WHICH REPRESENTS AN INCREASE IN THE TUITION ACCRUAL FOR GRANTS TO BE PAID IN FUTURE YEARS THE TOTAL OF THESE AMOUNTS IS \$8,438,318

Schedule J
(Form 990)

OMB No 1545-0047

2015

Open to Public Inspection

Compensation Information

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

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

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

Department of the Treasury
Internal Revenue Service

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

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	Yes	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	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 ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☐ Approval by the board or compensation committee		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment?	Yes	
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?		No
c Participate in, or receive payment from, an equity-based compensation arrangement?		No
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization?		No
b Any related organization? If "Yes," on line 5a or 5b, describe in Part III		No
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization?		No
b Any related organization? If "Yes," on line 6a or 6b, describe in Part III		No
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		No
8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III		No
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

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

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

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

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

Part III

Supplemental Information

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

Return Reference	Explanation
SCHEDULE J, PART I, LINE 1A	TRAVEL FOR COMPANIONS SPOUSE/DEPENDENT TRAVEL SPOUSES AND CHILDREN OF BOARD MEMBERS MAY BE INVITED TO ATTEND GRADUATION AND THE ANNUAL BOARD RETREAT AT THE DISCRETION OF THE SCHOOL OR TRUST COMPANY. IF A SPOUSE OR DEPENDENT ACCOMPANIES A BOARD MANAGER/DIRECTOR TO THE ANNUAL RETREAT, ALL CHARGES RELATED TO THE SPOUSE OR CHILDRN 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. 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 OF MILTON HERSHEY SCHOOL IS PROVIDED WITH A RESIDENCE ON CAMPUS FOR BOTH PUBLIC AND PERSONAL USE. THE PRESIDENT'S EMPLOYMENT CONTRACT INCLUDES PROVISIONS WHICH REQUIRE HOSTING BOTH INTERNAL AND EXTERNAL EVENTS ON BEHALF OF THE SCHOOL AT THE PROVIDED HOME. 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. SCHEDULE J, PART I, LINE 1A 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 SEVERANCE AND CHANGE OF CONTROL PAYMENTS. THOMAS A K QUEENAN RECEIVED SEVERANCE PAYMENTS OF \$126,414 FROM THE HERSHEY TRUST COMPANY (EIN 23-0692150), A FOR-PROFIT RELATED CORPORATION. MR. QUEENAN SERVED AS CHIEF FINANCIAL OFFICER OF THE MILTON HERSHEY SCHOOL UNTIL JUNE 2016. 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 AND (B) SERVES AS TRUSTEE FOR THE 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 (SCHEDULE J, PART II, LINE (II)): NONE OF THE COMPENSATION WAS PAID DIRECTLY BY MILTON HERSHEY SCHOOL AND SCHOOL TRUST (EIN 23-1353340). (SCHEDULE J, PART II, LINE (I)): STEPHANIE BELL-ROSE MS. BELL-ROSE JOINED THE BOARDS OF MILTON HERSHEY SCHOOL AND HERSHEY TRUST COMPANY IN DECEMBER 2015 and resigned from the Board in March 2016. COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM RELATED FOR-PROFIT COMPANY, HERSHEY TRUST COMPANY (EIN 23-0692150). JAN L. BERGEN MS. BERGEN JOINED THE BOARDS OF MILTON HERSHEY SCHOOL AND HERSHEY TRUST COMPANY IN APRIL 2017. NO COMPENSATION IS REPORTED SINCE 2016. COMPENSATION IS REPORTED ON THE FORM 990. JAMES BROWN ESQ. MR. BROWN JOINED THE BOARDS OF MILTON HERSHEY SCHOOL AND HERSHEY TRUST COMPANY IN FEBRUARY 2016. MR. BROWN JOINED THE HERSHEY COMPANY BOARD ON MAY 3, 2017. COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM RELATED FOR-PROFIT COMPANY, HERSHEY TRUST COMPANY (EIN 23-0692150). 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). MELISSA L. FULLMORE MS. FULLMORE JOINED THE BOARDS OF MILTON HERSHEY SCHOOL AND HERSHEY TRUST COMPANY IN APRIL 2017. NO COMPENSATION IS REPORTED SINCE 2016. COMPENSATION IS REPORTED ON THE FORM 990. ROBERT C. HEIST, ESQ. COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM A RELATED FOR-PROFIT COMPANY, HERSHEY TRUST COMPANY (EIN 23-0692150). JAMES KATZMAN MR. KATZMAN JOINED THE BOARDS OF MILTON HERSHEY SCHOOL AND HERSHEY TRUST COMPANY IN APRIL 2017. NO COMPENSATION IS REPORTED SINCE 2016. COMPENSATION IS REPORTED ON THE FORM 990. M. DIANE KOKEN COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM RELATED FOR-PROFIT COMPANY, HERSHEY TRUST COMPANY (EIN 23-0692150). MS. KOKEN JOINED THE HERSHEY COMPANY BOARD ON MAY 3, 2017. 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 \$135,000 OF PAYMENT OF COMPENSATION REPORTED ON THE PRIOR YEAR'S FORM 990. THIS COMPENSATION, RECEIVED IN 2016, WAS EARNED IN 2015, AND WAS PREVIOUSLY REPORTED AS DEFERRED COMPENSATION. VELMA A. REDMOND, ESQ. COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM A RELATED FOR-PROFIT COMPANY, HERSHEY TRUST COMPANY (EIN 23-0692150). DAVID SALTZMAN 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). JOAN E. STEEL MS. Steel resigned from the Board in July 2016. COMPENSATION REPORTED CONSISTS ONLY OF DIRECTOR FEES RECEIVED FROM THE RELATED FOR-PROFIT ENTITY 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 ESTABLISHED BASED UPON DATA PROVIDED BY INDEPENDENT COMPENSATION CONSULTANTS. THIS PROCESS IS BASED ON POSITION COMPARABLES TAKING INTO ACCOUNT RESPONSIBILITIES AND DUTIES, AUTHORITY, AND OBJECTIVES. NONE OF THEIR COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR NON-TAXABLE BENEFITS WAS PAID DIRECTLY BY THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST DURING THE REPORTING PERIOD. JOHN ESTEY, ESQ. MR. ESTEY SERVED AS SECRETARY OF MILTON HERSHEY SCHOOL AND HERSHEY TRUST COMPANY FROM JANUARY 2012 TO FEBRUARY 2012. HE SERVED AS INTERIM PRESIDENT OF MILTON HERSHEY SCHOOL FROM AUGUST 2013 THROUGH JULY 2014. HE SERVED AS EXECUTIVE VICE PRESIDENT OF HERSHEY TRUST COMPANY THROUGH APRIL 2016. A PORTION OF HIS 2016 COMPENSATION AND BENEFITS REPORTED BY HERSHEY TRUST COMPANY WAS REIMBURSED BY MILTON HERSHEY SCHOOL. ERIC HENRY MR. HENRY WAS APPOINTED ACTING TREASURER OF MILTON HERSHEY SCHOOL AND HERSHEY TRUST COMPANY (EIN 23-0692150) IN AUGUST 2012. HE ALSO SERVES AS THE CHIEF EXECUTIVE OFFICER AND CHIEF INVESTMENT OFFICER OF HERSHEY TRUST COMPANY. HE ALSO SERVES as Chairman of THE BOARD OF HERSHEY ENTERTAINMENT & RESORT CO (EIN 23-0691815) AND RECEIVES NO COMPENSATION FOR THIS SERVICE. NONE OF HIS COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR NON-TAXABLE BENEFITS WAS PAID BY MILTON HERSHEY SCHOOL & SCHOOL TRUST. THOMAS A K QUEENAN MR. QUEENAN SERVED AS CHIEF FINANCIAL OFFICER OF MILTON HERSHEY SCHOOL AND SCHOOL TRUST, AN OFFICER OF MILTON HERSHEY SCHOOL, FROM MARCH 2013 THROUGH MAY 2016. A PORTIO

Additional Data

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 and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 ROBERT F CAVANAUGH BOARD OF MANAGERS TO 12/16	(i)	0	0	0	0	0	0	0
	(ii)	256,000	0	200	135,000	-	-	0
						202	391,402	
1 JAMES M MEAD BOARD OF MANAGERS	(i)	0	0	0	0	0	0	0
	(ii)	268,000	0	0	135,000	-	-	0
						0	403,000	
2 JAMES E NEVELS BOARD OF MANAGERS TO 12/16	(i)	0	0	0	0	0	0	0
	(ii)	196,819	0	141,025	135,000	-	-	135,000
						0	472,844	
3 VELMA A REDMOND ESQ BOARD OF MANAGERS	(i)	0	0	0	0	0	0	0
	(ii)	216,000	0	0	0	-	-	0
						0	216,000	
4 JOSEPH M SENSER BOARD OF MANAGERS TO 12/16	(i)	0	0	0	0	0	0	0
	(ii)	197,167	0	0	0	-	-	0
						1,711	198,878	
5 ROBERT CONNOR HEIST BOARD OF MANAGERS	(i)	0	0	0	0	0	0	0
	(ii)	196,000	0	0	0	-	-	0
						0	196,000	
6 ELLIOTT H ROBINSON VP ADMINISTRATION	(i)	228,125	0	33,867	56,224	33,002	351,218	0
	(ii)	0	0	0	0	-	-	0
						0	0	
7 JOAN K SINGLETON VP HUMAN RESOURCES	(i)	220,700	0	32,562	53,422	28,615	335,299	0
	(ii)	0	0	0	0	-	-	0
						0	0	
8 PETER G GURTPRESIDENT	(i)	344,403	106,051	14,983	52,715	84,669	602,821	0
	(ii)	0	0	0	0	-	-	0
						0	0	
9 LISA RASHID VP - COMMUNICATIONS	(i)	191,303	0	633	39,394	29,902	261,232	0
	(ii)	0	0	0	0	-	-	0
						0	0	
10 ANNETTE K COLE GILL HEAD-ELEMENTARY DIVISION	(i)	199,286	0	418	30,356	27,278	257,338	0
	(ii)	0	0	0	0	-	-	0
						0	0	
11 BETH J SHAW EXEC DIRECTOR- STUDENT SUPPORT	(i)	201,514	0	791	30,646	26,932	259,883	0
	(ii)	0	0	0	0	-	-	0
						0	0	
12 TIMOTHY C FAKE SR DIRECTOR IT	(i)	170,285	0	384	25,785	10,186	206,640	0
	(ii)	0	0	0	0	-	-	0
						0	0	
13 JOHN J OSMOLINSKI SR DIR CONSTRUCTION/FAC	(i)	152,751	0	1,698	23,382	27,404	205,235	0
	(ii)	0	0	0	0	-	-	0
						0	0	
14 ERICA M WEILER-TIMMONS DIR PSYCHOLOGICAL SERVICE	(i)	149,359	0	197	19,887	27,242	196,685	0
	(ii)	0	0	0	0	-	-	0
						0	0	
15 MARC A WOOLLEY ESQ SECRETARY TO 6/30/2016	(i)	0	0	0	0	0	0	0
	(ii)	200,687	0	1,275	14,111	-	-	0
						1,879	217,952	
16 JOHN ESTEY ESQ INTERIM PRESIDENT to 7/14	(i)	0	0	0	0	0	0	0
	(ii)	210,102	0	874	14,780	-	-	0
						9,254	235,010	
17 ERIC HENRY ACTING TREASURER	(i)	0	0	0	0	0	0	0
	(ii)	498,146	850,000	2,465	35,000	-	-	0
						18,085	1,403,696	
18 JOAN E STEEL BOARD OF MANAGERS TO 7/9/16	(i)	0	0	0	0	0	0	0
	(ii)	67,000	0	0	0	-	-	0
						0	67,000	
19 ANDREW H CLINE VP LEGAL AFFRS/GEN COUNSEL	(i)	260,005	0	11,245	52,281	36,296	359,827	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 and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
21THOMAS A K QUEENAN CFO to 6/16	(i)	0	0	0	0	0	0	0
	(ii)	131,638	58,911	128,349	13,626	- 20,873	- 353,397	- 0
1DENISE L ALSTON DDS DIR DENTAL SERVICES	(i)	143,316	0	114	16,043	18,083	177,556	0
	(ii)	0	0	0	0	- 0	- 0	- 0
2FREDA F MARTINE VP OF EDU AND STUDENT LIFE	(i)	200,947	0	1,538	68,658	27,916	299,059	0
	(ii)	0	0	0	0	- 0	- 0	- 0
3DAVID C MILLER JR SR DIR RISK MANAGEMENT	(i)	156,455	0	979	20,671	18,775	196,880	0
	(ii)	0	0	0	0	- 0	- 0	- 0
4WILLIAM H WEBER III HEAD OF SR DIVISION	(i)	155,595	0	191	17,465	26,532	199,783	0
	(ii)	0	0	0	0	- 0	- 0	- 0
5STEVEN SPARKS ESQ Secretary	(i)	0	0	0	0	0	0	0
	(ii)	201,708	0	20,885	0	- 11,702	- 234,295	- 0
6Stephanie Bell-Rose BOARD OF MANAGERS to 3/26/16	(i)	0	0	0	0	0	0	0
	(ii)	27,000	0	0	0	- 0	- 27,000	- 0
7James Brown Board of Managers	(i)	0	0	0	0	0	0	0
	(ii)	191,000	0	0	0	- 0	- 191,000	- 0

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -	DLN: 93493165006268
SCHEDULE O (Form 990 or 990-EZ)	Supplemental Information to Form 990 or 990-EZ Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ. ▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990 .		OMB No 1545-0047
			2016
Department of the Treasury Internal Revenue Service			Open to Public Inspection
Name of the organization MILTON HERSHEY SCHOOL AND SCHOOL TRUST		Employer identification number 23-1353340	

990 Schedule O, Supplemental Information

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 OWN, 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 2,018 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 173 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 STATES MHS SETS ITS SIGHTS HIGH BY ADOPTING THE STATE TARGETS AS A MINIMUM GOAL AND HAS OUTPERFORMED STATE AVERAGES AND SCORES OF SOME PREMIER SCHOOL DISTRICTS EIGHTY ONE PERCENT OF MILTON HERSHEY SCHOOL GRADUATES WILL IMMEDIATELY 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 SURVEYED STUDENTS INDICATE THE EXPERIENCE ENHANCES THEIR KNOWLEDGE AND

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART I, LINE 1 & FORM 990, PART III, LINE 1	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-ONE PERCENT OF STUDENTS PARTICIPATED IN YRE PROGRAMMING IN THE 2016-2017 SCHOOL YEAR THE MAJORITY OF STUDENTS WHO ENROLL AT MHS REQUIRE MORE INTENSIVE SUPPORT IN ALL AREAS OF THEIR LIVES, AND THESE SUPPORTS REQUIRE SIGNIFICANT RESOURCES THE SCHOOL PROVIDES ALL "WRAP-AROUND" SERVICES (MEDICAL, DENTAL, PSYCHOLOGICAL, FAMILY-LIKE ENVIRONMENT, LODGING, FOOD, CLOTHING, TRANSPORTATION, ETC) AT NO COST TO FAMILIES 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

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART I, LINE 5	THIS FIGURE INCLUDES W-2 FORMS FILED WITHIN THE TAX YEAR ALL ANCILLARY ROLES, PART-TIME INTERNSHIPS AND WORK EXPERIENCE FOR STUDENTS ON CAMPUS, POSITIONS WHICH HAVE BEEN VACATED AND FILLED BY ANOTHER INDIVIDUAL WITHIN THE YEAR, AND ONE-TIME EVENT WORKERS, FOR EXAMPLE MILTON HERSHEY SCHOOL EMPLOYS APPROXIMATELY 1,200 FULL-TIME STAFF

990 Schedule O, Supplemental Information

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. FORTY-TWO PERCENT OF STUDENTS HAVE ATTENDED MORE THAN THREE DIFFERENT SCHOOLS BEFORE ARRIVING AT MHS. FIFTY PERCENT HAVE EXPERIENCED DRUG AND ALCOHOL ABUSE IN THEIR FAMILY, FORTY-THREE PERCENT HAD MENTAL HEALTH ISSUES IN THEIR FAMILIES, AND THIRTY-FIVE PERCENT HAVE EXPERIENCED NEIGHBORHOOD VIOLENCE. STUDENTS ARE GIVEN PSYCHOLOGICAL AND EMOTIONAL SUPPORT WHEN NEEDED, AND CLOSE TO EIGHTY-NINE 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 SEVEN YEARS, EVERY GRADUATING SENIOR EARNED AT LEAST ONE INDUSTRY CERTIFICATION BY PASSING AN INDUSTRY-APPROVED TEST IN THEIR AREA OF STUDY. DURING THE 2016-2017 SCHOOL YEAR EVERY GRADUATING SENIOR EARNED AT LEAST TWO INDUSTRY CERTIFICATIONS 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 SEVENTY PERCENT 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 STUDENT RECEIVES REGULAR PHYSICAL AND DENTAL CHECKUPS FROM THE SCHOOL, AS WELL AS ANY NECESSARY HEALTH SERVICES.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III	ICE OR MEDICATION DURING SCHOOL YEAR 2016-17, THERE WERE 106,673 HEALTH SERVICE VISITS BY STUDENTS TO THE SCHOOLS MEDICAL PROFESSIONALS DURING THE REPORTING YEAR, IN ADDITION TO 4 9,436 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 THIS TUITION-FREE, COMPREHENSIVE PROGRAM, INCLUDING PHYSICAL CARE AS WELL AS EDUCATIONAL PROGRAMMING IN ACADEMIC, HOME LIFE AND COMMUNITY/CAREER SETTINGS, COSTS APPROXIMATELY \$81,109 PER YEAR (TOTAL PROGRAM EXPENSES LESS DEPRECIATION AND CONTINUING EDUCATION SCHOLARSHIP DIVIDED BY THE NUMBER OF STUDENTS) INCLUDING DEPRECIATION AND CONTINUING EDUCATION SCHOLARSHIP, THE COST IS \$103,593 A PREMIER BOARDING SCHOOL LIKE MHS, OFFERING SIMILAR ACADEMIC PROGRAMMING AND SMALL CLASS SIZES, CHARGES APPROXIMATELY \$60,000 PER YEAR WITHOUT PROVIDING PERSONAL EFFECTS LIKE CLOTHING, TECHNOLOGY, TRANSPORTATION, OR EXTRACURRICULAR ACTIVITIES LIKE SPORTS, VISUAL AND PERFORMING ARTS, AND INTERNSHIPS ADDITIONALLY, MHS ASSUMES THE COST FOR MEDICAL PSYCHOLOGICAL, DENTAL, ORTHODONTIC, SOCIAL WORK, AND PRESCRIPTION CARE FOR EACH STUDENT COSTS AT MOST PRIVATE COLLEGES ALSO EXCEED THIS FIGURE

990 Schedule O, Supplemental Information

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 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 7/31/17) SERVE ON THE BOARD OF DIRECTORS OF HTC AND THE BOARD OF MANAGERS OF THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST

990 Schedule O, Supplemental Information

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

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	CONFLICT OF INTEREST THE BOARD OF MANAGERS OF MILTON HERSHEY SCHOOL OPERATES UNDER A CONFLICT OF INTEREST POLICY WHICH REQUIRES DIRECTORS TO DISCLOSE "ALL ACTUAL OR POTENTIAL CONFLICTS OF INTEREST" WITH MILTON HERSHEY SCHOOL & SCHOOL TRUST 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 MILTON HERESHEY SCHOOLS CONFLICT OF INTEREST POLICY IS APPLICABLE TO ALL SCHOOL EMPLOYEES AND REQUIRES THE SCHOOLS OFFICERS, MANAGERS AND SUPERVISORS TO RESPOND ANUALLY TO A CONFLICT DISCLOSURE SURVEY ALL DISCLOSED CONFLICTS ARE REVIEWED BY THE SCHOOLS CONFLICT OF INTEREST COMMITTEE AND ANY CORRECTIVE ACTION REQUIRED AS A RESULT OF THE DISCLOSED CONFLICT IS ADDRESSED WITH THE EMPLOYEE WHO MADE THE DISCLOSURE AND THEIR SUPERVISOR 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 INTERIM COMPLIANCE DIRECTOR AND GENERAL COUNSEL OF HERSHEY TRUST COMPANY ALONG WITH THE CHAIR OF THE NOMINATING & GOVERNANCE COMMITTEE IN ORDER FOR THEM TO BE AWARE OF ACTIVITIES THAT COULD GIVE RISE TO CONFLICTS OF INTEREST THE RESULTS OF THIS REVIEW ARE THEN DOCUMENTED AND SHARED WITH THE NOMINATING & GOVERNANCE COMMITTEE AND THEN THE FULL BOARD

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINES 15A & 15B	COMPENSATION PROCESS AN INDEPENDENT COMPENSATION CONSULTANT EVALUATES AND COMPARES THE COMPENSATION OF THE OFFICERS AND KEY EMPLOYEES OF MILTON HERSHEY SCHOOL TO SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS AT SIMILARLY SITUATED ORGANIZATIONS TO DETERMINE THAT IT IS FAIR AND REASONABLE THIS PROCESS OCCURS AT 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 KEY EMPLOYEES THE REVIEW OF THE COMPENSATION OF THE OFFICERS AND KEY EMPLOYEES, 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 KEY EMPLOYEES, 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 CHIEF EXECUTIVE OFFICER IS FIXED BY THE BOARD OF DIRECTORS OF HERSHEY TRUST COMPANY IN ACCORDANCE WITH 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 DO NOT RECEIVE ANY DIRECT COMPENSATION FROM MILTON HERSHEY SCHOOL THE MANAGERS RECEIVE COMPENSATION FROM HERSHEY TRUST COMPANY AS DIRECTORS OF THE HERSHEY TRUST COMPANY IN ACCORDANCE WITH ITS BYLAWS AND THE PENNSYLVANIA OFFICE OF ATTORNEY GENERAL AGREEMENT 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 PROVIDED TO THE PENNSYLVANIA OFFICE OF THE ATTORNEY GENERAL FOR THEIR REVIEW

990 Schedule O, Supplemental Information

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 HAS 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

990 Schedule O, Supplemental Information

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

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9	RECONCILIATION OF NET ASSETS INCREASE IN UNRECOGNIZED PENSION SERVICE COST \$34,393,847

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VII, SECTION B	HERSHEY TRUST COMPANY IS LISTED AS AN INDEPENDENT CONTRACTOR MILTON HERSHEY SCHOOL REIMBURSES HERSHEY TRUST COMPANY FOR THE SHARED SERVICES (COMPENSATION AND BENEFITS) OF CERTAIN INDIVIDUALS WHO PERFORM SERVICES FOR BOTH HERSHEY TRUST COMPANY AND MILTON HERSHEY SCHOOL

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
MILTON HERSHEY SCHOOL AND SCHOOL TRUST

Employer identification number
23-1353340

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) MHST CORPUS LLC PO BOX 445 HERSHEY, PA 18033 27-1451942	RE RENTAL	PA	296,328	0	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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1)THE MS HERSHEY FOUNDATION PO BOX 445 HERSHEY, PA 17033 23-6242734	EDUCATION	PA	501(c){3}	10	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
(4)Hershey Cemetery Perpetual Maintenance PO Box 445 Hershey, PA 17033 23-6629638	Cemetery	PA	501(c){13}	N/A	HTC Trustee		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) LEGATO INTERNATIONAL EQUITY FUND LP 111 PINE STREET SUITE 1700 SAN FRANCISCO, CA 94111 46-3960133	INVESTMENTS	CA	MHS TRUST	Excluded from tax	-3,151,775	0		No	0		No	0 %
(2) BLKRK S&P 100 INDEX NON-LENDABLE FUND 400 HOWARD STREET SAN FRANCISCO, CA 94105 80-0861106	INVESTMENTS	CA	MHS BLK TRUST	Excluded from tax	6,030,759	0		No	0		No	0 %
(3) EATON VANCE TRUST CO HIGH YIELD CTF TWO INTERNATIONAL PLACE BOSTON, MA 02110 32-0399219	INVESTMENTS	MA	MHS TRUST	Excluded from Tax	4,454,679	100,775,119		No	0		No	100 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) HERSHEY TRUST COMPANY PO BOX 445 HERSHEY, PA 17033 23-0692150	STATE TRUST C	PA	HTC TRUSTEE	C CORP	15,470,766	45,971,497	100 000 %	Yes	
(2) HERSHEY ENTERTAINMENT & RESORTS CO 27 W CHOCOLATE HERSHEY, PA 17033 23-0691815	ENTERTAINMENT	PA	HTC TRUSTEE	C CORP	298,929,075	321,617,508	100 000 %	Yes	
(3) THE HERSHEY CO 100 CRYSTAL A DR HERSHEY, PA 17033 23-0691590	CONFECTIONARY	PA	HTC TRUSTEE	C CORP	1,325,744,236	2,141,743,085	81 660 %	Yes	
(4) MILTON HERSHEY SCHOOL BLK TRUST BLACKROCK INST TR TTE 400 HOWARD S SAN FRANCISCO, CA 94105 30-6349039	INVESTMENTS	CA	MHS TRUST	TRUST	37,603,930	1,227,044,487	100 000 %	Yes	

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

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

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest, (ii)annuities, (iii) royalties, or(iv) rent from a controlled entity

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

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

k

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

l

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

m

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

n

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

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

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

s

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

Yes

No

1a

Yes

1b

No

1c

Yes

1d

No

1e

No

1f

Yes

1g

Yes

1h

Yes

1i

No

1j

No

1k

No

1l

No

1m

Yes

1n

No

1o

Yes

1p

Yes

1q

Yes

1r

No

1s

Yes

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

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

Schedule R (Form 990) 2016

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

[illegible]

Part VII Supplemental Information

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

Return Reference	Explanation
SCHEDULE R, PART 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 held 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 34.56% 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 81.66% 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 34.56% 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, 2016). SCHEDULE R, PARTS III AND IV, RELATED ORGANIZATIONS TAXED AS A PARTNERSHIP AND RELATED ORGANIZATIONS TAXED AS A CORPORATION OR TRUST THE MILTON HERSHEY SCHOOL AND SCHOOL TRUSTS INVESTED IN THREE PARTNERSHIPS AND ONE TRUST THAT ARE INVESTMENT ENTITIES, IN WHICH THE SCHOOL AND SCHOOL TRUST OWN MORE THAN FIFTY PERCENT. THE MILTON HERSHEY SCHOOL BLK TRUST OWNS SEVERAL PARTNERSHIP INTERESTS. ONE OF THESE PARTNERSHIP INVESTMENTS, BLACKROCK S&P 100 INDEX NON-LENDABLE FUND B, IS REPORTED ON SCHEDULE R, PART III BECAUSE OF THE MILTON HERSHEY SCHOOL AND SCHOOL TRUST'S INDIRECT OWNERSHIP IN THE PARTNERSHIP DURING THE YEAR. SCHEDULE R, PART V, LINE 2 (ITEM 6) HERSHEY ENTERTAINMENT & RESORTS CO. PROVIDED HERSHEY PARK AND GIANT CENTER TICKETS, PROJECT FELLOWSHIP ACTIVITIES AND OTHER BENEFITS TO MILTON HERSHEY SCHOOL STUDENTS AT NO COST. THE VALUE OF THESE BENEFITS WAS \$380,896.

Additional Data

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

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

(a) Name of related organization		(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
(1)	Hershey Entertainment & Resorts Co	a	270,443	market
(1)	Hershey Trust Company	a	222,266	market
(2)	The Hershey Company	a	3,025	market
(3)	MS Hershey Foundation	a	11,422	market
(4)	Hershey Entertainment & Resorts Co	c	380,896	market
(5)	The Hershey Company	f	167,751,792	market
(6)	Hershey Entertainment & Resorts Co	f	13,884,000	market
(7)	Legato International Equity Fund LP	f	177,730	market
(8)	Eaton Vance Trust Co High Yield CTF	f	6,225,608	market
(9)	Legato International Equity Fund LP	g	21,823,728	market
(10)	Milton Hershey School BLK Trust	g	607,656,441	market
(11)	Milton Hershey School BLK Trust	h	383,355,058	market
(12)	Hershey Trust Company	o	1,023,514	cost
(13)	Hershey Entertainment & Resorts Co	p	839,504	market
(14)	MS Hershey Foundation	p	53,907	market
(15)	Hershey Trust Company	M	7,401,000	market