

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2001

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

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

A For the 2001 calendar year, or tax year beginning August 1, 2001, and ending July 31, 2002

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending		C Please use IRS label or print or type See Specific Instructions Name of organization 28179 *****AUTO**5-DIGIT 17033 MILTON HERSHEY SCHOOL & SCHOOL TRUSTEES - HILAND HILLS PO BOX 445 HERSHEY PA 17033-0445	D Employer identification number 23-1353340 E Telephone number 717-534-3225 F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify) ▶
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• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) If "Yes" enter number of affiliates ▶

H(c) Are all affiliates included? (If "No" attach a list See instructions) ☐ Yes ☒ NoH(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Enter 4-digit GEN ▶

M Check ☒ if the organization is not required to attach Sch B (Form 990 990-EZ or 990-PF)

G Web site ▶ www.hersheytrust.com

J Organization type (check only one) ☒ 501(c) 3 (insert no) 4947(a)(1) or 527

K Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS but if the organization received a Form 990 Package in the mail it should file a return without financial data. Some states require a complete return.

L Gross receipts Add lines 6b 8b 9b and 10b to line 12 ▶ 692,615,279

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16)

1 Contributions, gifts, grants, and similar amounts received					
a Direct public support		1a	2,899		
b Indirect public support		1b	0		
c Government contributions (grants)		1c	0		
d Total (add lines 1a through 1c) (cash \$ 2,899 noncash \$ 0)		1d	2,899		
2 Program service revenue including government fees and contracts (from Part VII line 93)		2	405,291		
3 Membership dues and assessments		3	0		
4 Interest on savings and temporary cash investments		4	1,559,797		
5 Dividends and interest from securities		5	118,569,196		
6a Gross rents		6a	4,219,512		
b Less rental expenses		6b	2,471,472		
c Net rental income or (loss) (subtract line 6b from line 6a)		6c	1,748,040		
7 Other investment income (describe ▶)		7	0		
8a Gross amount from sales of assets other than inventory		(A) Securities	567,503,916	(B) Other	354,668
b Less cost or other basis and sales expenses		8a	38,134	8b	316,534
c Net gain or (loss) (attach schedule)		8c	19,982,737	8d	19,982,737
9 Special events and activities (attach schedule)					
a Gross revenue (not including \$ 0 of contributions reported on line 1a)		9a	0		
b Less direct expenses other than fundraising expenses		9b	0		
c Net income or (loss) from special events (subtract line 9b from line 9a)		9c	0		
10a Gross sales of inventory, less returns and allowances		10a	0		
b Less cost of goods sold		10b	0		
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)		10c	0		
11 Other revenue (from Part VII line 103)		11	0		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c and 11)		12	142,267,960		
13 Program services (from line 44, column (B))		13	118,077,590		
14 Management and general (from line 44 column (C))		14	19,297,810		
15 Fundraising (from line 44 column (D))		15			
16 Payments to affiliates (attach schedule)		16	0		
17 Total expenses (add lines 16 and 44, column (A))		17	137,375,400		
18 Excess or (deficit) for the year (subtract line 17 from line 12)		18	4,892,560		
19 Net assets or fund balances at beginning of year (from line 73 column (A))		19	5,084,064,590		
20 Other changes in net assets or fund balances (attach explanation)		20	653,778,675		
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)		21	5,742,735,825		

For Paperwork Reduction Act Notice, see the separate instructions

Form 990 (2001)

SCANNED MAR 26 2003

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 21.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0)	22	0	0		
23 Specific assistance to individuals (attach schedule)	23	0	0		
24 Benefits paid to or for members (attach schedule)	24	0	0		
25 Compensation of officers, directors, etc	25	1,060,866	777,974	282,892	0
26 Other salaries and wages	26	38,563,566	36,548,145	2,015,421	0
27 Pension plan contributions	27	10,492,808	7,869,606	2,623,202	0
28 Other employee benefits	28	12,032,715	9,024,537	3,008,178	0
29 Payroll taxes	29	3,275,739	2,456,804	818,935	0
30 Professional fundraising fees	30	0	0	0	0
31 Accounting fees	31	39,251	20,813	18,438	0
32 Legal fees	32	953,157	459,221	493,936	0
33 Supplies	33	2,304,300	2,127,803	176,497	0
34 Telephone	34	578,722	536,958	41,764	0
35 Postage and shipping	35	160,953	130,225	30,728	0
36 Occupancy	36	4,445,490	3,046,345	1,399,145	0
37 Equipment rental and maintenance	37	1,722,668	1,252,232	470,436	0
38 Printing and publications	38	145,935	130,834	15,101	0
39 Travel	39	910,402	878,851	31,551	0
40 Conferences, conventions and meetings	40	366,077	345,150	20,927	0
41 Interest	41	0	0	0	0
42 Depreciation depletion, etc (attach schedule)	42	22,431,764	22,431,764	0	0
43 Other expenses not covered above (itemize) a Other	43a	7,663,085	6,812,483	850,602	0
b Continuing Ed /Computers	43b	11,079,376	11,078,871	505	0
c Food, Clothing & Provision	43c	4,142,898	3,847,691	295,207	0
d Contracted Services	43d	9,279,359	8,301,283	978,076	0
e Outside Mgr & Trustee Exp	43e	5,726,269	0	5,726,269	0
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	137,375,400	118,077,590	19,297,810	0

Joint Costs Check ☐ if you are following SOP 98-2Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☐ No

If "Yes" enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 24.)What is the organization's primary exempt purpose? ☐

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
a Education & Guidance (See Attached)	
(Grants and allocations \$ None)	57,958,840
b Boarding, Lodging & Clothing (See Attached)	
(Grants and allocations \$ None)	40,209,375
c Health Services, Recreation & Social Life (See Attached)	
(Grants and allocations \$ None)	19,909,375
d	
(Grants and allocations \$)	0
e Other program services (attach schedule)	(Grants and allocations \$) 0
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	118,077,590

Part IV Balance Sheets (See Specific Instructions on page 24)

Note		Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year	
Assets	45	Cash - non-interest-bearing		0	45	0	
	46	Savings and temporary cash investments . . .		78,572,614	46	63,507,513	
	47a	Accounts receivable	47a	16,254,309			
	b	Less allowance for doubtful accounts	47b	0	20,509,368	47c	16,254,309
	48a	Pledges receivable	48a	0			
	b	Less allowance for doubtful accounts	48b	0	0	48c	0
	49	Grants receivable		0	49	0	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		0	50	0	
	51a	Other notes and loans receivable (attach schedule)	51a	0			
	b	Less allowance for doubtful accounts	51b	0	0	51c	0
	52	Inventories for sale or use		1,077,189	52	1,146,698	
	53	Prepaid expenses and deferred charges		8,749,614	53	3,540,147	
	54	Investments - securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		4,694,069,308	54	5,350,115,019
	55a	Investments - land, buildings, and equipment basis	55a	28,012,229			
	b	Less accumulated depreciation (attach schedule)	55b	9,098,325	9,397,533	55c	18,913,904
56	Investments - other (attach schedule)		0	56	0		
57a	Land, buildings, and equipment basis	57a	489,954,444				
b	Less accumulated depreciation (attach schedule)	57b	126,559,676	339,196,438	57c	363,394,768	
58	Other assets (describe <input checked="" type="checkbox"/> See Attached)		15,000	58	15,000		
59	Total assets (add lines 45 through 58) (must equal line 74)			5,151,587,064	59	5,816,887,358	
Liabilities	60	Accounts payable and accrued expenses		67,522,474	60	74,151,533	
	61	Grants payable		0	61	0	
	62	Deferred revenue		0	62	0	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		0	63	0	
	64a	Tax-exempt bond liabilities (attach schedule)		0	64a	0	
	b	Mortgages and other notes payable (attach schedule)		0	64b	0	
	65	Other liabilities (describe <input checked="" type="checkbox"/> None)		0	65	0	
66	Total liabilities (add lines 60 through 65)			67,522,474	66	74,151,533	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74						
	67	Unrestricted		864,149,990	67	833,324,851	
	68	Temporarily restricted		0	68	0	
	69	Permanently restricted		4,219,914,600	69	4,909,410,974	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74						
	70	Capital stock, trust principal, or current funds		0	70	0	
	71	Paid-in or capital surplus, or land, building, and equipment fund		0	71	0	
	72	Retained earnings, endowment accumulated income, or other funds		0	72	0	
	73	Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, and column (B) must equal line 21)		5,084,064,590	73	5,742,735,825	
	74	Total liabilities and net assets / fund balances (add lines 66 and 73)		5,151,587,064	74	5,816,887,358	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part VI Other Information (See Specific Instructions on page 27)

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes" attach a detailed description of each activity	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes" attach a conformed copy of the changes	77	X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes" has it filed a tax return on Form 990-T for this year?	78b	X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?	80a	X
b If "Yes" enter the name of the organization <u>See Attached</u> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt	81a	None
81 a Enter direct or indirect political expenditure. See line 81 instructions	81a	None
b Did the organization file Form 1120-POL for this year?	81b	N/A
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	Not Valued
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	N/A
c Dues, assessments, and similar amounts from members	85c	N/A
d Section 162(e) lobbying and political expenditures	85d	N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86 501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	N/A
b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87 501(c)(12) orgs Enter a Gross income from members or shareholders	87a	N/A
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88 At any time during the year did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes" complete Part IX	88	X
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>None</u> , section 4912 <u>None</u> , section 4955 <u>None</u>		
b 501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes" attach a statement explaining each transaction	89b	X
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		None
d Enter Amount of tax on line 89c above reimbursed by the organization		None
90 a List the states with which a copy of this return is filed <u>PA-Bureau of Charitable Organizations</u>		
b Number of employees employed in the pay period that includes March 12, 2001 (See instructions)	90b	1,137
91 The books are in care of <u>Hershey Trust Company</u> Telephone no <u>(717) 534-3225</u> Located at <u>100 Mansion Road East, Hershey, PA</u> ZIP + 4 <u>17033-0445</u>		
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <u>92</u>		

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Scholastic		0	03	0	353,811
b President's Office		0	03	0	10,652
c Operations/All Others		0	03	0	38,451
d Community Services		0	03	0	2,377
e		0		0	0
f Medicare/Medicaid payments		0		0	0
g Fees and contracts from government agencies		0		0	0
94 Membership dues and assessments		0		0	0
95 Interest on savings and temporary cash investments		0	14	1,559,797	0
96 Dividends and interest from securities		0	14	118,569,196	0
97 Net rental income or (loss) from real estate					
a debt-financed property		0		0	0
b not debt-financed property	900003	-83,894	16	1,831,934	0
98 Net rental income or (loss) from personal property	713900	0		0	0
99 Other investment income		0			0
100 Gain or (loss) from sales of assets other than inventory		0	18	19,982,737	0
101 Net income or (loss) from special events		0		0	0
102 Gross profit or (loss) from sales of inventory		0		0	0
103 Other revenue a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
104 Subtotal (add columns (B), (D), and (E))		-83,894		141,943,664	405,291
105 Total (add line 104 columns (B), (D) and (E))					142,265,061

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 32)

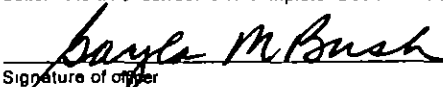
Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	Revenue is primarily generated from our agricultural & environmental education program designed for our students as part of our educational curriculum

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33)

(A) Name, address and EIN of corporation, partnership or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
Hershey Trust Company	%	State Bank		
Hershey, PA (23-0692150)	100 %	Trust Powers	6,481,843	52,750,381
Hershey Entertainment & Resorts Co	%	Entertainment/		
Hershey, PA (23-0691815)	100 %	Resort	174,346,367	159,007,870

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33)(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here	Under penalties of perjury, I declare that I have examined this return and belief it is true, correct and complete Declaration of preparer (other than agent) in reliance on all information provided to me.
	<div> <div>  </div> <div> Signature of officer </div> </div> <div> <div> Gayla M. Bush, Treasurer </div> <div> Type or print name and title </div> </div>
Paid Preparer's Use Only	<div> <div> Preparer's signature </div> <div> Firm's name (or yours if self-employed), address and ZIP + 4 </div> </div>

SCHEDULE A
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Organization Exempt Under Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust**Supplementary Information - (See separate instructions)**

OMB No 1545-0047

2001▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

Milton Hershey School & School Trust

Employer identification number

23-1353340

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50 000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Evan Pattishall, MD 158 Hotel Rd , Hershey, PA	Dean of Community Service Full-Time	123,208	24,193	3,000
Adam Hohenwater 2049 Meadow Rd , Mt Joy, PA	Director of Information Technologies Full-Time	111,805	17,481	0
Dr Gene VanDyke 121 Dogwood Dr , Hershey, PA	Dean of Scholastic Affairs Full-Time	109,406	22,018	3,000
Robert Sloane 820 Pamela's Lane, Mechanicsburg, PA	Director of Systems Planning & Development Full-Time	108,671	23,845	0
Dr Rick Pierce 765 Brook Dr , Hershey, PA	Dean of Neighborhood & Family Life Full-Time	98,975	21,725	11,759
Total number of other employees paid over \$50,000 ▶	161			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50 000	(b) Type of service	(c) Compensation
Reynolds Construction Management, Inc 3300 N 3rd Street, Harrisburg, PA	Construction Management	2,457,504
Hershey Medical Center P.O. Box 850, Hershey, PA	Physician Professional Services	983,642
Silchester International Investors 780 Third Ave , 42nd Floor, New York, NY	Investment Management	785,421
University of Chicago-Chapin Hall 1225 East 60th St , Chicago, IL	Educational Researchers	750,515
Capital Guardian Trust Company 630 Fifth Ave , New York, NY	Investment Management	498,024
Total number of others receiving over \$50 000 for professional services ▶	34	

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ

Schedule A (Form 990 or 990-EZ) 2001

Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on legislative matter or referendum? If "Yes" enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>73,684</u> (Must equal amount on line 38, Part VI-A, or line i or Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	1 X	
2 During the year, has the organization either directly or indirectly engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) See Attached		
a Sale, exchange, or leasing of property?	2a X	
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities? See Attached	2c X	
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Attached	2d X	
e Transfer of any part of its income or assets?	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below).	3 X	
4 Do you have a section 403(b) annuity plan for your employees?	4 X	

Note. Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☒ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b ☐ A community trust. Section 170(b)(1)(A)(v). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ 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 charitable, etc., 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10 11 or 12) *Use cash method of accounting***Note** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b
c Total support for section 509(a)(1) test. Enter line 24, column (e).					26c
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					26d
e Public support (line 26c minus line 26d total)					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f %
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of and total amounts received in each year from each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year.				
(2000) _____ (1999) _____ (1998) _____ (1997) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.					
(2000) _____ (1999) _____ (1998) _____ (1997) _____					
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c
d Add: Line 27a total _____ and line 27b total _____					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e).					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %
28 Unusual Grants. For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show for each year the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 7 of the instructions)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 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?	29 X	
30 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?	30 X	
31 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, attach a separate statement) See Attached	31 X	
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c X	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d N/A	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?	33a	X
b Admissions policies?	33b	X
c Employment of faculty or administrative staff?	33c	X
d Scholarships or other financial assistance?	33d	X
e Educational policies?	33e	X
f Use of facilities?	33f	X
g Athletic programs?	33g	X
h Other extracurricular activities?	33h	X
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
34a Does the organization receive any financial aid or assistance from a governmental agency? See Attached	34a	X
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	X
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35 X	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)(To be completed **ONLY** by an eligible organization that filed Form 5768)

- Check ☐ **a** if the organization belongs to an affiliated group
- Check ☐ **b** if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
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		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution If there is an amount on either line 43 or line 44, you must file Form 4720.**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below)

See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
Grassroots nontaxable					
48 amount					
Grassroots ceiling amount					
49 (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

During the year, did the organization attempt to influence 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 c through h)
- 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 other means
- i** Total lobbying expenditures (add lines c through h)

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
X		73,684
	X	
		73,684

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Schedule A (Form 990 or 990-EZ) 2001

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

Part I, Line 1a, CONTRIBUTIONS, GIFTS, GRANTS, AND SIMILAR AMOUNTS RECEIVED:
DIRECT PUBLIC SUPPORT

Miscellaneous contributions under \$5,000	2,899
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2,899

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART I, DIVIDENDS AND INTEREST FROM SECURITIES, LINE 5

Dividends

Hershey Foods Corporation	47,888,318
Hershey Entertainment & Resorts Co	1,943,400
Hershey Trust Company	187,000
Other dividends	30,830,428

Interest

U.S. Government Securities	9,044,055
Corporate & Agency Bonds	28,675,995

118,569,196

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1953340
ID#

PART I. SALES OF ASSETS OTHER THAN INVENTORY, LINE 8.

Description and Manner of Acquisition	Date Sold	Purchaser	Gross Sales Price	Cost	Expense of Sale	Accumulated Depreciation	Gain(Loss) on Sale
Other Sales							
Sale of 8 acres Farm 2A Longmeads	05/17/2002	Hershey Entertainment & Resorts	330,684	100,950	0	87,863	317,597
Sale of 1.89 acres Farm 3B	05/20/2002	WrenDale Golf Club LLC	18,314	77	0	0	18,237
Retired rental property improvements	Various	Various	1,070	125,557	0	125,557	1,070
School Equipment Dismantled or Sold	Various	Various	4,600	2,145,943	0	2,120,973	(20,369)
			354,668	2,372,527	0	2,334,393	316,534
Security Sales							
Various Publicly Traded Securities	Various	Various	567,503,916	547,837,713	0	0	19,666,203
	TOTAL		567,858,584	550,210,240	0	2,334,393	19,982,737

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART I. OTHER CHANGES IN NET ASSETS OR FUND BALANCES, LINE 20:

Unrealized gains(losses) on investments in unaffiliated issuers carried at market value, Principal Fund	(97,937,634)
Unrealized gain on investment, Hershey Foods Corporation	770,746,454
Unrealized gain on investment, Hershey Trust Company	1,934,264
Unrealized gain on investment, Hershey Entertainment & Resorts Co	10,599,000
Unrealized gains(losses) on investments in unaffiliated issuers carried at market value, Income Fund	(31,563,409)
	<hr/>
	<u><u>653,778,675</u></u>

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340
ID#

PART II, DEPRECIATION, DEPLETION, ETC., LINE 42:

<u>Description</u>	<u>Date Placed in Service</u>	<u>Method of Depreciation</u>	<u>Life (Years)</u>	<u>Depreciation Expense</u>	<u>Program Services</u>	<u>Management and General</u>
Buildings & Improvements	Various	Straight-Line	15-50	15,934,313	15,934,313	0
School Machinery & Equipment	Various	Straight-Line	2-18	5,345,553	5,345,553	0
Trucks & Buses	Various	Straight-Line	2-10	1,151,898	1,151,898	0
				<u>22,431,764</u>	<u>22,431,764</u>	<u>0</u>

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID #

PART III - STUDENT CARE:

Milton Hershey School provides, through its Elementary, Intermediate, and Senior High Programs, an education and residential opportunity for approximately 1,200 children whose natural family relationships have been disrupted. Life in the student homes provides the warmth of family living and the personal satisfaction needed to enable children to make full use of the educational advantages.

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

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

Line c. HEALTH SERVICES/RECREATION & SOCIAL LIFE - During the year, students have regular physical and dental checkups. Medical care is provided by the School physician, School nurses, and consulting medical specialists. The School's well-equipped health center is available when needed. Proper dental care is assured through the services of a complete professional staff.

Student home recreational activities include intramurals, team sports, individual sports, hobbies, ice skating, swimming, fishing, boy and girl scouting, dance classes, camping, dances, tournaments and special events. Extracurricular activities include art, athletics, music, dramatics, student government, photography, student publications and video production. In their social life, students participate in parties, dances, privileges in town, Hersheypark privileges, volunteer work, and work programs. Most of these social activities take place on campus, however, there is opportunity for our students to associate with students in the town of Hershey.

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART IV. INVESTMENTS-SECURITIES, LINE 54:

MARKET VALUE

PRINCIPAL FUND:

Stocks

Hershey Foods Corporation	3,341,036,837
Hershey Entertainment & Resorts Company	56,636,000
Hershey Trust Company	6,972,428
Common Stocks - other	674,732,976
REIT stocks	187,851,229
Alternative Assets-Marketable	14,904,665
Alternative Assets-Non Marketable-see detailed listing	6,786,338

4,288,920,473

Bonds and Notes

U S Government Obligations	143,324,027
Agency Bonds	90,153,880
Corporate Bonds	217,046,015
MAS Advisory Foreign Fixed II Fund	4,304,157
MAS Advisory Mortgage Fund	116,706,557

571,534,637

Investment in Real Estate

Real Estate	1,683,114
-------------	-----------

TOTAL PRINCIPAL FUND

4,862,138,224

INCOME FUND:

Stocks

Hershey Trust Company	32,242,578
Common Stocks	393,563,071

425,805,650

Bonds and Notes

U S Government Obligations	62,171,146
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TOTAL INCOME FUND

487,976,796

Investments-Securities

5,350,115,019

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART IV, INVESTMENTS-SECURITIES, LINE 54:

MARKET VALUE

Detailed listing of securities that are not publicly traded

Alternative Assets

ABRY Partners IV, LP	1,934,500
Alloy Ventures 2002, LP	210,000
Benchmark Europe Founders' Fund I-A LP	323,427
Berkshire Fund VI, LP	23,076
Charles River Ventures XI LP	441,810
Greenbriar Equity Fund LP	47,220
Greenbriar Equity US Fund, LP	9,313
Ignition Venture Partners II, LP	167,808
JW Childs Equity Partners III LP	0
Madison Dearborn Capital Partners IV LP	72,354
MDV VII, LP	459,572
Providence Equity Offshore Partners IV	663,724
Providence Equity Partners IV	590,665
Summit Ventures VI B, LP	453,270
Three Arch Capital, LP	1,389,599

6,786,338

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART IV, INVESTMENTS - LAND, BUILDINGS AND EQUIPMENT, LINE 55:

	<u>Cost or Other Basis</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	6,301,730	-	6,301,730
Buildings & Improvements	21,369,416	8,757,242	12,612,174
Furniture & Equipment	341,083	341,083	0
	<hr/>	<hr/>	<hr/>
	<u>28,012,229</u>	<u>9,098,325</u>	<u>18,913,904</u>

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART IV, LAND, BUILDINGS AND EQUIPMENT, LINE 57:

	<u>Cost or Other Basis</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Buildings & Improvements	408,912,363	109,043,324	299,869,039
Construction in Progress	40,367,015	0	40,367,015
School machinery & Fixtures	32,126,537	12,798,441	19,328,096
Trucks & Buses	8,548,529	4,717,911	3,830,618
	<u>489,954,444</u>	<u>126,559,676</u>	<u>363,394,768</u>

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID #

NOTE TO FORM 990, PART IV, LINES 55b & 57b:

As of January 1, 1974, buildings and improvements are depreciated on a straight-line basis over their estimated remaining useful lives ranging from fifteen to fifty years. Buildings recorded in the Principal Fund of the Trust do not reflect a provision for depreciation, since it is not a proper charge to this Fund under the provisions of the Deed of Trust.

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART IV. OTHER ASSETS, LINE 58:

Deposit bonds

15,000

15,000

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART V. LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES:

(A) <u>Name and Address</u>	(B) <u>Title and Time in Position</u>	(C) <u>Compensation</u>	(D) Contributions to Employee Benefit Plans & <u>Deferred Comp.</u>	(E) Expense Account & <u>Other Allow.</u>
William H Alexander 16 Wagner Street Hummelstown, PA 17036	Director/Manager Part-Time	0	0	0
Gayla M Bush 100 Mansion Road East Hershey, PA 17033-0445	Treasurer beginning 1/02 Part-Time	0	0	0
Robert F Cavanaugh 553 Moreno Avenue Los Angeles, CA 90049	Director/Manager Part-Time	0	0	0
Anthony J Colistra 429 Sioux Drive Mechanicsburg, PA 17055	Director/Manager Part-Time	0	0	0
W Don Cornwell 192 Columbia Heights Brooklyn, NY 11201	Director/Manager Part-Time	0	0	0
Dr Lawrence Davenport 315 West 113th Street New York, NY 10026	Vice President Finance & Operations (No longer employed)	51,046	45,321	0
C McCollister Evarts, M D 11 Foxanna Drive Hershey, PA 17033	Director/Manager until 1/02 Part-Time	0	0	0
A John Gabig, Esq 546 Thomas Bransby Williamsburg, VA 23185	Director/Manager Chair beginning 1/01 Part-Time	0	0	0
Lucy Durr Hackney 2128 Pine Street Philadelphia, PA 19103	Director/Manager Part-Time	0	0	0

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART V. LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES:

(A)	(B)	(C)	(D)	(E)
<u>Name and Address</u>	<u>Title and Time in Position</u>	<u>Compensation</u>	<u>Contributions to Employee Benefit Plans & Deferred Comp.</u>	<u>Expense Account & Other Allow.</u>
J Robert Hillier, FAIA 2846 River Road New Hope, PA 18938	Director/Manager Part-Time	0	0	0
Mavis E Kelley 643 Heiden Court Hummelstown, PA 17036	Vice President of Programs Full-Time	169,530	73,516	23,270
Dr William L Lepley 858 Appenzell Drive Hummelstown, PA 17036	President Director/Manager Full-Time	230,129	862,014	51,774
Dr Joan S Lipsitz 895 Fearington Post Pittsboro, NC 27312	Director/Manager Part-Time	0	0	0
Dr Michael W Matier 700 Warren Road, #21-2A Ithaca, NY 14850	Director/Manager Part-Time	0	0	0
The Rev John S McDowell, Jr 131 Beverly Road Ashland, VA 23005	Director/Manager Part-Time	0	0	0
Ruben Nazario 920 Beach Drive Hershey, PA 17033	Vice President -Human Resources Full-Time	154,120	65,188	23,270
Hilary C Pennington 232 Prospect Street Belmont, MA 02178	Director/Manager Part-Time	0	0	0

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART V. LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES:

(A) <u>Name and Address</u>	(B) <u>Title and Time in Position</u>	(C) <u>Compensation</u>	(D) <u>Contributions to Employee Benefit Plans & Deferred Comp.</u>	(E) <u>Expense Account & Other Allow.</u>
Wendy D Puriefoy 2001 Columbia Road Washington, DC 20009	Director/Manager Part-Time	0	0	0
Juliet C Rowland 1232 Park Plaza Drive Columbus, OH 43213	Director/Manager Part-Time	0	0	0
Vincent B Rudisill 100 Mansion Road East Hershey, PA 17033-0445	Treasurer to 12/01 Part-Time	0	0	0
Joseph M Senser 5308 Evanswood Lane Edina, MN 55436	Director/Manager Part-Time	0	0	0
Robert Stets 910 Appenzell Drive Hummelstown, PA 17036	General Counsel Full-Time	187,680	87,178	23,270
Dr Ronald Thompson 505 Meadow Lane Hershey, PA 17033	Vice President-Research & Organizational Devel Full-Time	125,192	27,034	20,585
Hershey Trust Company 100 Mansion Road East Hershey, PA 17033-0445	Trustee Part-time	1,000	0	0
Robert C Vowler 100 Mansion Road East Hershey, PA 17033-0445	Director/Manager Part-Time	0	0	0
A Morris Williams, Jr 120 Righters Mill Road Gladwyne, PA 19035	Director/Manager Part-Time	0	0	0

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART V. LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES:

(A)	(B)	(C)	(D)	(E)
<u>Name and Address</u>	<u>Title and Time in Position</u>	<u>Compensation</u>	<u>Contributions to Employee Benefit Plans & Deferred Comp.</u>	<u>Expense Account & Other Allow.</u>
Kenneth L Wolfe 100 Crystal A Drive Hershey, PA 17033-0810	Director/Manager until 1/02 Part-Time	0	0	0
		<u>918,697</u>		<u>142,169</u>

<u>Tie in to Part II</u>	
Col (C) Compensation	918,697
Col (E) Expense Account & Other Allowances	<u>142,169</u>
Part II, line 25	<u><u>1,060,866</u></u>

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID #

PART V, column (D) Contributions to Employee Benefit Plans & Deferred Compensation:

On May 4, 2002, the School amended its employment agreement with William Lepley to recognize his early retirement effective June 30, 2003. Under the amended agreement, the School agreed to pay certain post-employment compensation and benefits in lieu of all commitments in the existing agreement. The one-time charges resulting from the amended agreement for post-employment compensation (\$391,000) and for the vested portion of supplemental retirement benefits (\$321,000) account for the increase over the prior year in Column D.

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART V, LINE 75

(A)	(B)	(C)	(D)	(E)
<u>Name and Address</u>	<u>Title and Time in Position</u>	<u>Compensation</u>	<u>Contributions to Employee Benefit Plans</u>	<u>Expense Account & Other Allow.</u>
Vincent B Rudisill 100 Mansion Road East Hershey, PA 17033-0445	Chief Investment Officer & Treasurer, Hershey Trust Co Treasurer, Milton Hershey School (Treasurer positions until 12/01) EIN 23-0692150 Full-time (1)	91,511	43,370	3,080
Robert C Vowler 100 Mansion Road East Hershey, PA 17033-0445	President, CEO & Secretary Hershey Trust Co EIN 23-0692150 Full-time (1) Director/Manager	597,336	161,167	21,399
Gayla M Bush 100 Mansion Road East Hershey, PA 17033-0445	Treasurer, Hershey Trust Co Treasurer, Milton Hershey School (Treasurer positions beginning 1/02) EIN 23-0692150 Full-time (2)	90,809	14,768	0
Kenneth L Wolfe 100 Crystal A Drive Hershey, PA 17033-0810	Chairman Hershey Foods Corp EIN 23-0691590 Full-time (3) Director/Manager	3,213,723	8,739,614	0
Dr Anthony J Colistra 429 Sioux Drive Mechanicsburg, PA 17055	Director/Manager Part-time (4)	105,126	0	8,200
J Robert Hillier, FAIA 2846 River Road New Hope, PA 18938	Director/Manager Part-time (5)	132,500	0	0
The Rev John McDowell, Jr 131 Beverly Road Ashland, Va 23005	Director/Manager Part-time (4)	55,750	69,491	0
Juliet C Rowland 1232 Park Plaza Drive Columbus, OH 43213	Director/Manager Part-time (4)	122,940	0	0

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART V, LINE 75, continued

- (1) Individual is an officer of a controlled for-profit entity All compensation agreements are established by an independent Compensation Committee and by the Board of Directors of Hershey Trust Company (EIN 23-0692150) with the advice of third party compensation consultants The amount and composition of the individual's compensation is based on marketplace competitive considerations, financial and business objectives, and results achieved The Hershey Trust Company receives a fee of \$1,000 for its services from the tax-exempt entity None of the compensation, employee benefit contributions or other allowances are paid for by the tax-exempt entity

The compensation amount includes base salary and incentive payments for services rendered in connection with the for-profit company The contributions to benefit plans consist of health, life and disability insurance as well as retirement and 401(k) savings plan expense associated with the individual's service as an officer of the for-profit entity Compensation for Mr Vowler also includes director fees received from Hershey Entertainment & Resorts Company, a controlled for-profit entity Mr Rudisill's amounts include payments made during the period of his service as Treasurer

- (2) Individual is an officer of a controlled for-profit entity Compensation is established upon the advice of third party compensation consultants The amount and composition of the individual's compensation is based on marketplace competitive considerations, financial and business objectives, and results achieved The Hershey Trust Company (EIN 23-0692150) receives a fee of \$1,000 for its services from the tax-exempt entity None of the compensation, employee benefit contributions or other allowances are paid for by the tax-exempt entity

The compensation amount includes base salary and annual incentive paid for services rendered in connection with the for-profit company The contributions to benefit plans consist of health, life and disability insurance as well as retirement and 401(k) savings plan expense associated with the individual's service as an officer of the for-profit entity Amounts include payments made during the period of her service as Treasurer

- (3) Until his retirement on January 1, 2002, individual was the Chairman of the Board of

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID#

PART V, LINE 75, continued

Directors of Hershey Foods Corporation (EIN 23-0691590), a for-profit, publicly traded company, voting control of which is held by the tax-exempt organization Hershey Foods Corporation, the leading confectionery company in North America, had revenues of \$4.1 billion for 2001; at December 31, 2001, Hershey Foods Corporation had approximately 40,300 registered public stockholders and a market capitalization of approximately \$9.2 billion. All compensation arrangements and amounts for Mr. Wolfe as Chairman of Hershey Foods Corporation are established and set by the Compensation Committee and Board of Directors of Hershey Foods Corporation. Both Hershey Foods' Compensation Committee and Board of Directors are composed of a majority of individuals unrelated and not subject to the control of any disqualified person. The Hershey Foods Corporation Compensation Committee obtained and relied upon appropriate third party data as to comparability, and adequately documented the basis for determining Mr. Wolfe's compensation. The amount and composition of Mr. Wolfe's compensation is based on marketplace competitive considerations, financial and business objectives and results achieved, and is consistent with that reported in Hershey Foods' Proxy Statement on Form 14A filed with the U.S. Securities and Exchange Commission. During the year Mr. Wolfe exercised Hershey Foods stock options having a value of \$1.2 million. Compensation also includes director fees paid by Hershey Trust Company, a controlled for-profit company.

- (4) Compensation consists only of director fees paid or deferred by the wholly-owned for-profit entity, Hershey Trust Company, and the wholly-owned for-profit entity, Hershey Entertainment & Resorts Company (EIN 23-0691815). None of the compensation was paid by the tax-exempt entity.
- (5) Compensation consists only of director fees paid or deferred by the wholly-owned for-profit entity, Hershey Trust Company, and the publicly traded for-profit entity, Hershey Foods Corporation (EIN 23-0691590), for which the tax-exempt organization holds voting control. None of the compensation was paid by the tax-exempt entity.

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID #

PART VI, LINE 80b:

Although it is not clear what "related" in the question of Part VI - 80a necessarily is meant to encompass, the following relationships are noted

- (a) Milton Hershey School and School Trust (MHS&ST) owns (i) approximately twelve percent of the common stock and ninety-nine percent of the Class B common stock of Hershey Foods Corporation (23-0691590), a Delaware business corporation, and one hundred percent of the common stock of Hershey Entertainment & Resorts Company, Inc (23-0691815), a Pennsylvania business corporation. These corporations control numerous subsidiary corporations. Some members of the Board of Managers of MHS also serve on the Boards of Directors of one or the other of these corporations
- (b) All members of the Board of Managers of MHS are also directors of Hershey Trust Company (23-0692150), an institution with trust powers formed under the Banking Laws of Pennsylvania. Hershey Trust Company is wholly owned by MHS&ST and is Trustee for MHS&ST
- (c) Some of the Board of Managers of MHS also serve on and comprise all the members of the Board of Managers of the M S Hershey Foundation (23-6242734), a trust which is exempt under IRS Sec 501(c)(3)
- (d) Hershey Trust Company is Trustee of a testamentary trust (23-6242722) under the will of Milton S. Hershey, deceased, for the benefit of the School District of Derry Township, Pennsylvania. Milton S. Hershey was the creator of and primary contributor of MHS&ST
- (e) Hershey Trust Company, Trustee for MHS&ST, operates a commercial trust business generally available to the public and in the course of its business has been named and acts as fiduciary of many trusts and estates, some of which are exempt under IRC Sec 501(c)(3). If the only connection between any such trust or estate and MHS&ST is the fact that they have the same fiduciary, namely Hershey Trust Company, no such trust or estate is listed in this response to PART VI - 80b

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID #

SCHEDULE A, PART III, LINE 2:

The following response is based on the premise that the "affiliated" organizations and corporations about which information is asked in Part III - 2 are meant to be the same "related" organizations about which information is asked in Form 990 Part VI - 80b

- 2(a) MHS&ST leased real estate to subsidiaries of Hershey Entertainment & Resorts Company, Inc. The rental income as to each of the leases is reported as part of this Form 990 return
- 2(c) MHS&ST purchased various commodities and services needed for its operations from Hershey Entertainment & Resorts Company, Inc. and Hershey Foods Corporation, or from subsidiaries thereof
- 2(d) One member of the Board of Managers of MHS is compensated by MHS&ST for services performed in capacities other than as a member of the Board of Managers. All such compensation is reported elsewhere as part of this Form 990 return. A fee for service as fiduciary is paid by MHS&ST to Hershey Trust Company

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FORM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID #

SCHEDULE A, PART III, LINE 3:

Pursuant to the Deed of Trust under which Milton Hershey School and School Trust (MHS&ST) was created, a financial aid plan is provided for qualified students of Milton Hershey School to assure them of the opportunity to continue with post-secondary education

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID #

SCHEDULE A, PART III, LINE 4b:

The recipients of "benefits" disbursed from Milton Hershey School and School Trust (MHS&ST) are the students of Milton Hershey School. The Deed of Trust under which MHS&ST functions requires that a student must be a poor, healthy child who has attained his or her fourth birthday but shall not yet have attained his or her sixteenth birthday at the time of his or her admission, and who in the opinion of the Board of Managers is not receiving adequate care from one of his or her natural parents, is of good character and behavior, has potential for scholastic achievement, and is likely to benefit from the program offered by MHS&ST, in addition to meeting the other qualifications set forth in the Deed of Trust. To assure that these conditions are met, MHS&ST makes an elaborate and detailed study of all applicants for enrollment.

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID #

SCHEDULE A, PART V, LINE 31:

MHS&ST enrolls students before the start of each academic semester. In addition, enrollments are made throughout the year for emergency situations. There is no specific period of solicitation or registration. MHS&ST customarily draws a substantial percentage of its students from a large geographic section of the United States, follows a racially non-discriminatory policy as to students, and includes a statement of its racially non-discriminatory policy as to students in brochures, direct mailing, newspaper supplements, and catalogs dealing with student admissions, programs, and scholarships, thereby complying with the publicity requirement under Rev. Proc. 75-50, Sec. 4.03, 2(b).

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID #

SCHEDULE A, PART V, LINE 34a:

Milton Hershey School participates in a book loan program through the PA State Department of Education which makes books available directly to students through Access-PA. Milton Hershey School does not itself receive any financial aid.

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 2002

23-1353340

ID #

SCHEDULE A, PART VI-B, LINE g:

Registered lobbyists represented the exempt organization in exploring government participation in redevelopment projects and for state funded improvements to Trust land

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ► ☐
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Note** Do not complete **Part II** unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)

Note Form 990-T corporations requesting an automatic 6-month extension—check this box and complete **Part I** only ► ☐

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization Milton Hershey School & School Trust	Employer identification number 23: 1353340
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. Box 445	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Hershey, PA 17033	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box ► ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole group**, check this box ► ☐ If it is for **part of the group**, check this box ► ☐ and attach a list with the names and EINs of all members the extension will cover

- 1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until **March 15**, 2003, to file the exempt organization return for the organization named above. The extension is for the organization's return for
- ☐ calendar year 20 .. or
- ☒ tax year beginning .. **August 1** .., 2001 and ending .. **July 31** .., 2002

- 2 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ _____
- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ _____
- c **Balance Due** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ► *Debra M Bush* Title ► **Vice President, Finance**
Hershey Trust Co, Trustee Date ► **12/4/02**

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box ☐ **Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868**
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time—Must File Original and One Copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization	Employer identification number
	Number, street, and room or suite no. If a P O box, see instructions	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	

Check type of return to be filed (File a separate application for each return)

- | | | | | | |
|--------------------------------------|--------------------------------------|--|--------------------------------------|------------------------------------|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 5227 | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 6069 | |

STOP Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does **not** have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole** group, check this box ☐ If it is for **part** of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until _____, 20____
- 5 For calendar year _____, or other tax year beginning _____, 20____ and ending _____, 20____
- 6 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension _____

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax less any nonrefundable credits. See instructions. \$ _____
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. \$ _____
- c **Balance Due** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶

Title ▶

Date ▶

Notice to Applicant—To Be Completed by the IRS

- ☐ We **have** approved this application. Please attach this form to the organization's return.
- ☐ We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- ☐ We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- ☐ We **cannot** consider this application because it was filed after the due date of the return for which an extension was requested.
- ☐ Other _____

Director

By _____

Date _____

Alternate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name
	Number and street (include suite, room, or apt. no.) Or a P O box number
	City or town, province or state, and country (including postal or ZIP code)