

Form 990

Return of Organization Exempt From Income Tax

2006

Open to Public
InspectionDepartment of the
Treasury
Internal Revenue
ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

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

A For the 2006 calendar year, or tax year beginning 08-01-2006 and ending 07-31-2007

B Check if applicable

 Address change Name change Initial return Final return Amended return Application pending

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

C Name of organization
MILTON HERSHEY SCHOOL & SCHOOL TRUSTNumber and street (or P O box if mail is not delivered to street address)
PO BOX 445Room/suite
City or town, state or country, and ZIP + 4
HERSHEY, PA 17033

D Employer identification number

23-1353340

E Telephone number

(717) 534-3225

F 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 is not a 509(a)(3) supporting organization and its gross receipts are normally not more than 25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ► 1,461,457,308

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	Contributions to donor advised funds	1a		
b	Direct public support (not included on line 1a)	1b	3,105	
c	Indirect public support (not included on line 1a)	1c		
d	Government contributions (grants) (not included on line 1a)	1d		
e	Total (add lines 1a through 1d) (cash \$ 3,105 noncash \$)	1e	3,105	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	636,411	
3	Membership dues and assessments	3		
4	Interest on savings and temporary cash investments	4	6,793,601	
5	Dividends and interest from securities	5	157,229,899	
6a	Gross rents	6a	4,660,417	
b	Less rental expenses	6b	4,613,855	
c	Net rental income or (loss) subtract line 6b from line 6a	6c	46,562	
7	Other investment income (describe ►)	7		
8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
		1,292,112,875	8a	21,000
b	Less cost or other basis and sales expenses	8b	998,151,826	55,069
c	Gain or (loss) (attach schedule)	8c	293,961,049	-34,069
d	Net gain or (loss) Combine line 8c, columns (A) and (B)	8d	293,926,980	
9	Special events and activities (attach schedule) If any amount is from gaming, check here ►	9c		
a	Gross revenue (not including \$ of contributions reported on line 1b)	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	Total revenue Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	458,636,558	
13	Program services (from line 44, column (B))	13	111,572,189	
14	Management and general (from line 44, column (C))	14	49,835,804	
15	Fundraising (from line 44, column (D))	15		
16	Payments to affiliates (attach schedule)	16		
17	Total expenses Add lines 16 and 44, column (A)	17	161,407,993	
18	Excess or (deficit) for the year Subtract line 17 from line 12	18	297,228,565	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	8,296,087,271	
20	Other changes in net assets or fund balances (attach explanation) ►	20	-364,989,312	
21	Net assets or fund balances at end of year Combine lines 18, 19, and 20	21	8,228,326,524	

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
22a	Grants paid from donor advised funds (attach Schedule) (cash \$0 noncash \$0) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	22a			
22b	Other grants and allocations (attach schedule) (cash \$1,429,645 noncash \$0) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	22b	1,429,645	1,429,645	
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25a	Compensation of current officers, directors, key employees etc Listed in Part V-A (attach schedule)	25a	1,260,902	203,710	1,057,192
b	Compensation of former officers, directors, key employees etc listed in Part V-B (attach schedule)	25b	535,430		535,430
c	Compensation and other distributions not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c			
26	Salaries and wages of employees not included on lines 25a, b and c	26	52,087,925	44,628,118	7,459,807
27	Pension plan contributions not included on lines 25a, b and c	27	7,704,853	5,547,494	2,157,359
28	Employee benefits not included on lines 25a - 27	28	11,878,342	8,433,624	3,444,718
29	Payroll taxes	29	4,609,758	3,319,026	1,290,732
30	Professional fundraising fees	30			
31	Accounting fees	31	99,300	71,496	27,804
32	Legal fees	32	634,632	2,700	631,932
33	Supplies	33	2,385,553	2,047,507	338,046
34	Telephone	34	512,303	401,029	111,274
35	Postage and shipping	35	123,583	89,979	33,604
36	Occupancy	36	6,027,587	4,702,435	1,325,152
37	Equipment rental and maintenance	37	2,386,808	341,218	2,045,590
38	Printing and publications	38	162,409	83,682	78,727
39	Travel	39	1,218,549	1,056,427	162,122
40	Conferences, conventions, and meetings	40	219,266	142,659	76,607
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42	28,268,077	22,049,099	6,218,978
43	Other expenses not covered above (itemize)	43a			
a	See Additional Data Table	43b			
b		43c			
c		43d			
d		43e			
e		43f			
f		43g			
g					
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	161,407,993	111,572,189	49,835,804
					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 \$0, (ii) the amount allocated to Program services \$0, (iii) the amount allocated to Management and general \$0, and (iv) the amount allocated to Fundraising \$0

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.

<p>What is the organization's primary exempt purpose? <input checked="" type="checkbox"/> Milton Hershey School provides, through its Elementary, Middle, and Senior Programs, an education and residential opportunity for approximately 1,494 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</p>		Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
<p>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.)</p>		
<p>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</p>		
<p>(Grants and allocations \$)</p>		If this amount includes foreign grants, check here <input type="checkbox"/>
		46,821,215
<p>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</p>		
<p>(Grants and allocations \$)</p>		If this amount includes foreign grants, check here <input type="checkbox"/>
		44,777,458
<p>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</p>		
<p>(Grants and allocations \$)</p>		If this amount includes foreign grants, check here <input type="checkbox"/>
		19,973,516
d		
<p>(Grants and allocations \$)</p>		If this amount includes foreign grants, check here <input type="checkbox"/>
<p>e Other program services (attach schedule)</p>		
<p>(Grants and allocations \$)</p>		If this amount includes foreign grants, check here <input type="checkbox"/>
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) <input type="checkbox"/></p>		111,572,189

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year	(B) End of year
45 Cash—non-interest-bearing		45	
46 Savings and temporary cash investments		73,930,098	46 149,144,105
47a Accounts receivable	47a 23,862,548		
b Less allowance for doubtful accounts	47b	38,799,840	47c 23,862,548
48a Pledges receivable	48a		
b Less allowance for doubtful accounts	48b		48c
49 Grants receivable		49	
50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a
b Receivables from other disqualified persons (as defined under section 4958(c)(3)(B)) (attach schedule)			50b
51a Other notes and loans receivable (attach schedule)	51a		
b Less allowance for doubtful accounts	51b		51c
52 Inventories for sale or use		1,280,980	52 1,362,632
53 Prepaid expenses and deferred charges		1,520,653	53 1,567,863
54a Investments—publicly-traded securities	► <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	5,722,738,155	54a 5,140,428,785
b Investments—other securities (attach schedule)	► <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	2,132,187,206	54b <input checked="" type="checkbox"/> 2,451,319,666
55a Investments—land, buildings, and equipment basis	55a 74,235,857		
b Less accumulated depreciation (attach schedule)	55b 8,869,260	58,731,699	55c <input checked="" type="checkbox"/> 65,366,597
56 Investments—other (attach schedule)			56
57a Land, buildings, and equipment basis	57a 795,026,845		
b Less accumulated depreciation (attach schedule)	57b 246,971,167	410,393,377	57c 548,055,678
58 Other assets, including program-related investments (describe ►)		2,252,815	58 0
59 Total assets (must equal line 74) Add lines 45 through 58		8,441,834,823	59 8,381,107,874
60 Accounts payable and accrued expenses		145,747,552	60 152,781,350
61 Grants payable			61
62 Deferred revenue			62
63 Loans from officers, directors, trustees, and key employees (attach schedule)			63
64a Tax-exempt bond liabilities (attach schedule)			64a
b Mortgages and other notes payable (attach schedule)			64b
65 Other liabilities (describe ►)			65
66 Total liabilities Add lines 60 through 65		145,747,552	66 152,781,350
Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
67 Unrestricted		1,066,381,318	67 1,123,848,304
68 Temporarily restricted			68
69 Permanently restricted		7,229,705,953	69 7,104,478,220
Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 70 through 74			
70 Capital stock, trust principal, or current funds			70
71 Paid-in or capital surplus, or land, building, and equipment fund			71
72 Retained earnings, endowment, accumulated income, or other funds			72
73 Total net assets or fund balances Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)		8,296,087,271	73 8,228,326,524
74 Total liabilities and net assets / fund balances Add lines 66 and 73		8,441,834,823	74 8,381,107,874

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

a	Total revenue, gains, and other support per audited financial statements	a	761,388,908
b	Amounts included on line a but not on Part I, line 12		
1	Net unrealized gains on investments	b1	298,770,288
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify) <input checked="" type="checkbox"/>	b4	4,618,473
	Add lines b1 through b4	b	303,388,761
c	Subtract line b from line a	c	458,000,147
d	Amounts included on Part I, line 12, but not on line a		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) <input checked="" type="checkbox"/>	d2	636,411
	Add lines d1 and d2	d	303,388,761
e	Total revenue (Part I, line 12) Add lines c and d ►	e	458,636,558

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

a	Total expenses and losses per audited financial statements	a	814,011,75
b	Amounts included on line a but not on Part I, line 17		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	648,621,704
4	Other (specify) <u> </u>	b4	4,618,473
	Add lines b1 through b4		
c	Subtract line b from line a	b	653,240,17
d	Amounts included on Part I, line 17, but not on line a :	c	160,771,58
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) <u> </u>	d2	636,411
	Add lines d1 and d2	d	636,411
e	Total expenses (Part I, line 17) Add lines c and d	e	161,407,99

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.)

(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
See Additional Data Table				

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)				Yes	No
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)	75b			No	
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 the organization? See the instructions for the definition of "related organization"	75c	Yes			
If "Yes," attach a statement that includes the information described in the instructions	75d	Yes			
d Does the organization have a written conflict of interest policy?	75d	Yes			

Part V-B 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.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (If not paid enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
RUBEN NAZARIO	0	193,165	51,105	23,449
100 MANSION ROAD EAST Hershey, PA 17033				
DAVID BURNS	0	144,343	0	0
100 MANSION ROAD EAST HERSHEY, PA 17033				
LAWRENCE DAVENPORT	0	30,797	0	0
100 MANSION ROAD EAST HERSHEY, PA 17033				
MAVIS KELLEY	0	32,941	0	0
100 MANSION ROAD EAST HERSHEY, PA 17033				
WILLIAM LEPLEY	0	134,184	0	0
100 MANSION ROAD EAST HERSHEY, PA 17033				

Part VI Other Information (See the instructions.)

Part VI Other Information (See the instructions.)			Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76		No	
77 Were any changes made in the organizing or governing documents but not reported to the IRS?	77		No	
If "Yes," attach a conformed copy of the changes				
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	Yes		
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	Yes		
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		No	
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?	80a	Yes		
b If "Yes," enter the name of the organization ► See Additional Data Table				
and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt				
81a Enter direct or indirect political expenditures (See line 81 instructions)	81a			
b Did the organization file Form 1120-POL for this year?	81b		No	

Part VI Other Information (continued)

	Yes	No
82a 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 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	
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a Yes	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b Yes	
84a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85 <i>501(c)(4), (5), or (6) organizations.</i> a Were substantially all dues nondeductible by members?	85a	
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, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year		
c Dues assessments, and similar amounts from members	85c	
d Section 162(e) lobbying and political expenditures	85d	
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h 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?	85h	
86 <i>501(c)(7) orgs.</i> Enter a Initiation fees and capital contributions included on line 12	86a	0
b Gross receipts, included on line 12, for public use of club facilities	86b	0
87 <i>501(c)(12) orgs.</i> Enter a Gross income from members or shareholders	87a	0
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	0
88a 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	88a	Yes
b At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes complete Part XI	88b	Yes
89a <i>501(c)(3) organizations</i> Enter Amount of tax imposed on the organization during the year under section 4911 ► <u>0</u> , section 4912 ► <u>0</u> , section 4955 ► <u>0</u>	89a	
b <i>501(c)(3) and 501(c)(4) orgs.</i> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	No
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ► <u>0</u>	89c	0
d Enter Amount of tax on line 89c, above, reimbursed by the organization ► <u>0</u>	89d	0
e <i>All organizations.</i> At any time during the tax year was the organization a party to a prohibited tax shelter transaction?	89e	No
f <i>All organizations.</i> Did the organization acquire direct or indirect interest in any applicable insurance contract?	89f	No
g <i>For supporting organizations and sponsoring organizations maintaining donor advised funds.</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	No
90a List the states with which a copy of this return is filed ► <u>PA</u>		
b Number of employees employed in the pay period that includes March 12, 2006 (See instructions)	90b	1,306
91a The books are in care of ► <u>HERSHEY TRUST COMPANY</u> Telephone no ► <u>(717) 534-3225</u>		
100 MANSION ROAD EAST Located at ► <u>HERSHEY, PA</u>	ZIP + 4 ► <u>17033</u>	
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 ► <u>LU</u>		No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts		

Part VI Other Information (continued)

<input type="checkbox"/> At any time during the calendar year, did the organization maintain an office outside of the United States?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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If "Yes," enter the name of the foreign country ►	
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 —Check here ►	<input type="checkbox"/> 92

Part VII Analysis of Income-Producing Activities (See the instructions.)**Note:** Enter gross amounts unless otherwise indicated.

93 Program service revenue

a ENVIRONMENTAL EDU

b GENERAL ADMIN

c EXTERNAL RELATIONS

d OTHER

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

96 Dividends and interest from securities

97 Net rental income or (loss) from real estate

a debt-financed property

b non debt-financed property

98 Net rental income or (loss) from personal property

99 Other investment income

100 Gain or (loss) from sales of assets other than inventory

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))

105 Total (add line 104, columns (B), (D), and (E)) ►

458,633,453

Note: Line 105 plus line 1e, 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	10000 %	STATE BANK	12,844,847	69,883,651
HERSHEY ENTERTAINMT&RESORT CO 27 WEST CHOCOLATE AVENUE HERSHEY, PA17033 23-0691815	10000 %	RESORT	234,229,016	233,263,525
	%			
	%			

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

<input type="checkbox"/> Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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

Part XI Information Regarding Transfers To and From Controlled Entities Complete only if the organization is a controlling organization as defined in section 512(b)(13)

106	Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	Yes	No
		Yes	

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
	Totals			1,355,409

107	Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	Yes	No
		Yes	

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
	Totals			790,498

108	Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?	Yes	No
		Yes	

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge		
	Signature of officer	2008-06-13	Date
	GAYLA M BUSH VP FINANCE and TREASURER		
	Type or print name and title		

Paid Preparer's Use Only	Preparer's signature	Date
	Firm's name (or yours if self-employed), address, and ZIP + 4	
	KPMG LLP	
2001 M STREET NW		
WASHINGTON, DC 20036		

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.)****2006**

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

Department of the
Treasury
Internal Revenue
Service

Name of the organization

MILTON HERSHEY SCHOOL & SCHOOL TRUST

Employer identification number

23-1353340

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 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
BETH SHAW 100 MANSION ROAD EAST HERSHEY, PA 17033	EXEC DIR STUDENT SVC 40 0	158,670	34,880	0
ROBERT FEHRS 100 MANSION ROAD EAST HERSHEY, PA 17033	MIDDLE HEAD DIVISION 40 0	158,341	42,813	23,270
AL CARBONARA 100 MANSION ROAD EAST HERSHEY, PA 17033	SR DIR FINANCE 40 0	157,636	34,327	0
PETER CASO 100 MANSION ROAD EAST HERSHEY, PA 17033	FORMER DENTIST 40 0	150,449	28,168	0
ANNETTE COLE GILL 100 MANSION ROAD EAST HERSHEY, PA 17033	ELEMENTARY DIV HEAD 40 0	132,160	32,971	7,813
Total number of other employees paid over \$50,000 ►	370			

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
REYNOLDS CONSTRUCTION MANAGEMENT 3300 N 3RD STREET HARRISBURG, PA 17110	CONSTRUCTION MGMT	4,011,449
TURNER CONSTRUCTION CO 104 INTERCHANGE PLACE SUITE 200 MONROE TWP, NJ 08831	CONSTRUCTION MGMT	1,908,199
SILCHESTER INTERNATIONAL INVESTORS 780 THIRD AVENUE 42ND FLOOR NEW YORK, NY 10017	INVESTMENT MGMT	1,442,004
BUCK SIMPERS ARCHITECT AND ASSOCIAT 715 NORTH ORANGE STREET WILMINGTON, DE 19801	ARCHITECTURAL SVCS	1,289,690
CAPITAL GUARDIAN TRUST CO 135 S STATE COLLEGE BOULEVARD BREA, CA 92821	INVESTMENT MGMT	1,269,830
Total number of others receiving over \$50,000 for professional services ►	63	

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 individuals or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
MOWERY AND SONS INC 1000 BENT CREEK BOULEVARD MECHANICSBURG, PA 17050	GENERAL CONTRACTOR	26,242,443
Wickersham Construction and Enginee PO Box 4397 LANCASTER, PA 17604	BUILDING CONTRACTOR	14,274,350
Edwin L Heim Electric Company 1900 Greenwood Street HARRISBURG, PA 17104	ELECTRIC CONTRACTOR	11,576,862
Caretti Inc PO BOX 331 CAMP HILL, PA 17011	Masonry Contractor	11,220,006
McClure Mechanical Services Inc 4101 North Sixth Street HARRISBURG, PA 17105	BUILDING CONTRACTOR	6,666,173
Total number of other contractors receiving over \$50,000 for other services ►	61	

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

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)

	Yes	No
1		No

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

2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) ►

- a** Sale, exchange, or leasing property?
- b** Lending of money or other extension of credit?
- c** Furnishing of goods, services, or facilities?
- d** Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?
- e** Transfer of any part of its income or assets?

2a	Yes	
2b		No
2c	Yes	
2d	Yes	
2e		No

3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments) ►

3a	Yes	
3b	Yes	

- b** Did the organization have a section 403(b) annuity plan for its employees?
- c** Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or structures? If "Yes" attach a detailed statement
- d** Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3c		No
3d		No

4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g

4a	Yes	
4b		No
4c		No

b Did the organization make any taxable distributions under section 4966?

4b		No
4c		No

c Did the organization make a distribution to a donor, donor advisor, or related person?

d Enter the total number of donor advised funds owned at the end of the tax year ►

--	--

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ►

--	--

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ►

--	--

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ►

--	--

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that 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 otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization

Type I Type II Type III - Functionally Integrated Type III - Other

Provide the following information about the supported organizations. (see page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support?
			Yes	No	
Total					►

14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24				26a	
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts				26b	
c Total support for section 509(a)(1) test. Enter line 24, column (e)				26c	
d Add Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____				26d	
e Public support (line 26c minus line 26d total)				26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				26f	
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year					
(2005) _____ (2004) _____ (2003) _____ (2002) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2) , enter the sum of these differences (the excess amounts) for each year					
(2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____				27c	
d Add Line 27a total _____ and line 27b total _____				27d	
e Public support (line 27c total minus line 27d total)				27e	
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ► 27f					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g	
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h	
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15					

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

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	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) THE APPLICATION FOR ADMISSION STATES "MILTON HERSHEY SCHOOL ADMITS STUDENTS OF ANY RACE AND DOES NOT DISCRIMINATE IN THE ADMINISTRATION OF ITS POLICIES AND PROGRAMS " (SEE STATEMENT 2)	31	Yes
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	Yes
b Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	32b	Yes
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	Yes
d Copies of all material used by the organization or on its behalf to solicit contributions?	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?	33a	No
b Admissions policies?	33b	No
c Employment of faculty or administrative staff?	33c	No
d Scholarships or other financial assistance?	33d	No
e Educational policies?	33e	No
f Use of facilities?	33f	No
g Athletic programs?	33g	No
h Other extracurricular activities?	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 10 of the instructions.
(To be completed **ONLY** by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount Enter the amount from the following table—			
If the amount on line 40 is—	The lobbying nontaxable amount is—		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)			
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36			
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38			

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 45 through 50 on page 13 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines **c** through **h**)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (Add lines **c** through **h**.)

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 13 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
51a(i)		No
a(ii)		No
b(i)		No
b(ii)		No
b(iii)		No
b(iv)		No
b(v)		No
b(vi)		No
c		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 II, Line 43 - Other expenses not covered above (itemize):

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
a EXPENSE OF THE TRUST	43a	1,120,941		1,120,941	
b OUTSIDE MANAGER FEE	43b	14,215,503		14,215,503	
c COMPUTER SOFTWARE, ETC	43c	593,705	505,691	88,014	
d FOOD CLOTHING & PROVISIONS	43d	5,375,881	5,251,320	124,561	
e CONTRACTED SVCS/CONSULTING	43e	5,187,029	2,949,181	2,237,848	
f GROUNDS MAINTENANCE	43f	674,225	419,368	254,857	
g GENERAL INSURANCE	43g	1,269,297	789,503	479,794	
h PROFESSIONAL IMPROVEMENT	43h	588,760	366,209	222,551	
i STUDENT HOME MGT ACCOUNT	43i	659,959	410,494	249,465	
j ADVERTISEMENT/RECRUITMENT	43j	1,463,025	910,002	553,023	
k ULTIMATE LOSS PROVISION	43k	1,050,800	653,598	397,202	
l ASBESTOS REMOVAL PROVISION	43l	1,237,279	769,588	467,691	
m PHARMACEUTICALS	43m	883,320	549,425	333,895	
n ALL OTHER EXPENSES	43n	5,543,347	3,447,962	2,095,385	

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 17033	VP AND TREASURER 400	0	0	0
ROBERT F CAVANAUGH  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 100	0	0	0
ANTHONY J COLISTRA  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 100	0	0	0
RAYMOND L GOVER  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 100	0	0	0
PETER GURT  100 MANSION ROAD EAST Hershey, PA 17033	VP STUDENT LIFE DIVISION 400	203,710	55,694	23,552
RICHARD H LENNY  100 MANSION ROAD EAST Hershey, PA 17033	DIRECTOR AND MANAGER 100	0	0	0
DR JOAN S LIPSITZ  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 100	0	0	0
JOHN O BRIEN  100 MANSION ROAD EAST Hershey, PA 17033	PRESIDENT 400	336,162	51,258	77,099
JOHN O BRIEN  100 MANSION ROAD EAST Hershey, PA 17033	PRESIDENT 400	200,000	0	0
VELMA A REDMOND ESQ  100 MANSION ROAD EAST Hershey, PA 17033	DIRECTOR AND MANAGER 100	0	0	0

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
JULIET C ROWLAND  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 100	0	0	0
JOSEPH M SENSER  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 100	0	0	0
JAMES SHEEHAN  100 MANSION ROAD EAST HERSHEY, PA 17033	VP LEGAL AFFAIRS 400	181,550	60,707	23,546
LEROY S ZIMMERMAN ESQ  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 100	0	0	0
HERSHEY TRUST COMPANY  100 MANSION ROAD EAST Hershey, PA 17101	TRUSTEE 400	1,000	0	0
ELLIOTT ROBINSON  100 MANSION ROAD EAST HERSHEY, PA 17033	VP Administration 400	171,766	37,419	28,392
JOAN SINGLETON  100 MANSION ROAD EAST HERSHEY, PA 17033	VP Workforce 400	166,714	35,350	32,661
JAMES E NEVELS  100 MANSION ROAD EAST HERSHEY, PA 17033	Director AND Manager 100	0	0	0
HILARY C PENNINGTON  100 MANSION ROAD EAST HERSHEY, PA 17033	Director AND Manager 100	0	0	0

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		X
HERSHEY ENTERTAINMENT & RESORTS CO		X
HERSHEY TRUST COMPANY		X
MS HERSHEY FOUNDATION	X	

TY 2006 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	PO BOX 445 HERSHEY, PA 17033	1,429,645	VARIOUS GRADUATES OF MILTON HERSHEY SCHOOL

TY 2006 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, EMPLOYEE BENEFIT CONTRIBUTIONS, OR OTHER ALLOWANCES ARE 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, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES 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 \$4.9 BILLION FOR 2006, AT DECEMBER 31, 2006, THE HERSHEY COMPANY HAD APPROXIMATELY 41,000 REGISTERED PUBLIC STOCKHOLDERS AND A MARKET CAPITALIZATION OF APPROXIMATELY \$11.5 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
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, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY
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 \$59,881 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 HAD 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
VELMA A REDMOND ESQ	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, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY
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, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS 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, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS 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
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 BENEFIT 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 IS PAID BY THE TAX-EXEMPT ENTITY
ELLIOTT ROBINSON	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 SINGLETON	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
JAMES E NEVELS	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, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY
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, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY

TY 2006 Compensation Explanation

Name: MILTON HERSHEY SCHOOL & SCHOOL TRUST

EIN: 23-1353340

Person Name	Explanation
RUBEN NAZARIO	REPORTED FOR RUBEN NAZARIO, FORMER VICE PRESIDENT OF HUMAN RESOURCES IS \$267,719, WHICH INCLUDES COMPENSATION FOR THE PERIOD AUGUST 1, 2006 THROUGH JULY 31, 2007 THESE PAYMENTS COMPLETE THE SCHOOL'S OBLIGATION TO MR NAZARIO THE LENGTH OF THE PERIOD THAT MR NAZARIO WAS TO RECEIVE PAYMENTS WAS PREVIOUSLY NOTED IN THE JULY 31, 2005 FILING OF THE FORM 990
DAVID BURNS	REPORTED FOR DAVID BURNS, FORMER SENIOR DIRECTOR OF HUMAN RESOURCES IS \$144,343 WHICH WAS NOTED AS PART OF DEFERRED COMPENSATION IN THE FISCAL YEAR ENDED JULY 31, 2006 FILING THE SCHOOL HAS AN ADDITIONAL OBLIGATION TO PAY \$22,007 WHICH WAS COMPLETED IN NOVEMBER 2007
LAWRENCE DAVENPORT	REPORTED FOR LAWRENCE DAVENPORT, FORMER VICE PRESIDENT, FINANCE & OPERATIONS IS \$30,797 WHICH REPRESENTS RETIREMENT PAYMENTS FOR THE PERIOD AUGUST 1, 2006 THROUGH JULY 31, 2007
MAVIS KELLEY	REPORTED FOR MAVIS KELLEY, FORMER VICE PRESIDENT, STUDENT LIFE IS \$32,941 WHICH REPRESENTS RETIREMENT PAYMENTS FOR THE PERIOD AUGUST 1, 2006 THROUGH JULY 31, 2007
WILLIAM LEPLEY	REPORTED FOR WILLIAM LEPLEY, FORMER PRESIDENT IS \$134,184 WHICH REPRESENTS RETIREMENT PAYMENTS FOR THE PERIOD AUGUST 1, 2006 THROUGH JULY 31, 2007

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

TY 2006 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 COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	190,462	36,768	0	INDIVIDUAL IS AN OFFICER OF A CONTROLLED FOR-PROFIT ENTITY, HERSHEY TRUST
ROBERT F CAVANAUGH	HERSHEY TRUST CO AND HERSHEY CO	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	100,000	165,000	0	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE
ANTHONY J COLISTRA	HERSHEY TRUST AND HERSHEY ENTERTAIN	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	280,156	50,674	10,206	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID BY THE WHOLLY-OWNED
RAYMOND L GOVER	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	107,746	0	0	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE
RICHARD H LENNY	HERSHEY TRUST CO AND HERSHEY CO	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	9,799,232	2,091,213	26,405	INDIVIDUAL IS THE CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE
DR JOAN S LIPSITZ	HERSHEY TRUST COMPANY	23-0691590	WHOLLY OWNED BY THE ORGANIZATION	99,872	0	0	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE
VELMA A REDMOND ESQ	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	117,357	0	0	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE
JULIET C ROWLAND	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	47,083	0	0	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE
JOSEPH M SENSER	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	102,454	0	0	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE
LEROY S ZIMMERMAN ESQ	HERSHEY TRUST AND HERSHEY ENTERTAIN	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	206,426	0	10,615	
JAMES E NEVELS	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	51,667	0	0	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE
HILARY C PENNINGTON	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	97,988	0	0	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE

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

TY 2006 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
FORD TRUCK			2006-11			6,498		- 6,498	
2 ACRES FARM 63 TO P			2007-01		21,000	171		20,829	
RETIRED IMPROVEMENTS			2007-07			43,782		- 43,782	
SCHOOL EQUIPMENT						4,618		- 4,618	

TY 2006 Gain/Loss from Sale of Public Securities Schedule

Name: MILTON HERSHEY SCHOOL & SCHOOL TRUST

EIN: 23-1353340

Gross Sales Price: 1,292,133,875

Basis: 998,206,895

Sales Expenses:

Total (net): 293,926,980

TY 2006 General Explanation Attachment

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

Identifier	Return Reference	Explanation
DETERMINING RECIPIENTS OF GRANTS FOR SCHOLARSHIPS, FELLOWSHIPS, ETC	SCHEDULE A, PART III, LINE 3A	Pursuant to the Deed of Trust under which Milton Hershey School and School Trust (MHS&ST) was created, a financial aid plan is provided for qualified students of Milton Hershey School to assure them of the opportunity to continue with post-secondary education. The recipients of "benefits" disbursed from MHS&ST are the students of Milton Hershey School. The Deed of Trust under which MHS&ST functions requires that a student must be a poor, healthy child who has attained his or her fourth birthday but shall not yet have attained his or her sixteenth birthday at the time of his or her admission, and who in the opinion of the Board of Managers is not receiving adequate care from one of his or her natural parents, is of good character and behavior, has potential for scholastic achievement, and is likely to benefit from the program offered by MHS&ST, in addition to meeting the other qualifications set forth in the Deed of Trust. To assure that these conditions are met, MHS&ST makes an elaborate and detailed study of all applicants for enrollment

Identifier	Return Reference	Explanation
NOTICE OF NON-DISCRIMINATORY POLICY AS TO STUDENTS	SCHEDULE A, PART V, LINE 31	<p>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). THE MILTON HERSHEY SCHOOL ADMITS STUDENTS OF ANY RACE, COLOR, NATIONAL, AND ETHNIC ORIGIN TO ALL THE RIGHTS, PRIVILEGES, PROGRAMS, AND ACTIVITIES GENERALLY ACCORDED OR MADE AVAILABLE TO STUDENTS AT THE SCHOOL. IT DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, NATIONAL, AND ETHNIC ORIGIN IN ADMINISTRATION OF ITS EDUCATIONAL POLICIES, SCHOLARSHIPS, AND ATHLETIC AND OTHER SCHOOL ADMINISTERED PROGRAMS.</p>

Identifier	Return Reference	Explanation
FINANCIAL AID OR ASSISTANCE FROM A GOVERNMENTAL AGENCY	SCHEDULE A, PART V, LINE 34a	MILTON HERSHEY SCHOOL PARTCIPATES IN A BOOK LOAN PROGRAM THROUGH THE PA STATE DEPARTMENT O F EDUCATION WHICH MAKES BOOKS AVAILABLE DIRECTLY TO STUDENTS THROUGH ACCESS-PA MILTON HER SHEY SCHOOL DOES NOT ITSELF RECEIVE ANY FINANCIAL AID

Identifier	Return Reference	Explanation
GRANTS AND ALLOCATIONS PAID	FORM 990, PART II, LINE 22B	PART II, Line 22B-Other Grants and allocations Milton Hershey School provides post-secondary grants for its graduates The expense includes Amounts for the 291 eligible graduates who are currently enrolled in a post-secondary institution Amounts for the 203 eligible graduates who are not currently enrolled in a post-secondary institution Amounts for the 507 current students who are eligible for the grants upon graduation

Identifier	Return Reference	Explanation
INVESTMENTS - LAND, BUILDINGS AND EQUIPMENT	FORM 990, PART IV, LINE 55	<p>COST OR ACCUMULATED BOOK OTHER BASIS DEPRECIATION VALUE ----- -</p> <p>LAND 54,621,173 0 54,621,173 BUILDINGS & IMPROVEMENTS 19,303,131 8,557,707 10,745,424 FU</p> <p>FURNITURE & EQUIPMENT 311,553 311,553 0 ----- ----- 74,235,857 8,869 ,260 65,366,597</p> <p>===== ===== ===== 07/31/2007 PART IV, LINES 55b & 57b A CCUMULATED</p> <p>DEPRECIATION 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</p>

Identifier	Return Reference	Explanation
LAND, BUILDINGS AND EQUIPMENT	FORM 990, PART IV, LINE 57	Cost or Accumulated Book Other Basis Depreciation Value ----- Buildings & Improvements 530,098,469 204,645,397 325,453,072 Construction in Progress 205,526,781 0 205,526,781 School machinery & Fixtures 50,356,362 35,859,809 14,496,553 Trucks & Buses 9,045,233 6,465,961 2,579,272 ----- Totals 795,026,845 246,971,167 548,055,678 ===== ===== =====

Identifier	Return Reference	Explanation
PART II, LINE 25 - ALLOCATION OF OFFICER'S SALARIES	PART II, STATEMENT 11 CLARIFICATION	SUMMARY OF OFFICERS COMPENSATION EXPENSE PROGRAM SERVICE EXPENSE \$ 203,710 MANAGEMENT AND GENERAL EXP \$1,057,192 TOTAL \$1,260,902 STATEMENT 11 INCLUDES THE CONTRIBUTION TO BENEFIT PLANS AND EXPENSE ACCOUNT ALLOWANCES IN THE TOTALS

TY 2006 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 2006 Investments - Securities Schedule**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Description	Book Value	Cost/FMV
HERSHEY ENTERTAINMENT & RESORT - OTHER	319,555,000	F
HERSHEY TRUST COMPANY - OTHER	52,050,933	F
COMMON STOCKS - OTHERS - OTHER	1,615,893,410	F
REIT STOCKS - OTHER	158,181,559	F
ALTERNATIVE ASSETS-MARKETABLE - OTHER	102,335,134	F
ALTERNATIVE ASSETS-NON MARKET - OTHER	174,471,376	F
REAL ESTATE - OTHER	28,832,254	F

TY 2006 Other Changes in Net Assets Schedule**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Description	Amount
HERSHEY TRUST COMPANY	859,546
HERSHEY ENTERTAINMENT & RESORTS CO	55,427,000
UNAFFILIATED ISSUERS - PRINCIPAL FD	242,484,242
MINIMUM PENSION LIABILITY	15,138,396
THE HERSHEY COMPANY	648,621,704

TY 2006 Other Expenses Included Schedule**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Description	Amount
LOSS ON SALE OF F&F	4,618
RENTAL EXPENSES	4,613,855

**TY 2006 Other Expenses
Not Included Schedule**

Name: MILTON HERSHEY SCHOOL & SCHOOL TRUST

EIN: 23-1353340

Description	Amount
PROGRAM REVENUE	636,411

TY 2006 Other Revenues Included Schedule

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

Description	Amount
RENTAL EXPENSES	4,613,855
SALE OF PROPERTIES	4,618

**TY 2006 Other Revenues
Not Included Schedule**

Name: MILTON HERSHEY SCHOOL & SCHOOL TRUST

EIN: 23-1353340

Description	Amount
PROGRAM REVENUE	636,411

TY 2006 Contractor Compensation Explanation

Name: MILTON HERSHEY SCHOOL & SCHOOL TRUST

EIN: 23-1353340

Contractor	Explanation
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TY 2006 Scholarship Award Statement

Name: MILTON HERSHEY SCHOOL & SCHOOL TRUST

EIN: 23-1353340

Statement: PURSUANT TO THE DEED OF TRUST UNDER WHICH MILTON HERSHEY SCHOOL AND SCHOOL TRUST (MHS&ST) WAS CREATED, A FINANCIAL AID PLAN IS PROVIDED FOR QUALIFIED STUDENTS OF MILTON HERSHEY SCHOOL TO ASSURE THEM OF THE OPPORTUNITY TO CONTINUE WITH POST-SECONDARY EDUCATION. THE RECIPIENTS OF "BENEFITS" DISBURSED FROM MHS&ST ARE THE STUDENTS OF MILTON HERSHEY SCHOOL. THE DEED OF TRUST UNDER WHICH MHS&ST FUNCTIONS REQUIRES THAT A STUDENT MUST BE A POOR, HEALTHY CHILD WHO HAS ATTAINED HIS OR HER FOURTH BIRTHDAY BUT SHALL NOT YET HAVE ATTAINED HIS OR HER SIXTEENTH BIRTHDAY AT THE TIME OF HIS OR HER ADMISSION, AND WHO IN THE OPINION OF THE BOARD OF MANAGERS IS NOT RECEIVING ADEQUATE CARE FROM ONE OF HIS OR HER NATURAL PARENTS, IS OF GOOD CHARCTER AND BEHAVIOR, HAS POTENTIAL FOR SCHOLASTIC ACHIEVEMENT, AND IS LIKELY TO BENEFIT FROM THE PROGRAM OFFERED BY MHS&ST, IN ADDITION TO MEETING THE OTHER QUALIFICATIONS SET FORTH IN THE DEED OF TRUST. TO ASSURE THAT THESE CONDITIONS ARE MET, MHS&ST MAKES AN ELABORATE AND DETAILED STUDY OF ALL APPLICANTS FOR ENROLLMENT.

TY 2006 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 I, LINE 8 . THE TOTAL RENT PAID BY HERC WAS \$197,043. 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 SAND BEACH ROAD, GLENVIEW BARN ON SAND BEACH ROAD, UNION ON CLEARWATER, & COUNTRY CLUB BARN ON DERRY ROAD).

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

Line Number	Explanation
2d	A FEE FOR SERVICE AS FIDUCIARY IS PAID BY MHS&ST TO HERSHEY TRUST COMPANY. SEE FORM 990, PART V-A FOR COMPENSATION PAID TO OFFICERS.

Form 8453-EO

Exempt Organization Declaration and Signature for
Electronic Filing

OMB No. 1545-1879

Department of the Treasury
Internal Revenue ServiceFor calendar year 2008, or tax year beginning 08/01, 2008, and ending 07/31, 2007

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

► See Instructions on back.

2006

Name of exempt organization

MILTON HERSHEY SCHOOL & 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 (that is, 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 458636558.

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

8 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 owing 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(ies) 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(ies).

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 2008 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

Greg Cross

Signature of officer

6/13/08

Date

VP FINANCE & TREASURER

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 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 of 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 signature ►	Date	Check if also paid preparer <input checked="" type="checkbox"/>	Check if self- employed <input type="checkbox"/>	ERO's SSN or PTIN <u>P00367853</u>
Use Only Firm's name (or years if self-employed), address, and ZIP code ► <u>KPMG LLP</u> <u>1601 MARKET STREET</u> <u>PHILADELPHIA</u>	PA 19103-2499	EIN 13-5565207		
		Phone no. 202-533-300		

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 ►	Date	Check if self- employed <input type="checkbox"/>	Preparer's SSN or PTIN <u>P00367853</u>
Firm's name (or years if self-employed), address, and ZIP code ► <u>KPMG LLP</u> <u>2001 M STREET NW</u> <u>WASHINGTON</u>	DC 20036	EIN 13-5565207	
		Phone no. 202-533-300	

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

Form 8453-EO (2007)