

Form 990

## Return of Organization Exempt From Income Tax

2005

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

Open to Public Inspection

## A For the 2005 calendar year, or tax year beginning 08-01-2005 and ending 07-31-2006

B Check if applicable

Please use IRS label or print or type. See Specific Instructions.

C Name of organization  
MILTON HERSHEY SCHOOL & SCHOOL TRUSTD Employer identification number  
23-1353340 Address changeNumber and street (or P O box if mail is not delivered to street address)  
PO BOX 445E Telephone number  
(717) 534-3225 Name changeRoom/suite  
City or town, state or country, and ZIP + 4  
HERSHEY, PA 17033 Initial return Final return Amended return Application pendingF Accounting method  
 Cash  Accrual  
 Other (specify) ►

\* Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Web site: ► WWW MHS-PA.ORG

J Organization type (check only one) ►  501(c) (3) (insert no.)  4947(a)(1) or  527K 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 ► 1,033,834,658

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?  Yes  No  
(If "No," attach a list. See instructions.)H(d) Is this a separate return filed by an organization covered by a group ruling?  Yes  No

I Group Exemption Number ►

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

## Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

1	Contributions, gifts, grants, and similar amounts received		
a	Direct public support	1a	2,241
b	Indirect public support	1b	
c	Government contributions (grants)	1c	
d	<b>Total</b> (add lines 1a through 1c) (cash \$ 2,241 noncash \$ )	1d	2,241
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	577,063
3	Membership dues and assessments	3	
4	Interest on savings and temporary cash investments	4	4,102,469
5	Dividends and interest from securities	5	153,367,972
6a	Gross rents	6a	4,420,070
b	Less rental expenses	6b	3,383,568
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	1,036,502
7	Other investment income (describe ► )	7	
8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other
	869,359,713	8a	2,005,130
b	Less cost or other basis and sales expenses	8b	1,827,626
c	Gain or (loss) (attach schedule)	8c	177,504
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	217,000,080
9	Special events and activities (attach schedule) If any amount is from <b>gaming</b> , check here ►		
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a	
b	Less direct expenses other than fundraising expenses	9b	
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c	
10a	Gross sales of inventory, less returns and allowances	10a	
b	Less cost of goods sold	10b	
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	
11	Other revenue (from Part VII, line 103)	11	
12	<b>Total revenue</b> (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	376,086,327
13	Program services (from line 44, column (B))	13	107,547,474
14	Management and general (from line 44, column (C))	14	48,618,440
15	Fundraising (from line 44, column (D))	15	0
16	Payments to affiliates (attach schedule)	16	
17	<b>Total expenses</b> (add lines 16 and 44, column (A))	17	156,165,914
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	219,920,413
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	8,606,385,168
20	Other changes in net assets or fund balances (attach explanation) ►	20	-530,218,310
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	8,296,087,271

**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 the instructions )

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
<b>22</b>	Grants and allocations (attach schedule) <input checked="" type="checkbox"/> (cash \$ 2,697,553 noncash \$ 0 ) If this amount includes foreign grants, check here <input checked="" type="checkbox"/> <input type="checkbox"/>	<b>22</b>	2,697,553	2,697,553	
<b>23</b>	Specific assistance to individuals (attach schedule)	<b>23</b>			
<b>24</b>	Benefits paid to or for members (attach schedule)	<b>24</b>			
<b>25</b>	Compensation of officers, directors, etc . . . . .	<b>25</b>	1,157,085	355,485	801,600
<b>26</b>	Other salaries and wages . . . . .	<b>26</b>	47,968,453	40,184,085	7,784,368
<b>27</b>	Pension plan contributions . . . . .	<b>27</b>	8,277,656	5,959,912	2,317,744
<b>28</b>	Other employee benefits . . . . .	<b>28</b>	17,072,917	12,184,954	4,887,963
<b>29</b>	Payroll taxes . . . . .	<b>29</b>	4,047,433	2,914,152	1,133,281
<b>30</b>	Professional fundraising fees . . . . .	<b>30</b>			
<b>31</b>	Accounting fees . . . . .	<b>31</b>	104,500	75,240	29,260
<b>32</b>	Legal fees . . . . .	<b>32</b>	530,055	24,513	505,542
<b>33</b>	Supplies . . . . .	<b>33</b>	2,423,439	2,098,689	324,750
<b>34</b>	Telephone . . . . .	<b>34</b>	383,774	315,643	68,131
<b>35</b>	Postage and shipping . . . . .	<b>35</b>	135,987	102,807	33,180
<b>36</b>	Occupancy . . . . .	<b>36</b>	6,322,225	4,926,605	1,395,620
<b>37</b>	Equipment rental and maintenance . . . . .	<b>37</b>	2,261,512	261,053	2,000,459
<b>38</b>	Printing and publications . . . . .	<b>38</b>	186,875	91,999	94,876
<b>39</b>	Travel . . . . .	<b>39</b>	1,163,541	1,028,952	134,589
<b>40</b>	Conferences, conventions, and meetings . . . . .	<b>40</b>	242,861	177,472	65,389
<b>41</b>	Interest . . . . .	<b>41</b>			
<b>42</b>	Depreciation, depletion, etc (attach schedule)	<b>42</b>	26,907,503	20,987,852	5,919,651
<b>43</b>	Other expenses not covered above (itemize)				0
<b>a</b>	TRUSTEE EXPENSE	<b>43a</b>	1,324,141		1,324,141
<b>b</b>	PERSONAL COMPUTERS	<b>43b</b>	497,413	414,962	82,451
<b>c</b>	FOOD CLOTHING & PROVISIONS	<b>43c</b>	4,970,986	4,854,449	116,537
<b>d</b>	CONTRACTED SERVICES	<b>43d</b>	6,063,425	2,763,209	3,300,216
<b>e</b>	OTHER	<b>43e</b>	8,615,312	5,127,888	3,487,424
<b>f</b>	OUTSIDE INVSTMT MANAGER	<b>43f</b>	12,811,268		12,811,268
<b>g</b>		<b>43g</b>			
<b>44</b>	<b>Total functional expenses.</b> Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	<b>44</b>	156,165,914	107,547,474	48,618,440
					0

**Joint Costs.** Check   if you are following SOP 98-2

Are 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 the instructions.)

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.

What is the organization's primary exempt purpose? ► RESIDENTIAL SCHOOL, K-12 GRADE	Program Service Expenses	
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.)	(Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)	
<b>a</b> EDUCATION AND GUIDANCE - SEE STATEMENTS 1-2		
(Grants and allocations \$ )	If this amount includes foreign grants, check here ► <input type="checkbox"/>	45,452,291
<b>b</b> BOARD, LODGING & CLOTHING - SEE STATEMENTS 1-2		
(Grants and allocations \$ )	If this amount includes foreign grants, check here ► <input type="checkbox"/>	42,799,988
<b>c</b> HEALTH SERVICES, RECREATION & SOCIAL LIFE - SEE STATEMENTS 1-2		
(Grants and allocations \$ )	If this amount includes foreign grants, check here ► <input type="checkbox"/>	19,295,195
<b>d</b> _____ _____		
(Grants and allocations \$ )	If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>e</b> Other program services (attach schedule) (Grants and allocations \$ )	If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>f</b> <b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) . . . . ►	107,547,474	

**Part IV Balance Sheets (See the instructions.)**

<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.			<b>(A)</b> Beginning of year	<b>(B)</b> End of year
<b>45</b> Cash—non-interest-bearing			<b>45</b>	
<b>46</b> Savings and temporary cash investments		108,403,490	<b>46</b>	73,930,098
<b>47a</b> Accounts receivable	<b>47a</b>	38,799,840		
<b>b</b> Less allowance for doubtful accounts	<b>47b</b>	36,170,194	<b>47c</b>	38,799,840
<b>48a</b> Pledges receivable	<b>48a</b>			
<b>b</b> Less allowance for doubtful accounts	<b>48b</b>		<b>48c</b>	
<b>49</b> Grants receivable			<b>49</b>	
<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule)				<b>50</b>
<b>51a</b> Other notes and loans receivable (attach schedule)	<b>51a</b>			
<b>b</b> Less allowance for doubtful accounts	<b>51b</b>		<b>51c</b>	
<b>52</b> Inventories for sale or use		1,131,009	<b>52</b>	1,280,980
<b>53</b> Prepaid expenses and deferred charges		2,355,617	<b>53</b>	1,520,653
<b>54</b> Investments—securities (attach schedule)	► <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	8,223,380,130	<b>54</b>	7,854,925,361
<b>55a</b> Investments—land, buildings, and equipment basis	<b>55a</b>	66,669,174		
<b>b</b> Less accumulated depreciation (attach schedule)	<b>55b</b>	7,937,475	28,514,449	<b>55c</b> <input checked="" type="checkbox"/> 58,731,699
<b>56</b> Investments—other (attach schedule)				<b>56</b>
<b>57a</b> Land, buildings, and equipment basis	<b>57a</b>	633,919,948		
<b>b</b> Less accumulated depreciation (attach schedule)	<b>57b</b>	223,526,571	350,078,854	<b>57c</b> 410,393,377
<b>58</b> Other assets (describe ► _____)		2,574,645	<b>58</b> <input checked="" type="checkbox"/> 2,252,815	
<b>59 Total assets</b> (must equal line 74) Add lines 45 through 58		8,752,608,388	<b>59</b>	8,441,834,823
<b>60</b> Accounts payable and accrued expenses		146,223,220	<b>60</b>	145,747,552
<b>61</b> Grants payable			<b>61</b>	
<b>62</b> Deferred revenue			<b>62</b>	
<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule)				<b>63</b>
<b>64a</b> Tax-exempt bond liabilities (attach schedule)			<b>64a</b>	
<b>b</b> Mortgages and other notes payable (attach schedule)			<b>64b</b>	
<b>65</b> Other liabilities (describe ► _____)			<b>65</b>	
<b>66 Total liabilities</b> Add lines 60 through 65		146,223,220	<b>66</b>	145,747,552
<b>Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>				
<b>67</b> Unrestricted		1,026,798,819	<b>67</b>	1,066,381,318
<b>68</b> Temporarily restricted			<b>68</b>	
<b>69</b> Permanently restricted		7,579,586,349	<b>69</b>	7,229,705,953
<b>Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 70 through 74</b>				
<b>70</b> Capital stock, trust principal, or current funds			<b>70</b>	
<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund			<b>71</b>	
<b>72</b> Retained earnings, endowment, accumulated income, or other funds			<b>72</b>	
<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) <b>must</b> equal line 19, column (B) <b>must</b> equal line 21)		8,606,385,168	<b>73</b>	8,296,087,271
<b>74 Total liabilities and net assets / fund balances</b> Add lines 66 and 73		8,752,608,388	<b>74</b>	8,441,834,823

**Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)**

<b>a</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>a</b>	545,039,486
<b>b</b>	Amounts included on line <b>a</b> but not on line 12		
<b>1</b>	Net unrealized gains on investments . . . . .	<b>b1</b>	166,146,654
<b>2</b>	Donated services and use of facilities . . . . .	<b>b2</b>	
<b>3</b>	Recoveries of prior year grants . . . . .	<b>b3</b>	
<b>4</b>	Other (specify) <input checked="" type="checkbox"/> . . . . .	<b>b4</b>	3,383,568
	Add lines <b>b1</b> through <b>b4</b> . . . . .		<b>b</b> 169,530,222
<b>c</b>	Subtract line <b>b</b> from line <b>a</b> . . . . .		<b>c</b> 375,509,264
<b>d</b>	Amounts included on line 12, but not on line <b>a</b>		
<b>1</b>	Investment expenses not included on line 6b . . . . .	<b>d1</b>	
<b>2</b>	Other (specify) <input checked="" type="checkbox"/> . . . . .	<b>d2</b>	577,063
	Add lines <b>d1</b> and <b>d2</b> . . . . .		<b>d</b> 169,530,222
<b>e</b>	<b>Total revenue</b> (line 12) Add lines <b>c</b> and <b>d</b> . . . . . ►		<b>e</b> 376,086,327

**Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>a</b>	Total expenses and losses per audited financial statements . . . . .	<b>a</b>	864,619,958
<b>b</b>	Amounts included on line <b>a</b> but not on line 17		
<b>1</b>	Donated services and use of facilities . . . . .	<b>b1</b>	
<b>2</b>	Prior year adjustments reported on line 20 . . . . .	<b>b2</b>	
<b>3</b>	Losses reported on line 20 . . . . .	<b>b3</b>	705,647,539
<b>4</b>	Other (specify) <u>  </u>	<b>b4</b>	3,383,568
	Add lines <b>b1</b> through <b>b4</b> . . . . .	<b>b</b>	709,031,107
<b>c</b>	Subtract line <b>b</b> from line <b>a</b> . . . . .	<b>c</b>	155,588,851
<b>d</b>	Amounts included on line 17, but not on line <b>a</b> :		
<b>1</b>	Investment expenses not included on line 6b . . . . .	<b>d1</b>	
<b>2</b>	Other (specify) <u>  </u>	<b>d2</b>	577,063
	Add lines <b>d1</b> and <b>d2</b> . . . . .	<b>d</b>	577,063
<b>e</b>	<b>Total expenses</b> (line 17) <b>Add lines c and d</b> . . . . .	<b>e</b>	156,165,914

**Part V-A** **Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

**Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)**

**75a** Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings. **10**

**b** Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s).

c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control?

**Note:** Related organizations include section 509(a)(3) supporting organizations.

If "Yes," attach a statement that identifies the individuals, explains the relationship between the organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.

4. Does the organization have a written conflict of interest policy?

**Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other**

**Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

**Part VI Other Information** (See the instructions.)

**76** Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity.

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.

**7a** Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?

**b** If "Yes," has it filed a tax return on **Form 990-T** for this year?

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement.

**80a** 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?

**b** If "Yes," enter the name of the organization.  See Additional Data Table

and check whether it is  exempt or  nonexempt.

**81a** Enter direct or indirect political expenditures. (See line 81 instructions.) **81**

b. Did the organization file **Form 1120-ROI** for this year?

**Part VI Other Information (continued)**

	<b>Yes</b>	<b>No</b>
<b>82a</b> 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	Yes
<b>b</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	
<b>83a</b> Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	Yes
<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	Yes
<b>84a</b> Did the organization solicit any contributions or gifts that were not tax deductible?	84a	No
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
<b>85</b> 501(c)(4), (5), or (6) organizations. <b>a</b> Were substantially all dues nondeductible by members?	85a	
<b>b</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	
If "Yes," was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year	85c	
<b>c</b> Dues assessments, and similar amounts from members	85d	
<b>d</b> Section 162(e) lobbying and political expenditures	85e	
<b>e</b> Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85f	
<b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e)	85g	
<b>g</b> Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85h	
<b>h</b> If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	86a	0
<b>86</b> 501(c)(7) orgs. Enter <b>a</b> Initiation fees and capital contributions included on line 12	86b	0
<b>b</b> Gross receipts, included on line 12, for public use of club facilities	87a	0
<b>87</b> 501(c)(12) orgs. Enter <b>a</b> Gross income from members or shareholders	87b	0
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	88	Yes
<b>88</b> 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	89a	
<b>89a</b> 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ► 0 , section 4912 ► 0 , section 4955 ► 0	89b	No
<b>b</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		
<b>c</b> Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
<b>d</b> Enter Amount of tax on line 89c, above, reimbursed by the organization		
<b>90a</b> List the states with which a copy of this return is filed ►		
<b>b</b> Number of employees employed in the pay period that includes March 12, 2005 (See instructions )	90b	1,229
<b>91a</b> The books are in care of ► HERSEY TRUST COMPANY	Telephone no	(717) 534-3225
100 MANSION ROAD EAST Located at ► HERSEY, PA	ZIP + 4	17033
<b>b</b> 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)?	91b	Yes
If "Yes," enter the name of the foreign country ►	91c	No
See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1</b> , Report of Foreign Bank and Financial Accounts		
<b>c</b> At any time during the calendar year, did the organization maintain an office outside of the United States?		
If "Yes," enter the name of the foreign country ►		
<b>92</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of <b>Form 1041</b> —Check here ► and enter the amount of tax-exempt interest received or accrued during the tax year ►	92	

**Part VII Analysis of Income-Producing Activities** (See the instructions.)

**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 ENVIRONMENTAL EDU						414,603
b GENERAL ADMIN						113,680
c EXTERNAL RELATIONS						7,853
d OTHER						40,927
e						
f Medicare/Medicaid payments . . . . .						
g Fees and contracts from government agencies						
94 Membership dues and assessments . . . . .						
95 Interest on savings and temporary cash investments		14		4,102,469		
96 Dividends and interest from securities . . . . .	900000	11,222	14	153,356,750		
97 Net rental income or (loss) from real estate						
a debt-financed property . . . . .						
b non debt-financed property . . . . .	900003	-55,688	16	1,092,190		
98 Net rental income or (loss) from personal property						
99 Other investment income . . . . .						
100 Gain or (loss) from sales of assets other than inventory	900003	12,156	18	216,987,924		
101 Net income or (loss) from special events . . . . .						
102 Gross profit or (loss) from sales of inventory						
103 Other revenue a						
b						
c						
d						
e						
104 Subtotal (add columns (B), (D), and (E)) . . . . .		-32,310		375,539,333		577,063
105 Total (add line 104, columns (B), (D), and (E)) . . . . .						376,084,086

**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 the instructions.)

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)
93	REVENUE IS PRIMARILY GENERATED FROM OUR AGRICULTURAL AND
0	ENVIRONMENTAL EDUCATION PROGRAM DESIGNED FOR OUR STUDENTS
0	AS PART OF OUR EDUCATIONAL CURRICULUM

**Part IX** **Information Regarding Taxable Subsidiaries and Disregarded Entities** (See the instructions.)

(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 100 MANSION ROAD EAST HERSHEY, PA17033 23-0692150	100 0	STATE BANK	10,232,138	69,448,026
HERSHEY ENTERTAINMT&RESORT CO 100 MANSION ROAD EAST HERSHEY, PA17033 23-0691815	100 0	RESORT	226,254,666	213,472,021
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See the instructions.)

**(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).

<b>Please Sign Here</b>	<p>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.</p> <p>Signature of officer <u>GAYLA M BUSH VP FINANCE &amp; TREASURER</u> Type or print name and title</p>	
	2007-06-13	Date

<b>Paid Preparer's Use Only</b>	Preparer's signature 	Date	Check if self-employed <input type="checkbox"/> 	Preparer's SSN or PTIN (See Gen Inst W)
	Firm's name (or yours if self-employed), address, and ZIP + 4 			EIN 
	KPMG LLP 1601 Market Street Philadelphia, PA 191032499			Phone no 

## Organization Exempt Under Section 501(c)(3)

(Except Private Foundation and Section 501(e), 501(f), 501(k),  
501(n), or 4947(a)(1) Nonexempt Charitable Trust

## Supplementary Information—(See separate instructions.)

2005

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

SCHEDULE A  
(Form 990 or  
990EZ)Department of the  
Treasury  
Internal Revenue  
Service

Name of the organization

MILTON HERSHEY SCHOOL &amp; 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
DAVID BURNS	SR DIRECTOR HR 40	148,008	186,246	44,735
POBOX 830 HERSHEY, PA 17033				
ROBERT FEHRS	HEAD - MIDDLE SCHOOL 40	153,288	40,306	23,270
POBOX 830 HERSHEY, PA 17033				
AL CARBONARA	ACCTING VP ADMIN 40	157,139	34,089	21,561
POBOX 830 HERSHEY, PA 17033				
BETH SHAW	EX DIR - STUDENT SVC 40	157,766	33,101	0
POBOX 830 HERSHEY, PA 17033				
ANNETTE COLE-GILL	HEAD ELEMENTARY DIV 40	125,622	30,129	7,813
POBOX 830 HERSHEY, PA 17033				
Total number of other employees paid over \$50,000	322			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services  
(See page 2 of the instructions. List each one (whether individual 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		
3300 N 3RD ST HARRISBURG, PA 17110	CONSTRUCTION MGMT	2,920,686
THE RAY GROUP		
127 EAST ORANGE ST LANCASTER, PA 17602	ARCHITECTURAL SERV	2,570,927
BUCK SIMPERS ARCHITECT ASSOCIATIE		
715 NORTH ORANGE STREET WILMINGTON, DE 19801	ARCHITECHURAL SERV	2,017,575
TURNER CONSTRUCTION		
104 INTERCHANGE PLACE SUITE 200 MONROE TWP, NJ 08831	CONSTRUCTION MGMT	1,620,690
PENNONI ASSOCIATES		
PO BOX 827328 PHILADELPHIA, PA 19182	ENGINEERING	1,420,082
Total number of others receiving over \$50,000 for professional services	50	

## Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page X for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
CARETTI		
POBOX 331 CAMP HILL, PA 17011	MASONRY CONTRACTOR	5,457,168
MILLER BROS CONSTRUCTION		
POBOX 472 SCKUYLKILL HAVEN, PA 17972	GENERAL CONTRACTOR	4,813,798
PYRAMID CONSTRUCTION SERVICES		
4425 VALLEY ROAD ENOLA, PA 17025	GENERAL CONTRACTOR	3,409,360
LIBERTY EXCAVATORS		
4402 GETTYSBURG ROAD CAMP HILL, PA 17011	EXCAVATION	3,291,996
HANDWERK SITE CONTRACTORS		
POBOX 55 SHIPOKE, PA 19474	EXCAVATION	3,118,425
Total number of other contractors receiving over \$50,000 for other services	35	

**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, include any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ►\$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B )	1	No
2	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		
2a	Sale, exchange, or leasing property?	2a	Yes
2b	Lending of money or other extension of credit?	2b	No
2c	Furnishing of goods, services, or facilities?	2c	Yes
2d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	Yes
2e	Transfer of any part of its income or assets?	2e	No
3a	Do you make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments) ►	3a	Yes
3b	Do you have a section 403(b) annuity plan for your employees?	3b	Yes
3c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c	No
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a	No
4b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b	No

**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)(vi) (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) sections 501(c)(4), (5), or (6)**, if they meet the test of section 509(a)(2) Check the box that describes the type of supporting organization ►  Type 1  Type 2  Type 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 5 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) 2004	(b) 2003	(c) 2002	(d) 2001	(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					
<b>26 Organizations described on lines 10 or 11:</b> <b>a</b> Enter 2% of amount in column (e), line 24				<b>26a</b>	
<b>b</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 2001 through 2004 exceeded the amount shown in line 26a. <b>Do not file this list with your return.</b> Enter the total of all these excess amounts				<b>26b</b>	
<b>c</b> Total support for section 509(a)(1) test. Enter line 24, column (e)				<b>26c</b>	
<b>d</b> Add Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____				<b>26d</b>	
<b>e</b> Public support (line 26c minus line 26d total)				<b>26e</b>	
<b>f</b> <b>Public support percentage (line 26e (numerator) divided by line 26c (denominator))</b>				<b>26f</b>	
<b>27 Organizations described on line 12:</b> <b>a</b> 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." <b>Do not file this list with your return.</b> Enter the sum of such amounts for each year					
(2004) _____ (2003) _____ (2002) _____ (2001) _____					
<b>b</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 <b>larger of (1)</b> the amount on line 25 for the year or <b>(2) \$5,000</b> (Include in the list organizations described in lines 5 through 11, as well as individuals.) <b>Do not file this list with your return.</b> After computing the difference between the amount received and the larger amount described in <b>(1)</b> or <b>(2)</b> , enter the sum of these differences (the excess amounts) for each year					
(2004) _____ (2003) _____ (2002) _____ (2001) _____					
<b>c</b> Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____				<b>27c</b>	
<b>d</b> Add Line 27a total _____ and line 27b total _____				<b>27d</b>	
<b>e</b> Public support (line 27c total minus line 27d total)				<b>27e</b>	
<b>f</b> Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ► <b>27f</b>					
<b>g</b> <b>Public support percentage (line 27e (numerator) divided by line 27f (denominator))</b>				<b>27g</b>	
<b>h</b> <b>Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</b>				<b>27h</b>	
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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. <b>Do not file this list with your return.</b> 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	Yes
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	Yes
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 )  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)	31	Yes
32 Does the organization maintain the following  a Records indicating the racial composition of the student body, faculty, and administrative staff? b Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis? c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? d Copies of all material used by the organization or on its behalf to solicit contributions?	32a	Yes
	32b	Yes
	32c	Yes
	32d	Yes
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? b Admissions policies? c Employment of faculty or administrative staff? d Scholarships or other financial assistance? e Educational policies? f Use of facilities? g Athletic programs? h Other extracurricular activities?	33a	No
	33b	No
	33c	No
	33d	No
	33e	No
	33f	No
	33g	No
	33h	No
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?	34a	No
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	No
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	Yes

**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

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred )		<b>(a)</b> Affiliated group totals	<b>(b)</b> To be completed for ALL electing organizations
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37)	<b>38</b>		
<b>39</b> Other exempt purpose expenditures	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>		
<b>41</b> Lobbying nontaxable amount Enter the amount from the following table—			
<b>If the amount on line 40 is—</b>	<b>The lobbying nontaxable amount is—</b>		
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		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41)			
<b>43</b> Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	<b>42</b>		
<b>44</b> Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>43</b>		
	<b>44</b>		

**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)**

**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 4.5 through 50 on page 11 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (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 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including an 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**.)

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

**Part VII** **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 11 of the instructions.)

**51** Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

**a** Transfers from the reporting organization to a noncharitable exempt organization or

- (i) Cash
- (ii) Other assets

**b** Other transactions

- (i) Sales or exchanges of assets with a noncharitable exempt organization
- (ii) Purchases of assets from a noncharitable exempt organization
- (iii) Rental of facilities, equipment, or other assets
- (iv) Reimbursement arrangements
- (v) Loans or loan guarantees
- (vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

**d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
<b>51a(i)</b>		No
<b>a(ii)</b>		No
<b>b(i)</b>		No
<b>b(ii)</b>		No
<b>b(iii)</b>		No
<b>b(iv)</b>		No
<b>b(v)</b>		No
<b>b(vi)</b>		No
<b>c</b>		No

**52a** Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes  No

**b** If "Yes," complete the following schedule

## Additional Data

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

### Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
GAYLA M BUSH  100 MANSION ROAD EAST HERSHEY, PA 170330445	VP, TREASURER 40	0		
ROBERT F CAVANAUGH  2121 AVENUE OF THE STARS STE 3000 LOS ANGELES, CA 90067	DIRECTOR/MANAGER 25	0		
ANTHONY J COLISTRA  429 SIOUX DRIVE MECHANICSBURG, PA 17055	DIRECTOR/MANAGER 25	0		
RAYMOND L GOVER  905 GRANDON WAY MECHANICSBURG, PA 17050	DIRECTOR/MANAGER 25	0		
PETER GURT  POBOX 830 HERSHEY, PA 17033	VP-STUDENT LIFE DIV 40	207,530	37,491	23,529
RICHARD H LENNY  100 CRYSTAL A DRIVE HERSHEY, PA 17033	DIRECTOR/MANAGER 40	0		
DR JOAN S LIPSITZ  895 ASHTON FEARRINGTON POST PITTSBORO, NC 27312	DIRECTOR/MANAGER 25	0		
NICK NISSLER  745 HOMESTEAD LANE HERSHEY, PA 17033	VP - WORKFORCE PLNG 40	154,446	32,071	21,033
JOHN O'BRIEN  2261 GATES ROAD HERSHEY, PA 17033	PRESIDENT 40	297,660	37,546	81,239
JOHN O'BRIEN  2261 GATES ROAD HERSHEY, PA 17033	PRESIDENT 0	200,000		

## Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
HILARY C PENNINGTON  232 PROSPECT STREET BELMONT, MA 02478	DIRECTOR/MANAGER 25	0		
VELMA Q REDMOND ESQ  800 HERSHEY PARK DRIVE HERSHEY, PA 17033	DIRECTOR/MANAGER 25	0		
ELLIOTT H ROBINSON  PO BOX 830 HERSHEY, PA 17033	VP - ADMINISTRATION 40	55,577	3,326	7,654
JULIET C ROWLAND  5815 BASTILLE PLACE COLUMBUS, OH 43213	DIRECTOR/MANAGER 25	0		
JOSEPH M SENSER  416 JOHN STREET EDINA, MN 55343	DIRECTOR/MANAGER 25	0		
JAMES SHEEHAN  PO BOX 830 HERSHEY, PA 17033	VP-LEGAL AFFAIRS 40	186,930	40,942	19,555
JOAN K SINGLETON  PO BOX 830 HERSHEY, PA 17033	VP - WORKFORCE 40	53,942	3,254	7,683
LEROY S ZIMMERMAN ESQ  213 MARKET STREET 8TH FLOOR HARRISBURG, PA 17101	DIRECTOR/MANAGER 25	0		
HERSHEY TRUST COMPANY  100 MANSION ROAD EAST HERSHEY, PA 17033	TRUSTEE 10	1,000		
RUBEN NAZARIO  920 BEACH DRIVE HERSHEY, PA 17033	0 0	184,320	47,120	23,270

**Form 990, Part VI, Line 80b - If "Yes", enter the name of the organization and whether it is exempt or nonexempt:**

Name of the Organization	Exempt	Nonexempt
THE HERSHEY COMPANY		
HERSHEY ENTERTAINMENT & RESORTS CO		
HERSHEY TRUST COMPANY		
MSHERSHEY FOUNDATION	X	

Form 4562

(Rev January 2006)  
Department of the  
Treasury  
Internal Revenue  
ServiceDepreciation and Amortization  
(Including Information on Listed Property)

OMB No 1545-0172

2005

Attachment  
Sequence No 67

► See separate instructions. ► Attach to your tax return.

Name(s) shown on return

MILTON HERSHEY SCHOOL &amp; SCHOOL TRUST

Business or activity to which this form relates

Identifying number

23-1353340

**Part I Election To Expense Certain Property Under Section 179***Note: If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount See the instructions for a higher limit for certain businesses . . . . .	1	\$105,000
2 Total cost of section 179 property placed in service (see instructions) . . . . .	2	
3 Threshold cost of section 179 property before reduction in limitation . . . . .	3	\$420,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0- . . . . .	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions . . . . .	5	

(a) Description of property

(b) Cost (business use only)

(c) Elected cost

6		
7 Listed property Enter the amount from line 29 . . . . .	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7 . . . . .	8	
9 Tentative deduction Enter the <b>smaller</b> of line 5 or line 8 . . . . .	9	
10 Carryover of disallowed deduction from line 13 of your 2004 Form 4562 . . . . .	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions) . . . . .	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11 . . . . .	12	
13 Carryover of disallowed deduction to 2006 Add lines 9 and 10, less line 12 ► 13		

*Note: Do not use Part II or Part III below for listed property. Instead, use Part V.***Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions.)**

14 Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property (other than listed property) placed in service during the tax year (see instructions) . . . . .	14	
15 Property subject to section 168(f)(1) election . . . . .	15	
16 Other depreciation (including ACRS) . . . . .	16	0

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)****Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2005 . . . . .	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ►		

**Section B—Assets Placed in Service During 2005 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property		25 yrs			S/L	
h Residential rental property		27 5 yrs	MM		S/L	
		27 5 yrs	MM		S/L	
i Nonresidential real property		39 yrs	MM		S/L	
			MM		S/L	

**Section C—Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year		12 yrs			S/L	
c 40-year		40 yrs	MM		S/L	

**Part IV Summary (see instructions)**

21 Listed property Enter amount from line 28 . . . . .	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instr . . . . .	22	0
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .	23	

**Part V**

**Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)**

**24a** Do you have evidence to support the business/investment use claimed?  Yes  No **24b** If "Yes," is the evidence written?  Yes  No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation/deduction	(i) Elected section 179 cost
25 Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)					25			

**26** Property used more than 50% in a qualified business use

	%							
	%							
	%							

**27** Property used 50% or less in a qualified business use

	%			S/L -				
	%			S/L -				
	%			S/L -				

**28** Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 **28**

**29** Add amounts in column (i), line 26 Enter here and on line 7, page 1 **29**

**Section B—Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

**Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
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**42** Amortization of costs that begins during your 2005 tax year (see instructions)

43 Amortization of costs that began before your 2005 tax year				43	

44 Total. Add amounts in column (f) See the instructions for where to report	44
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## TY 2005 Cash Grants Paid Schedule

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST

**EIN:** 23-1353340

Class of Activity	Recipient's name	Address	Amount	Relationship
	POST-SECONDARY GRANTS	POBOX 445 HERSHEY, PA 17033	2,697,553	PROVIDES POST- SECONDARY GRANTS FOR ITS GRADUATES

## TY 2005 Compensation Explanation

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Person Name	Explanation
GAYLA M BUSH	INDIVIDUAL IS AN OFFICER OF A CONTROLLED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY (EIN 23-0692150) 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 RECEIVES A FEE OF \$1,000 FOR ITS SERVICES FROM 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 NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY
ROBERT F CAVANAUGH	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, AND THE HERSHEY COMPANY (EIN 23-0691590), A FOR-PROFIT, PUBLICLY TRADED COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION NONE OF THE COMPENSATION OR EMPLOYEE BENEFIT CONTRIBUTIONS IS PAID BY THE TAX-EXEMPT ENTITY
ANTHONY J COLISTRA	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, AND THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY ENTERTAINMENT & RESORTS COMPANY (EIN 23-0691815) THE CONTRIBUTION TO EMPLOYEE BENEFITS PLANS IS LONG TERM INCENTIVE THAT IS EARNED AND VESTED BUT NOT PAID BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY ENTERTAINMENT & RESORTS COMPANY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES WAS PAID BY THE TAX-EXEMPT ENTITY
RAYMOND L GOVER	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION NONE OF THE COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY
PETER GURT	THE MILTON HERSHEY SCHOOL BOARD OF MANAGERS' NOMINATING AND GOVERNANCE COMMITTEE OBTAINED AND RELIED UPON APPROPRIATE THIRD PARTY DATA AS TO COMPARABILITY, AND ADEQUATELY DOCUMENTED THE BASIS FOR DETERMINING EACH OFFICER'S COMPENSATION
RICHARD H LENNY	INDIVIDUAL IS THE CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HERSHEY COMPANY (EIN 23-0691590), A FOR-PROFIT, PUBLICLY TRADED COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION THE HERSHEY COMPANY, THE LEADING CONFECTIONERY COMPANY IN NORTH AMERICA, HAD REVENUES OF \$4.8 BILLION FOR 2005, AT DECEMBER 31, 2005, THE HERSHEY COMPANY HAD APPROXIMATELY 40,500 REGISTERED PUBLIC STOCKHOLDERS AND A MARKET CAPITALIZATION OF APPROXIMATELY \$13.3 BILLION ALL COMPENSATION ARRANGEMENTS AND AMOUNTS FOR MR LENNY AS CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HERSHEY COMPANY WERE ESTABLISHED AND SET BY THE COMPENSATION AND EXECUTIVE ORGANIZATION COMMITTEE AND BOARD OF DIRECTORS OF THE HERSHEY COMPANY BOTH HERSHEY'S COMPENSATION AND EXECUTIVE ORGANIZATION 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 COMPANY COMPENSATION COMMITTEE OBTAINED AND RELIED

Person Name	Explanation
DR JOAN S LIPSITZ	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY,
	HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION NONE OF THE
	COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY
NICK NISSLEY	THE MILTON HERSHEY SCHOOL BOARD OF MANAGERS' NOMINATING AND GOVERNANCE COMMITTEE OBTAINED AND
	RELIED UPON APPROPRIATE THIRD PARTY DATA AS TO COMPARABILITY, AND ADEQUATELY DOCUMENTED THE BASIS
	FOR DETERMINING EACH OFFICER'S COMPENSATION
JOHN O'BRIEN	SIMILAR TO OTHER EDUCATIONAL INSTITUTIONS, MILTON HERSHEY SCHOOL AND SCHOOL TRUST PROVIDES A HOME FOR
	THE PRESIDENT ON CAMPUS THE HOME IS PROVIDED FOR THE CONVENIENCE AND THE BENEFIT OF THE SCHOOL AS MANY
	SCHOOL FUNCTIONS AND OTHER RELATED ACTIVITIES ARE CONDUCTED AT THE HOME AS WELL AS ENCOURAGING
	STUDENT ACCESS THE FAIR VALUE OF THE HOME TO JOHN O'BRIEN IS INCLUDED IN COLUMN (E), EXPENSE ACCOUNT AND
	OTHER ALLOWANCES, IN THE AMOUNT OF \$62,162 THE MILTON HERSHEY SCHOOL BOARD OF MANAGERS' NOMINATING
	AND GOVERNANCE COMMITTEE OBTAINED AND RELIED UPON APPROPRIATE THIRD PARTY DATA AS TO COMPARABILITY,
	AND ADEQUATELY DOCUMENTED THE BASIS FOR DETERMINING EACH OFFICER'S COMPENSATION
JOHN O'BRIEN	REPORTED FOR JOHN O'BRIEN, MILTON HERSHEY SCHOOL PRESIDENT, IS A \$200,000 SPECIAL RETIREMENT PAYMENT IN
	LIEU OF AN EXECUTIVE RETIREMENT PLAN PURSUANT TO A CONTRACT WITH THE PRESIDENT WHICH WAS EXECUTED ON
	AUGUST 15, 2006 BY THE BOARD OF MANAGERS
HILARY C PENNINGTON	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY,
	HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION NONE OF THE
	COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY
VELMA Q REDMOND	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY,
	HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION NONE OF THE
ESQ	COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY

Person Name	Explanation
ELLIOTT H ROBINSON	STARTED EMPLOYMENT 4/01/06 THE MILTON HERSHEY SCHOOL BOARD OF MANAGERS' NOMINATING AND GOVERNANCE COMMITTEE OBTAINED AND RELIED UPON APPROPRIATE THIRD PARTY DATA AS TO COMPARABILITY, AND ADEQUATELY DOCUMENTED THE BASIS FOR DETERMINING EACH OFFICER'S COMPENSATION
JULIET C ROWLAND	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION NONE OF THE COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY
JOSEPH M SENSER	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION NONE OF THE COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY
JAMES SHEEHAN	THE MILTON HERSHEY SCHOOL BOARD OF MANAGERS' NOMINATING AND GOVERNANCE COMMITTEE OBTAINED AND RELIED UPON APPROPRIATE THIRD PARTY DATA AS TO COMPARABILITY, AND ADEQUATELY DOCUMENTED THE BASIS FOR DETERMINING EACH OFFICER'S COMPENSATION
JOAN K SINGLETON	STARTED EMPLOYMENT 4/01/06 THE MILTON HERSHEY SCHOOL BOARD OF MANAGERS' NOMINATING AND GOVERNANCE COMMITTEE OBTAINED AND RELIED UPON APPROPRIATE THIRD PARTY DATA AS TO COMPARABILITY, AND ADEQUATELY DOCUMENTED THE BASIS FOR DETERMINING EACH OFFICER'S COMPENSATION
LEROY S ZIMMERMAN ESQ	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, AND THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY ENTERTAINMENT & RESORTS COMPANY (EIN 23-0691815) THE CONTRIBUTION TO EMPLOYEE BENEFITS PLANS IS LONG TERM INCENTIVE THAT IS EARNED AND VESTED BUT NOT PAID BY THE WHOLLY-OWNDED FOR-PROFIT ENTITY, HERSHEY ENTERTAINENT & RESORTS COMPANY NONE OF THE COMPENSATION OR OTHER ALLOWANCES WAS PAID BY THE TAX-EXEMPT ENTITY

Person Name	Explanation
RUBEN NAZARIO	REPORTED FOR RUBEN NAZARIO, FORMER VICE PRESIDENT OF HUMAN RESOURCES AT THE MILTON HERSHEY SCHOOL IS \$254,710 WHICH INCLUDES COMPENSATION FOR THE PERIOD AUGUST 1, 2005 THROUGH JULY 31, 2006 MR NAZARIO WILL CONTINUE TO RECEIVE COMPENSATION THROUGH THE PERIOD ENDING JULY 31, 2007 AS PREVIOUSLY NOTED IN THE JULY 31, 2005 FORM 990 MR NAZARIO WILL BE AVAILABLE TO ASSIST THE SCHOOL DURING THIS DEFERRAL PERIOD FOR AT LEAST 10 HOURS PER WEEK

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

## TY 2005 Compensation Schedule

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST

**EIN:** 23-1353340

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
GAYLA M BUSH	HERSHEY TRUST CO	23-0692150		190,538	35,091		INDIVIDUAL IS AN OFFICER OF A CONTROLLED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY (EIN 23-0692150) 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 RECEIVES A FEE OF \$1,000 FOR ITS SERVICES FROM 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 NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY
ROBERT F CAVANAUGH	HERSHEY TRUST CO & THE HERSHEY CO	23-0692150		92,500	155,000		COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, AND THE HERSHEY COMPANY (EIN 23-0691590), A FOR-PROFIT, PUBLICLY TRADED COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION NONE OF THE COMPENSATION OR EMPLOYEE BENEFIT CONTRIBUTIONS IS PAID BY THE TAX-EXEMPT ENTITY
ANTHONY J COLISTRA	HERSHEY TRUST CO & HERSHEY E & R CO	23-0692150		145,750	55,887	10,953	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, AND THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY ENTERTAINMENT & RESORTS COMPANY (EIN 23-0691815) THE CONTRIBUTION TO EMPLOYEE BENEFITS PLANS IS LONG TERM INCENTIVE THAT IS EARNED AND VESTED BUT NOT PAID BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY ENTERTAINMENT & RESORTS COMPANY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES WAS PAID BY THE TAX-EXEMPT ENTITY
RAYMOND L GOVER	HERSHEY TRUST CO	23-0692150		100,000			COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION NONE OF THE COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
RICHARD H LENNY	THE HERSHEY COMPANY & HERSHEY TRUST	23-0691590		3,560,641	10,396,916	17,255	INDIVIDUAL IS THE CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HERSHEY COMPANY (EIN 23-0691590), A FOR-PROFIT, PUBLICLY TRADED COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION THE HERSHEY COMPANY, THE LEADING CONFECTIONERY COMPANY IN NORTH AMERICA, HAD REVENUES OF \$4.8 BILLION FOR 2005, AT DECEMBER 31, 2005, THE HERSHEY COMPANY HAD APPROXIMATELY 40,500 REGISTERED PUBLIC STOCKHOLDERS AND A MARKET CAPITALIZATION OF APPROXIMATELY \$13.3 BILLION. ALL COMPENSATION ARRANGEMENTS AND AMOUNTS FOR MR. LENNY AS CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HERSHEY COMPANY WERE ESTABLISHED AND SET BY THE COMPENSATION AND EXECUTIVE ORGANIZATION COMMITTEE AND BOARD OF DIRECTORS OF THE HERSHEY COMPANY. BOTH HERSHEY'S COMPENSATION AND EXECUTIVE ORGANIZATION 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 COMPANY COMPENSATION COMMITTEE OBTAINED AND RELIED UPON APPROPRIATE THIRD PARTY DATA AS TO COMPARABILITY, AND ADEQUATELY DOCUMENTED THE BASIS FOR DETERMINING MR. LENNY'S COMPENSATION. THE AMOUNT AND COMPOSITION OF MR. LENNY'S COMPENSATION IS BASED ON MARKETPLACE COMPETITIVE CONSIDERATIONS, FINANCIAL AND BUSINESS OBJECTIVES AND RESULTS ACHIEVED, AND IS CONSISTENT WITH THAT REPORTED IN HERSHEY'S PROXY STATEMENT ON FORM 14A FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION. COMPENSATION ALSO INCLUDES DIRECTOR FEES PAID BY HERSHEY TRUST COMPANY, A CONTROLLED FOR-PROFIT COMPANY.
DR JOAN S LIPSETZ	HERSHEY TRUST COMPANY	23-0691590		95,000			COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION. NONE OF THE COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY.
HILARY C PENNINGTON	HERSHEY TRUST COMPANY	23-0692150		90,000			COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION. NONE OF THE COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY.
VELMA Q REDMOND ESQ	HERSHEY TRUST COMPANY	23-0692150		101,667			COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION. NONE OF THE COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY.

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
JULIET C ROWLAND	HERSHEY TRUST COMPANY	23-0691590		84,583			COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION NONE OF THE COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY
JOSEPH M SENSER	HERSHEY TRUST COMPANY	23-0692150		90,000			COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION NONE OF THE COMPENSATION WAS PAID BY THE TAX-EXEMPT ENTITY
LEROY S ZIMMERMAN ESQ	HERSHEY TRUST CO & HERSHEY E & R CO	23-0691590		142,583		10,922	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, AND THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY ENTERTAINMENT & RESORTS COMPANY (EIN 23-0691815) THE CONTRIBUTION TO EMPLOYEE BENEFITS PLANS IS LONG TERM INCENTIVE THAT IS EARNED AND VESTED BUT NOT PAID BY THE WHOLLY-OWNDED FOR-PROFIT ENTITY, HERSHEY ENTERTAINENT & RESORTS COMPANY NONE OF THE COMPENSATION OR OTHER ALLOWANCES WAS PAID BY THE TAX-EXEMPT ENTITY
PENNONI ASSOCIATES	HERSHEY ENTERTAINMENT AND RESORTS	23-0691815		2,000			

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
CARETTI	HERSHEY ENTERTAINMENT AND RESORTS	23-0691815		223,521			
HANDWERK SITE CONTRACTORS	HERSHEY ENTERTAINMENT AND RESORTS	23-0691815		83,042			

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## TY 2005 Gain/Loss from Sale of Other Assets Schedule

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST

**EIN:** 23-1353340

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Sales Expenses	Total (net)	Accumulated Depreciation
PUMPKIN WORLD 6 67 A			2006-06		1,980,456	1,823,323		157,133	
LAND SALE ESCROW			2006-06		9,308			9,308	
RETIRED IMPROVEMENT						4,303		-4,303	
SCHOOL EQUIPMENT					15,366			15,366	

## TY 2005 Gain/Loss from Sale of Public Securities Schedule

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST

**EIN:** 23-1353340

**Gross Sales Price:** 871,364,843

**Basis:** 654,364,763

**Sales Expenses:**

**Total (net):** 217,000,080

## TY 2005 General Explanation Attachment

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Identifier	Return Reference	Explanation
PART III		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, 2006 PART III - STUDENT CARE Milton Hershey School provides, through its Elementary, Middle, and Senior Programs, an education and residential opportunity for approximately 1,369 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.

Identifier	Return Reference	Explanation
PART IV, LINE 55		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, 2006 PART IV, INVESTMENTS - LAND, BUILDINGS AND EQUIPMENT, LINE 55 Cost or Accumulated Book Other Basis Depreciation Value Land 50,941,443 0 50,941,443 Buildings & Improvements 15,416,178 7,625,922 7,790,256 Furniture & Equipment 311,553 311,553 0 66,669,174 7,937,475 58,731,699

Identifier	Return Reference	Explanation
PART IV, LINES 55B & 57B		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, 2006 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

Identifier	Return Reference	Explanation
PART IV, LINE 57		<p>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, 2006 PART IV, LAND, BUILDINGS AND EQUIPMENT, LINE 57 Cost or Accumulated Book Other Basis Depreciation Value Buildings &amp; Improvements 514,278,060 184,854,746 329,423,314 Construction in Progress 63,197,739 0 63,197,739 School machinery &amp; Fixtures 48,201,837 32,697,308 15,504,529 Trucks &amp; Buses 8,242,312 5,974,517 2,267,795 totals 633,919,948 223,526,571 410,393,377</p>

Identifier	Return Reference	Explanation
SCHEDULE A, PART III, LINE 3A		<p>MILTON HERSHY 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, 2006 SCHEDULE A, PART III, LINE 3a Pursuant to the Deed of Trust under which Milton Hershey School and School Trust (MHS&amp;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. The recipients of "benefits" disbursed from MHS&amp;ST are the students of Milton Hershey School. The Deed of Trust under which MHS&amp;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&amp;ST, in addition to meeting the other qualifications set forth in the Deed of Trust. To assure that these conditions are met, MHS&amp;ST makes an elaborate and detailed study of all applicants for enrollment</p>

<b>Identifier</b>	<b>Return Reference</b>	<b>Explanation</b>
SCHEDULE A, PART V, LINE 34A		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

Identifier	Return Reference	Explanation
PART II, LINE 22	PART II, LINE 22, GRANTS AND ALLOCATIONS	MILTON HERSHEY SCHOOL PROVIDES POST-SECONDARY GRANTS FOR ITS GRADUATES THE EXPENSE INCLUDES *AMOUNTS FOR THE 378 ELIGIBLE GRADUATES WHO ARE CURRENTLY ENROLLED IN A POST-SECONDARY INSTITUTION *AMOUNTS FOR THE 344 ELIGIBLE GRADUATES WHO ARE NOT CURRENTLY ENROLLED IN A POST-SECONDARY INSTITUTION *AMOUNTS FOR THE 473 CURRENT STUDENTS WHO ARE ELIGIBLE FOR THE GRANTS UPON GRADUATION

Identifier	Return Reference	Explanation
PART XI - CONTROLLED ENTITY DISCLOSURE	PART XI	CONTROLLED ENTITY INCOME RECEIVED INCOME AMOUNT HERSHEY TRUST COMPANY RENT \$236,468 HERSHEY ENTERTAINMENT AND RESORTS COMPANY RENT \$172,120 IN ADDITION, THE CONTROLLING ENTITY PAID \$563,898 TO HERSHEY ENTERTAINMENT AND RESORTS COMPANY FOR CATERING, HOTEL ROOMS, AND OTHER MISCELLANEOUS ITEMS IN THE ORDINARY COURSE OF BUSINESS THE CONTROLLING ENTITY PAID \$483,629 TO HERSHEY ENTERTAINMENT AND RESORTS COMPANY FOR CAPITAL IMPROVEMENTS, OPERATING EXPENSES AND MANAGEMENT FEES FOR THE MANAGEMENT OF THE SPRING CREEK GOLF COURSE OWNED BY THE CONTROLLING ENTITY THE CONTROLLING ENTITY PAID \$1,000 FEE TO HERSHEY TRUST COMPANY FOR TRUST SERVICES

Identifier	Return Reference	Explanation
PART II, DEPRECIATION	PART II, LINE 42	DESCRIPTION METHOD LIFE DEPRECIATION EXP BLDG AND IMPROV SL 15 - 50 \$19,629,665 MACH AND EQUIP SL 2 - 18 \$ 6,397,086 TRUCKS AND BUSES SL 2 - 10 \$ 880,752 TOTAL \$26,907,503

Identifier	Return Reference	Explanation
PART V, OFFICERS/DIRECTORS COMPENSATION	PART V-A	MILTON HERSHEY WAS A VISIONARY IN HIS DESIGN OF AN ORGANIZATIONAL STRUCTURE WHICH LIMITS THE COSTS OF MANAGING AND ADMINISTERING HIS CHARITIES, MILTON HERSHEY SCHOOL AND THE M S HERSHEY FOUNDATION HIS 1909 DEED OF TRUST, CREATING THE MILTON HERSHEY SCHOOL TRUST AND THE MILTON HERSHEY SCHOOL, PROHIBITS THE SCHOOL'S BOARD OF MANAGERS FROM BEING COMPENSATED FOR THEIR SERVICES MEMBERS OF THE SCHOOL'S BOARD, AND MEMBERS OF THE FOUNDATION BOARD, RECEIVE NO COMPENSATION FOR THEIR EFFORTS OVERSEEING THE CHARITIES BOARD MEMBERS SERVING ON THE FOR-PROFIT HERSHEY TRUST COMPANY, HERSHEY ENTERTAINMENT & RESORTS COMPANY AND THE HERSHEY COMPANY BOARDS ARE COMPENSATED COMMENSURATE WITH THEIR RESPONSIBILITIES ON EACH OF THE ENTERPRISES EACH BOARD OBTAINED AND RELIED UPON APPROPRIATE THIRD PARTY DATA AS TO COMPARABILITY IN DETERMINING THEIR DIRECTOR FEES MR HERSHEY ALSO SEVERELY LIMITED THE COMPENSATION TO THE HERSHEY TRUST COMPANY FOR MANAGING AND ADMINISTERING HIS CHARITIES HERSHEY TRUST COMPANY CAN NEVER CHARGE MORE THAN \$1,000 A YEAR FOR ITS WORK AS TRUSTEE TO THE SCHOOL TRUST THIS LIMIT IS STATED CLEARLY IN THE DEED HERSHEY TRUST COMPANY ALSO RECEIVES A \$1,000 FROM THE FOUNDATION

**TY 2005 Investments - Land Schedule****Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
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## TY 2005 Officer Compensation Schedule

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340**PETER GURT**

	Compensation	EE Benefit Plans	Expense Acct
Program Services	207,530	37,491	23,529
Mgmt & General			
Fundraising			

**NICK NISSLEY**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>	109,657	22,770	14,933
<b>Mgmt &amp; General</b>	44,789	9,301	6,100
<b>Fundraising</b>			

**JOHN O'BRIEN**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			
<b>Mgmt &amp; General</b>	297,660	37,546	81,239
<b>Fundraising</b>			

**JOHN O'BRIEN**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			
<b>Mgmt &amp; General</b>	200,000		
<b>Fundraising</b>			

**ELLIOTT H ROBINSON**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			
<b>Mgmt &amp; General</b>	55,577	3,326	7,654
<b>Fundraising</b>			

**JAMES SHEEHAN**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			
<b>Mgmt &amp; General</b>	186,930	40,942	19,555
<b>Fundraising</b>			

**JOAN K SINGLETON**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>	38,299	2,310	5,455
<b>Mgmt &amp; General</b>	15,643	944	2,228
<b>Fundraising</b>			

**HERSHEY TRUST COMPANY**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			
<b>Mgmt &amp; General</b>	1,000		
<b>Fundraising</b>			

## TY 2005 Other Assets Schedule

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Description	Beginning of Year Amount	End of Year Amount
INTANGIBLE PENSION ASSET	2,574,645	2,252,815

## TY 2005 Other Changes in Net Assets Schedule

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Description	Amount
UNAFFILIATED ISSUERS - PRINCIPAL FD	132,729,654
HERSHEY ENTERTAINMENT & RESORTS CO	33,417,000
MHS MINIMUM PENSION LIABILITY	9,282,575
THE HERSHEY COMPANY	699,095,362
HERSHEY TRUST COMPANY	2,827,518
INVESTMENTS IN UNAFFILIATED ISSUERS	3,724,659

**TY 2005 Other Expenses Included Schedule****Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Description	Amount
RENTAL EXPENSES	3,383,568

**TY 2005 Other Expenses  
Not Included Schedule**

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST

**EIN:** 23-1353340

<b>Description</b>	<b>Amount</b>
PROGRAM REVENUE	577,063

## TY 2005 Other Revenues Included Schedule

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Description	Amount
RENTAL EXPENSES	3,383,568

**TY 2005 Other Revenues  
Not Included Schedule**

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST

**EIN:** 23-1353340

<b>Description</b>	<b>Amount</b>
PROGRAM REVENUE	577,063

## TY 2005 Employee Compensation Explanation

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST

**EIN:** 23-1353340

Employee	Explanation
DAVID BURNS	REPORTED FOR DAVID BURNS, FORMER SENIOR DIRECTOR OF HUMAN RESOURCES AT MILTON HERSHEY SCHOOL, IS \$378,989 WHICH INCLUDES A ONE-TIME COBRA PAYMENT OF \$44,735 PLUS DEFERRED COMPENSATION OF \$166,550. THE DEFERRED COMPENSATION WILL BE PAID OVER A SIXTEEN MONTH PERIOD FROM AUGUST 1, 2006 THROUGH NOVEMBER 2007.
ROBERT FEHRS	
AL CARBONARA	
BETH SHAW	
ANNETTE COLE-GILL	

## TY 2005 Scholarship Award Statement

**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST

**EIN:** 23-1353340

**Statement:**

**TY 2005 Self Dealing Statement****Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Line Number	Explanation
2a	MHS&ST LEASED REAL ESTATE TO SUBSIDIARIES OF HERSHEY ENTERTAINMENT & RESORTS COMPANY, INC. (HERC). HERC IS WHOLLY OWNED BY MHS&ST. THE RENTAL INCOME FOR EACH OF THE LEASES IS REPORTED AS PART OF THIS FORM 990 RETURN ON PART I, LINE 6A AND ON FORM 990T, PART 1, LINE 8. THE TOTAL RENT PAID BY HERC WAS \$172,120. THE ARMS-LENGTH RENT WAS DETERMINED BASED UPON MARKET EVALUATION. HERC LEASES VARIOUS SCHOOL PROPERTIES IN DERRY TOWNSHIP PENNSYLVANIA WHICH ARE NOT CURRENTLY BEING USED BY THE SCHOOL (HIGH MEADOW CAMPGROUND, VACANT LAND ON ROUTE 322 AND BOATHOUSE ROAD, BARNS 5B & E ON SANDBEACH ROAD, GLENVIEW BARN ON SANDBEACH ROAD, UNION ON CLEARWATER, & COUNTRY CLUB BARN ON DERRY ROAD).

<b>Line Number</b>	<b>Explanation</b>
2c	MHS & ST PURCHASED VARIOUS COMMODITIES AND SERVICES NEEDED FOR ITS OPERATIONS FROM HERSHEY ENTERTAINMENT & RESORTS COMPANY, INC. AND THE HERSHEY COMPANY OR FROM SUBSIDIARIES THEREOF.

<b>Line Number</b>	<b>Explanation</b>
2d	A FEE OF \$1,000 FOR SERVICE AS FIDUCIARY IS PAID BY MHS & ST TO HERSHEY TRUST COMPANY. SEE ALSO FORM 990, PART V FOR COMPENSATION PAID TO OFFICERS.

Exempt Organization Declaration and Signature for  
Electronic FilingDepartment of the Treasury  
Internal Revenue ServiceFor calendar year 2005, or tax year beginning 08/01, 2005, and ending 07/31, 2006  
For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868  
► See instructions on back.

2005

Name of exempt organization

MILTON HERSHEY SCHOOL &amp; SCHOOL TRUST

Employer identification number  
23-1353340**Part I** Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8453-EO and enter the applicable amount from the return if any. If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b whichever is applicable, blank (i.e. do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1a Form 990 check here ►  b Total revenue, if any (Form 990, line 12) . . . . . 1b 376086327.

2a Form 990-EZ check here ►  b Total revenue, if any (Form 990-EZ, line 9) . . . . . 2b \_\_\_\_\_

3a Form 1120-POL check here ►  b Total tax (Form 1120-POL, line 22) . . . . . 3b \_\_\_\_\_

4a Form 990-PF check here ►  b Tax based on investment income (Form 990-PF, Part VI, line 5) 4b \_\_\_\_\_

5a Form 8868 check here ►  b Balance Due (Form 8868, line 3c) . . . . . 5b \_\_\_\_\_

**Part II** Declaration of Officer

6  I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

If a copy of this return is being filed with a state agency(s) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(s)

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2005 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund.

Sign Here ► Sayla M. Bush | 6/13/07 | VP FINANCE & TREASURER  
Signature of officer Date Title

**Part III** Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Publication 4206, Information for Authorized IRS e-file Providers for Exempt Organization Filings. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only	ERO's signature ► <u>Linda Wilson</u>	Date <u>6/12/07</u>	Check if also paid preparer <input checked="" type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN <u>P00367853</u>
	Firm's name (or yours if self-employed), address, and ZIP code ► <u>KPMG LLP</u> <u>1601 MARKET STREET</u> <u>PHILADELPHIA</u>				EIN <u>13-5565207</u>
					Phone no <u>202-533-3000</u>

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer's Use Only	Preparer's signature ► <u>Linda Wilson</u>	Date <u>6/12/07</u>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN <u>P00367853</u>
	Firm's name (or yours if self-employed), address, and ZIP code ► <u>KPMG LLP</u> <u>2001 M STREET, NW</u> <u>WASHINGTON, DC</u>			EIN <u>13-5565207</u>
				Phone no <u>202-533-3000</u>

For Privacy Act and Paperwork Reduction Act Notice, see back of form.

Form 8453-EO (2005)