

Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2007

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 2007 calendar year, or tax year beginning 08-01-2007 and ending 07-31-2008

B Check if applicable

Please use IRS
label or
print or
type. See
Specific
Instruc-
tions.C Name of organization
MILTON HERSHEY SCHOOL & SCHOOL TRUST

D Employer identification number

23-1353340

E Telephone number

(717) 534-3225

F Accounting method Cash Accrual
 Other (specify) ► Address change Name change Initial return Final return Amended return Application pending* 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 ► 1,159,075,838

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	1a	
a	Contributions to donor advised funds	1b	
b	Direct public support (not included on line 1a)	1c	
c	Indirect public support (not included on line 1a)	1d	2,222
d	Government contributions (grants) (not included on line 1a)		
e	Total (add lines 1a through 1d) (cash \$ 2,222 noncash \$)	1e	2,222
2	Program service revenue including government fees and contracts (from Part VII, line 93) .	2	1,043,604
3	Membership dues and assessments	3	
4	Interest on savings and temporary cash investments	4	4,931,560
5	Dividends and interest from securities	5	168,259,749
6a	Gross rents	6a	5,083,877
b	Less rental expenses	6b	4,923,235
c	Net rental income or (loss) subtract line 6b from line 6a	6c	160,642
7	Other investment income (describe ►)	7	
8a	Gross amount from sales of assets	(A) Securities	(B) Other
	other than inventory	978,744,245	8a
b	Less cost or other basis and sales expenses	8b	1,010,581
c	Gain or (loss) (attach schedule)	8c	433,895
d	Net gain or (loss) Combine line 8c, columns (A) and (B)	8d	576,686
9	Special events and activities (attach schedule) If any amount is from gaming , check here ►		
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	389,127,274
13	Program services (from line 44, column (B))	13	131,831,736
14	Management and general (from line 44, column (C))	14	55,637,095
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	187,468,831
18	Excess or (deficit) for the year Subtract line 17 from line 12	18	201,658,443
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	8,228,326,524
20	Other changes in net assets or fund balances (attach explanation) ►	20	-1,124,589,408
21	Net assets or fund balances at end of year Combine lines 18, 19, and 20	21	7,305,395,559

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 \$5,004,834 noncash \$825,857) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	22b	5,830,691	5,830,691	
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	1,774,952	305,278	1,469,674
b	Compensation of former officers, directors, key employees etc listed in Part V-B (attach schedule) . . .	25b	269,521		269,521
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	58,987,043	50,496,270	8,490,773
27	Pension plan contributions not included on lines 25a, b and c . . .	27	5,838,957	4,204,049	1,634,908
28	Employee benefits not included on lines 25a - 27 . . .	28	17,175,511	12,508,861	4,666,650
29	Payroll taxes . . .	29	4,991,164	3,593,638	1,397,526
30	Professional fundraising fees . . .	30			
31	Accounting fees . . .	31	76,030	54,742	21,288
32	Legal fees . . .	32	400,720		400,720
33	Supplies . . .	33	3,878,544	2,864,285	1,014,259
34	Telephone . . .	34	544,374	400,688	143,686
35	Postage and shipping . . .	35	124,316	92,065	32,251
36	Occupancy . . .	36	6,637,171	5,177,018	1,460,153
37	Equipment rental and maintenance . . .	37	2,636,087	1,568,245	1,067,842
38	Printing and publications . . .	38	168,278	91,134	77,144
39	Travel . . .	39	1,152,999	1,054,297	98,702
40	Conferences, conventions, and meetings . . .	40	224,003	134,488	89,515
41	Interest . . .	41			
42	Depreciation, depletion, etc (attach schedule)	42	33,037,552	25,769,291	7,268,261
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	187,468,831	131,831,736	55,637,095
					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? ► MILTON HERSHEY SCHOOL PROVIDES, THROUGH ITS ELEMENTARY, MIDDLE, AND SENIOR PROGRAMS, AN EDUCATION AND RESIDENTIAL OPPORTUNITY FOR APPROXIMATELY 1,678 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>		<p>Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)</p>
<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 \$ 5,830,691) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>		59,120,956
<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 \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>		50,187,539
<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 \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>		22,523,241
d	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	
<p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>		
<p>e Other program services (attach schedule)</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>		
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) . . . ►</p>		131,831,736

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		149,144,105	46 83,829,138
47a Accounts receivable	47a 20,309,859		
b Less allowance for doubtful accounts	47b 23,862,548	47c	20,309,859
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		1,362,632	52 1,597,762
53 Prepaid expenses and deferred charges		1,567,863	53 1,891,854
54a Investments—publicly-traded securities	► <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	5,140,428,785	54a 4,667,808,750
b Investments—other securities (attach schedule)	► <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	2,451,319,666	54b <input checked="" type="checkbox"/> 2,001,822,296
55a Investments—land, buildings, and equipment basis	55a 83,189,100		
b Less accumulated depreciation (attach schedule)	55b 10,004,435	65,366,597	55c <input checked="" type="checkbox"/> 73,184,665
56 Investments—other (attach schedule)			56
57a Land, buildings, and equipment basis	57a 881,697,519		
b Less accumulated depreciation (attach schedule)	57b 278,741,095	548,055,678	57c 602,956,424
58 Other assets, including program-related investments (describe ►)		0	58 0
59 Total assets (must equal line 74) Add lines 45 through 58		8,381,107,874	59 7,453,400,748
60 Accounts payable and accrued expenses		152,781,350	60 148,005,189
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		152,781,350	66 148,005,189
Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
67 Unrestricted		1,123,848,304	67 1,072,221,936
68 Temporarily restricted			68
69 Permanently restricted		7,104,478,220	69 6,233,173,623
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)		8,228,326,524	73 7,305,395,559
74 Total liabilities and net assets / fund balances Add lines 66 and 73		8,381,107,874	74 7,453,400,748

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	393,006,906
b	Amounts included on line a but not on Part I, line 12		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify) 	b4	4,923,236
	Add lines b1 through b4	b	4,923,236
c	Subtract line b from line a	c	388,083,670
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) 	d2	1,043,604
	Add lines d1 and d2	d	4,923,236
e	Total revenue (Part I, line 12) Add lines c and d ►	e	389,127,274

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

a	Total expenses and losses per audited financial statements	a	1,304,973,237
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	1,113,624,774
4	Other (specify) <input checked="" type="checkbox"/>	b4	4,923,236
	Add lines b1 through b4		
c	Subtract line b from line a	b	1,118,548,010
d	Amounts included on Part I, line 17, but not on line a :	c	186,425,227
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) <input type="checkbox"/>	d2	1,043,604
	Add lines d1 and d2	d	1,043,604
e	Total expenses (Part I, line 17) Add lines c and d	e	187,468,831

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).

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

Part V-B Former Officers, Directors, Trustees, and Key Employees

Benefits (If any former officer, director, trustee, or key employee)

(described below) during the year, list that person below.

benefits in the appropriate column. See the instructions

Page 10 of 10

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
LAWRENCE DAVENPORT 7612 EAGLE POINT DRIVE DELRAY BEACH, FL 33446	0	30,797	0	0
MAVIS KELLEY 643 HEIDEN DRIVE HUMMELSTOWN, PA 17036	0	32,941	0	0
WILLIAM LEPLEY 14166 PINNACLE POINT DRIVE CLIVE, IA 50325	0	134,184	10,316	0
RUBEN NAZARIO 920 BEECH DRIVE HERSHEY, PA 17033	0	45,809	15,474	0

Part VI Other Information (See the instructions.)

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach detailed statement of each change

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

78a 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.) **81a**

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

Page 1 of 1

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?		
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
If "Yes," was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year		
c Dues assessments, and similar amounts from members	85c	
85c		
d Section 162(e) lobbying and political expenditures	85d	
85d		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
85e		
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
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
86a		
b Gross receipts, included on line 12, for public use of club facilities	86b	0
86b		
87 <i>501(c)(12) orgs.</i> Enter a Gross income from members or shareholders	87a	0
87a		
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
87b		
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>		
89b No		
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		
89c		
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
89d		
d Enter Amount of tax on line 89c, above, reimbursed by the organization		
89e No		
e <i>All organizations.</i> At any time during the tax year was the organization a party to a prohibited tax shelter transaction?		
89f No		
f <i>All organizations.</i> Did the organization acquire direct or indirect interest in any applicable insurance contract?		
89g		
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, 2007 (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>		
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)

c At any time during the calendar year, did the organization maintain an office outside of the United States?			91c	Yes	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 ► 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.

93 Program service revenue

a AG AND ENVIRONMENTAL EDUCATION

b PERFORMING ARTS ADMISSIONS

c SALE OF MISC MHS ITEMS

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)) ► **389,125,052**

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)

93A REVENUE IS PRIMARILY GENERATED FROM OUR AGRICULTURAL AND

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) Name	(D)	(E) End-of-year
HERSHEY TRUST COMPANY 100 MANSION ROAD EAST HERSHEY, PA17033 23-0692150	10000 %	STATE TRUST CO		
HERSHEY ENTERTAINMT&RESORT CO 27 WEST CHOCOLATE AVENUE HERSHEY, PA17033 23-0691815	10000 %	RESORT		
THE HERSHEY COMPANY 100 CRYSTAL A DRIVE HERSHEY, PA17033 23-0691590	8000 %	CONFECTIONERY		

Part X Information Regarding Transfers Associated with instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay pren

(b) Did the organization, during the year, pay premiums, directly or indirectly

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)

				Yes	No
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	

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	HERSHEY TRUST COMPANY 100 MANSION ROAD EAST HERSHEY, PA 17033	230692150	TRUST FEE	1,000
b	HERSHEY ENTERTAINMENT AND RESORTS CO 27 W CHOCOLATE AVENUE HERSHEY, PA 17033	230691815	CATERING, LODGING, LANDSCAPING, LAUNDRY, PARK TICKETS AND OTHER	532,934
c	HERSHEY ENTERTAINMENT AND RESORTS CO 27 W CHOCOLATE AVENUE HERSHEY, PA 17033	230691815	MGMT FEES, CAPITAL IMPROVEMENTS, OPERATING EXPENSES OF SPRING CREEK GOLF	309,723
Totals				843,657

				Yes	No
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	

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	HERSHEY TRUST COMPANY 100 MANSION ROAD EAST HERSHEY, PA 17033	230692150	RENT	249,758
b	HERSHEY TRUST COMPANY 100 MANSION ROAD EAST HERSHEY, PA 17033	230692150	DIVIDEND	500,000
c	HERSHEY ENTERTAINMENT AND RESORTS CO 27 W CHOCOLATE AVENUE HERSHEY, PA 17033	230691815	RENT	143,026
Totals				892,784

				Yes	No
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	

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				
	*****		2009-06-15		Date
	Signature of officer				

Paid Preparer's Use Only	Preparer's signature	WTAS	Date	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See Gen Inst W)
	Firm's name (or yours if self-employed), address, and ZIP + 4	WTAS LLC			EIN <input checked="" type="checkbox"/>
		335 Commerce Drive - Suite 201			Phone no <input checked="" type="checkbox"/> (215) 654-1600
		Fort Washington, PA 19034			

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.)

2007

► 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
ServiceName of the organization
MILTON HERSHEY SCHOOL & SCHOOL TRUST

Employer identification number

23-1353340

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
BETH SHAW 100 MANSION ROAD EAST HERSHEY, PA 17033	EX DIR STUDENT SVCS 40 0	164,600	36,168	0
ROBERT FEHRS 100 MANSION ROAD EAST HERSHEY, PA 17033	HEAD MIDDLE DIVISION 40 0	168,506	44,912	23,270
AL CARBONARA 100 MANSION ROAD EAST HERSHEY, PA 17033	SR DIRECTOR FINANCE 40 0	157,820	35,164	0
ANNETTE COLE GILL 100 MANSION ROAD EAST HERSHEY, PA 17033	HEAD ELEMENTARY DIV 40 0	139,730	34,491	7,813
MIKE WELLER 100 MANSION ROAD EAST HERSHEY, PA 17033	HEAD SENIOR DIVISION 40 0	131,635	13,464	0
Total number of other employees paid over \$50,000 ►	422			

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 STREET HARRISBURG, PA 17110	CONSTRUCTION MGMT	3,549,256
HERSHEY MEDICAL CENTER 500 University Drive HERSHEY, PA 17033	MEDICAL SERVICES	1,536,869
SILCHESTER INTERNATIONAL INVESTORS 780 THIRD AVENUE 42ND FLOOR NEW YORK, NY 10017	INVESTMENT MGMT	1,462,419
BOSTON COMPANY ONE BOSTON PLACE BOSTON, MA 02108	INVESTMENT MGMT	1,338,520
CAPITAL GUARDIAN TRUST CO 11100 SANTA MONICA BLVD LOS ANGELES, CA 90025	INVESTMENT MGMT	1,267,930
Total number of others receiving over \$50,000 for professional services ►	96	

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 2 for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SIMERAL CONSTRUCTION INC 129 W AIRPORT ROAD LITITZ, PA 17543	BUILDING CONTRACTOR	9,987,670
LIBERTY EXCAVATORS INC 4402 GETTYSBURG ROAD CAMP HILL, PA 17011	EXCAVATOR	6,655,891
EDWIN HEIM ELECTRIC COMPANY 1900 Greenwood Street HARRISBURG, PA 17104	ELECTRIC CONTRACTOR	5,790,777
EG STOLTZFUS CONSTRUCTION LLC 2127 NEW HOLLAND PIKE LANCASTER, PA 17601	BUILDING CONTRACTOR	5,463,718
MID STATE CONSTRUCTION 638 ANTOINE STREET HARRISBURG, PA 17110	BUILDING CONTRACTOR	3,815,972
Total number of other contractors receiving over \$50,000 for other services ►	74	

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	Yes	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.) ►

2a	Yes	
-----------	-----	--

- 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?

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	
-----------	-----	--

- b** Did the organization have a section 403(b) annuity plan for its employees?

3b	Yes	
-----------	-----	--

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

3c		No
-----------	--	----

- d** Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

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	
-----------	-----	--

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

4b		No
-----------	--	----

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

4c		No
-----------	--	----

- 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 331/3%** 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 331/3%** 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) 2006	(b) 2005	(c) 2004	(d) 2003	(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					
(2006) _____ (2005) _____ (2004) _____ (2003) _____					
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					
(2006) _____ (2005) _____ (2004) _____ (2003) _____					
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 5)	31	Yes
32	Does the organization maintain the following	32a	Yes
	a Records indicating the racial composition of the student body, faculty, and administrative staff?	32b	Yes
	b Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	32c	Yes
	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32d	Yes
	d Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
33	Does the organization discriminate by race in any way with respect to	33a	No
	a Students' rights or privileges?	33b	No
	b Admissions policies?	33c	No
	c Employment of faculty or administrative staff?	33d	No
	d Scholarships or other financial assistance?	33e	No
	e Educational policies?	33f	No
	f Use of facilities?	33g	No
	g Athletic programs?	33h	No
	h Other extracurricular activities?		
	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?	34b	No
	If you answered "Yes" to either 34a or b, please explain using an attached statement		
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 Check b if you checked "a" and "limited control" provisions apply

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

Caution: If there is an amount on either line 13 or line 14, you must file Form 1730.

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 11 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(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 12 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.

TY 2007 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	5,004,834	VARIOUS GRADUATES OF MILTON HERSHEY SCHOOL

TY 2007 Compensation Explanation

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

Person Name	Explanation
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 \$58,954. 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. THIS PAYMENT PERTAINS TO THE PERIOD JANUARY 1, 2007 THROUGH DECEMBER 31, 2007 AND WAS PAID FEBRUARY 8, 2008.
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.
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.
JAMES SHEEHAN	JAMES SHEEHAN IS ALSO SECRETARY OF MILTON HERSHEY SCHOOL AND SECRETARY & GENERAL COUNSEL-HERSHEY TRUST CO. 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. NO COMPENSATION WAS PAID BY HERSHEY TRUST COMPANY.
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.

Person Name	Explanation
HERSHEY TRUST COMPANY	Pursuant to the Deed of Trust certain employees of The Hershey Trust Company provided substantial (in excess of 50% of their time) real estate and investment management services to the Milton Hershey School and School Trust. Neither these employees, nor the Hershey Trust Company, are compensated by the Milton Hershey School or School Trust, other than the \$1,000 annual fee that The Hershey Trust Company receives
GAYLA M BUSH	INDIVIDUAL IS AN OFFICER OF A CONTROLLED FOR-PROFIT ENTITY, HERSHY TRUST COMPANY (EIN 23-0692150) COMPENSATION PAID BY A RELATED PARTY 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 HERSHY 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 SEE STATEMENT 30 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT
ROBERT F CAVANAUGH	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHY TRUST COMPANY, AND THE HERSHY COMPANY (EIN 23-0691590), A FOR-PROFIT, PUBLICLY TRADED COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION THE CONTRIBUTION TO EMPLOYEE BENEFIT PLANS IS UNVESTED AND DEFERRED COMPENSATION RECEIVED FROM THE HERSHY COMPANY SEE STATEMENT 30 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION OR EMPLOYEE BENEFIT CONTRIBUTIONS IS PAID BY THE TAX-EXEMPT ENTITY THE HOURS LISTED REPRESENT HOURS WORKED ON MILTON HERSHY SCHOOL AND SCHOOL TRUST MATTERS AND DO NOT INCLUDE HOURS DEVOTED TO HIS HERSHY COMPANY DUTIES
ANTHONY J COLISTRA ED D	RESIGNED FROM BOARD IN DECEMBER 2007 COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHY TRUST COMPANY, AND THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHY 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, HERSHY ENTERTAINMENT & RESORTS COMPANY SEE STATEMENT 30 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES WAS PAID BY THE TAX-EXEMPT ENTITY THE HOURS LISTED REPRESENT HOURS WORKED ON MILTON HERSHY SCHOOL AND SCHOOL TRUST MATTERS AND DO NOT INCLUDE HOURS DEVOTED TO HIS HERSHY ENTERTAINMENT & RESORTS DUTIES
RAYMOND L GOVER	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHY TRUST COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION SEE STATEMENT 30 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES WAS PAID BY THE TAX-EXEMPT ENTITY
RICHARD H LENNY	RESIGNED FROM BOARD IN SEPTEMBER 2007 INDIVIDUAL WAS AT THE TIME OF HIS RESIGNATION AS A DIRECTOR OF HERSHY TRUST COMPANY AND AS A MEMBER OF THE BOARD OF MANAGERS OF MILTON HERSHY SCHOOL ON SEPTEMBER 27, 2007, THE CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HERSHY COMPANY (EIN 23-0691590), A FOR-PROFIT, PUBLICLY TRADED COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION HERSHY COMPANY, THE LARGEST PRODUCER OF QUALITY CHOCOLATE IN NORTH AMERICA AND A GLOBAL LEADER IN CHOCOLATE AND SUGAR CONFECTIONERY, HAD REVENUES OF \$4.9 BILLION FOR 2007, AT DECEMBER 31, 2007, THE HERSHY COMPANY HAD APPROXIMATELY 41,000 REGISTERED PUBLIC STOCKHOLDERS AND A MARKET CAPITALIZATION OF APPROXIMATELY \$8.9 BILLION ALL COMPENSATION ARRANGEMENTS AND AMOUNTS FOR MR LENNY AS CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HERSHY COMPANY WERE ESTABLISHED BY THE COMPENSATION AND EXECUTIVE ORGANIZATION COMMITTEE OF THE BOARD OF DIRECTORS OF THE HERSHY COMPANY AND APPR

Person Name	Explanation
DR JOAN S LIPSITZ	RESIGNED FROM BOARD IN DECEMBER 2007 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 SEE STATEMENT 31 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY
JAMES MEAD	JOINED THE BOARD IN OCTOBER 2007 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 SEE STATEMENT 31 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY
JAMES E NEVELS	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 (JOINED HC BOARD 11/11/2007) THE CONTRIBUTION TO EMPLOYEE BENEFIT PLANS IS UNVESTED AND DEFERRED COMPENSATION RECEIVED FROM THE HERSHEY COMPANY SEE STATEMENT 31 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION OR EMPLOYEE BENEFIT CONTRIBUTIONS IS PAID BY THE TAX-EXEMPT ENTITY THE HOURS LISTED REPRESENT HOURS WORKED ON MILTON HERSHEY SCHOOL AND SCHOOL TRUST MATTERS AND DO NOT INCLUDE HOURS DEVOTED TO HIS HERSHEY COMPANY DUTIES
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 SEE STATEMENT 31 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY
ROBERT REESE ESQ	JOINED BOARD IN AUGUST 2007 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 SEE STATEMENT 31 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY
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 SEE STATEMENT 32 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY

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
JOHN O BRIEN  100 MANSION ROAD EAST Hershey, PA 17033	PRESIDENT 40 0	345,392	53,105	75,370
JOHN O BRIEN  100 MANSION ROAD EAST HERSHEY, PA 17033	PRESIDENT 0	200,000	0	0
PETER GURT  100 MANSION ROAD EAST HERSHY, PA 17033	VP STUDENT LIFE DIVISION 40 0	218,956	62,794	23,528
ELLIOTT ROBINSON  100 MANSION ROAD EAST HERSHY, PA 17033	VP ADMINISTRATION 40 0	178,140	62,698	23,388
JAMES SHEEHAN  100 MANSION ROAD EAST Hershey, PA 17033	VP LEGAL AFFAIRS 40 0	190,150	63,234	23,516
JOAN SINGLETON  100 MANSION ROAD EAST Hershey, PA 17033	VP WORKFORCE EFFECTIVENESS 40 0	172,900	57,239	23,542
HERSHEY TRUST COMPANY  100 MANSION ROAD EAST HERSHY, PA 17033	TRUSTEE 0	1,000	0	0
GAYLA M BUSH  100 MANSION ROAD EAST Hershey, PA 17033	TREASURER 50 0	0	0	0
ROBERT F CAVANAUGH  100 MANSION ROAD EAST Hershey, PA 17033	DIRECTOR AND MANAGER 5 5	0	0	0
ANTHONY J COLISTRA ED D  100 MANSION ROAD EAST Hershey, PA 17033	DIRECTOR AND MANAGER 4 0	0	0	0

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	4,483,777		4,483,777	
b OUTSIDE MANAGER EXPENSES	43b	15,067,520		15,067,520	
c COMPUTERS, LICENSES, SOFTWARE	43c	765,000	691,317	73,683	
d FOOD CLOTHING & PROVISIONS	43d	6,213,567	6,071,427	142,140	
e CONTRACTED SVCS/CONSULTING	43e	5,604,035	3,730,748	1,873,287	
f ALL OTHER EXPENSES	43f	7,087,800	3,930,528	3,157,272	
g STUDENT ADVERTISEMENT RECRUIT	43g	1,449,204	475,076	974,128	
h PROPERTY/CASUALTY INSURANCE	43h	1,192,796	930,381	262,415	
i PHARMACEUTICALS	43i	990,160	990,160		
j STUDENT HOME ACTIVITY FUND	43j	867,059	867,059		

Person Name	Explanation
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 SEE STATEMENT 32 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY
LEROY S ZIMMERNAM ESQ	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY TRUST COMPANY, THE WHOLLY-OWNED FOR-PROFIT ENTITY, HERSHEY ENTERTAINMENT & RESORTS COMPANY (EIN 23-0691815) AND THE HERSHEY COMPANY (EIN 23-0691590), A FOR-PROFIT, PUBLICLY TRADED COMPANY, VOTING CONTROL OF WHICH IS HELD BY THE TAX-EXEMPT ORGANIZATION (JOINED HC BOARD 11/11/07) THE CONTRIBUTION TO EMPLOYEE BENEFIT PLANS IS UNVESTED AND DEFERRED COMPENSATION FROM THE HERSHEY COMPANY SEE STATEMENT 32 FOR DETAIL OF COMPENSATION PAID BY RELATED ENTITY NONE OF THE COMPENSATION, EMPLOYEE BENEFIT CONTRIBUTIONS OR OTHER ALLOWANCES IS PAID BY THE TAX-EXEMPT ENTITY THE HOURS LISTED REPRESENT HOURS WORKED ON MILTON HERSHEY SCHOOL AND SCHOOL TRUST MATTERS AND DO NOT INCLUDE HOURS DEVOTED TO HIS HERSHEY COMPANY AND HERSHEY ENTERTAINMENT & RESORTS BOARD DUTIES

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
RAYMOND L GOVER  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 4 5	0	0	0
RICHARD H LENNY  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 2 5	0	0	0
DR JOAN S LIPSITZ  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 5 0	0	0	0
JAMES MEAD  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 3 0	0	0	0
JAMES E NEVELS  100 MANSION ROAD EAST Hershey, PA 17101	DIRECTOR AND MANAGER 5 0	0	0	0
HILARY C PENNINGTON  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 5 0	0	0	0
ROBERT REESE ESQ  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 50 0	0	0	0
VELMA A REDMOND ESQ  100 MANSION ROAD EAST HERSHEY, PA 17033	Director and Manager 3 5	0	0	0
JOSEPH M SENSER  100 MANSION ROAD EAST HERSHEY, PA 17033	Director and Manager 3 5	0	0	0
LEROY S ZIMMERNAM ESQ  100 MANSION ROAD EAST HERSHEY, PA 17033	DIRECTOR AND MANAGER 7 0	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	

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

TY 2007 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 ORGANIZATION	211,813	37,899	0	INDIVIDUAL IS AN OFFICER OF A CONTROLLED FOR-PROFIT ENTITY, HERSHEY TRUST
ROBERT F CAVANAUGH	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY ORGANIZATION	100,000	187,500	0	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE THE HERSHEY COMPANY 23-0691590 CONTROL INTEREST BY ORGANIZATION 187500
ANTHONY J COLISTRA ED D	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	144,417	0	12,714	RESIGNED FROM BOARD IN DECEMBER 2007 HERSHEY ENTERTAINMENT AND RESORTS 23-0691815 WHOLLY OWNED BY THE ORGANIZATION 91000 12714
RAYMOND L GOVER	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	110,000	0	492	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
RICHARD H LENNY	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	201,923	351,389	0	RESIGNED FROM BOARD IN SEPTEMBER 2007 THE HERSHEY COMPANY 23-0691590 CONTROLLING INTEREST BY THE ORG 181923 351389
DR JOAN S LIPSITZ	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	43,833	0	149	RESIGNED FROM BOARD IN DECEMBER 2007
JAMES MEAD	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	70,000	0	0	JOINED THE BOARD IN OCTOBER 2007
JAMES E NEVELS	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY ORGANIZATION	169,008	103,859	0	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE THE HERSHEY COMPANY 23-0691590 CONTROLLING INTEREST BY ORG 49008 103859

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
HILARY C PENNINGTON	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	95,000	0	0	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE
ROBERT REESE ESQ	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	118,333	0	0	JOINED BOARD IN AUGUST 2007
VELMA A REDMOND ESQ	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	110,000	0	264	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE
JOSEPH M SENSER	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	95,000	0	422	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
LEROY S ZIMMERNAM ESQ	HERSHEY TRUST COMPANY	23-0692150	WHOLLY OWNED BY THE ORGANIZATION	283,500	152,867	15,353	COMPENSATION CONSISTS ONLY OF DIRECTOR FEES PAID OR DEFERRED BY THE HERSHEY ENTERTAINMENT AND RESORTS 23-0691815 WHOLLY OWNED ORGANIZATION 128500 15353 THE HERSHEY COMPANY 23-0691590 CONTROL INTEREST BY ORGANIZATION 152867

TY 2007 General Explanation Attachment

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

Identifier	Return Reference	Explanation
DETAIL OF LONG-TERM CAPITAL GAINS AND LOSSES	FORM 990, PART I, SALES OF ASSETS OTHER THAN INVENTORY, LINE 8	OTHER SALES OR TRANSFERS SALES PRICE COST/BASIS GAIN/(LOSS) EASEMENT NEAR CATHERINE HALL 4,593 0 4,593 SALE OF WREN DALE EQUIPMENT TO HERC 438,078 423,388 14,690 12 052 ACRES TO S HANOVER TWP 458,036 9,707 448,329 WRITEOFF RETIRED IMPROVEMENTS 0 800 (800) SCHOOL EQUIPMENT DISPOSED OF 109,874 0 109,874 ----- 1,010,581 433,895 57 6,686 ===== SECURITY SALES VARIOUS PUBLICLY TRADED SECURITIES 978,744,245 764,591,434 214,152,811 ----- TOTAL 979,754,826 765,025,329 214,729,497 =====

Identifier	Return Reference	Explanation
DEPRECIATION, DEPLETION, ETC	FORM 990, PART II, LINE 42	DEPRECIATION PROGRAM MANAGEMENT EXPENSE SERVICES AND GENERAL A BUILDINGS & IMPROVEMENTS \$ 25,200,194 \$ 19,656,151 \$ 5,544,043 B SCHOOL MACHINERY & EQUIPMNT 6,922,684 5,399,694 1,52 2,990 C TRUCKS & BUSES 914,674 713,446 201,228 ----- ----- \$ 33,03 7,552 \$ 25,769,291 \$ 7,268,261 ===== ===== =====

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 57,620,301 0 57,620,301 BUILDINGS & IMPROVEMENTS 25,353,998 9,789,634 15,564,364 FU</p> <p>FURNITURE & EQUIPMENT 214,801 214,801 0 ----- 83,189,100 10,00 4,435</p> <p>73,184,665 ----- ----- ----- ----- AS OF JANUARY 1, 1974, BUILDINGS AND</p> <p>IMPROVEMENTS ARE DEPRECIATED ON A STRAIGHT LINE BASIS OVER THEIR ESTIMATED REMAINING</p> <p>USEFUL LIVES RANGING FROM FIFTEEN TO FIFTY YEARS BUILDINGS RECORDED IN THE PRINCIPAL</p> <p>FUND OF THE TRUST DO NOT REFLECT A PROVISION FOR DEPRECIATION, SINCE IT IS NOT A PROPER</p> <p>CHARGE TO THIS FUND UNDER THE DEED OF TRUST</p>

Identifier	Return Reference	Explanation
LAND, BUILDINGS AND EQUIPMENT	FORM 990, PART IV, LINE 57	<p>Cost or Accumulated Book Other Basis Depreciation Value ----- ----- -- Buildings & Improvements 726,144,068 230,030,874 496,113,194 Construction in Progress 8 2,909,930 0 82,909,930 School Machinery & Fixtures 62,583,875 41,725,862 20,858,013 Trucks & Buses 10,059,646 6,984,359 3,075,287 ----- Totals 881 ,697,519 278,741,095 602,956,424 ====== ====== ====== 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 DEED OF TRUST</p>

Identifier	Return Reference	Explanation
NOTICE OF NON-DISCRIMINATORY POLICY AS TO STUDENTS	SCHEDULE A, PART V, LINE 31	MHS&ST ENROLLS STUDENTS BEFORE THE START OF EACH ACADEMIC SEMESTER. THERE IS NO SPECIFIC PERIOD OF SOLICITATION OR REGISTRATION. IN ADDITION, ENROLLMENTS ARE MADE THROUGHOUT THE YEAR FOR EMERGENCY SITUATIONS. MHS 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 MAILINGS, NEWSPAPER SUPPLEMENTS, AND CATALOGS DEALING WITH STUDENT ADMISSIONS, PROGRAMS, AND SCHOLARSHIPS, THEREBY COMPLYING WITH THE PUBLICITY REQUIREMENT UNDER REV PROC 75-50, SEC 403,2(B)

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
HERSHEY FOOD CORPORATION	Form 990, Part IX	The Milton Hershey School & School Trust is the owner of 99.7% of The Hershey Company B shares. The B shares have added voting rights which gives the Milton Hershey School & School Trust 80% voting control of The Hershey Company.

TY 2007 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 2007 Investments - Securities Schedule**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Description	Book Value	Cost/FMV
HERSHEY ENTERTAINMENT RESORTS - OTHER	299,011,000	F
HERSHEY TRUST COMPANY - OTHER	45,493,558	F
FUNDS - OTHER - OTHER	1,186,985,566	F
REIT STOCKS - OTHER	122,838,225	F
ALTERNATIVE ASSETS-MARKETABLE - OTHER	73,170,720	F
ALTERNATIVE ASSETS-NON MARKET - OTHER	244,977,990	F
REAL ESTATE - OTHER	29,345,237	F

TY 2007 Non Cash Grants Paid Schedule

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

Item No.	1
Class of Activity	
Donee's Name	ACCRUED GRANTS TO MILTON HERSHEY SC
Donee's Address	PO BOX 445 HERSHEY, PA 17033
Amount (FMV)	
Relationship	VARIOUS GRADUATES OF MILTON HERSHEY SCHOOL
Description	
Book Value	825857
How Book Value is Determined?	
How FMV is Determined?	
Date of Gift	

TY 2007 Other Changes in Net Assets Schedule**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Description	Amount
MINIMUM PENSION LIABILITY	10,964,632
THE HERSHEY COMPANY	682,259,357
UNAFFILIATED ISSUERS	404,264,044
HERSHEY TRUST COMPANY	6,557,375
HERSHEY ENTERTAINMENT AND RESORTS CO	20,544,000

TY 2007 Other Expenses Included Schedule**Name:** MILTON HERSHEY SCHOOL & SCHOOL TRUST**EIN:** 23-1353340

Description	Amount
RENTAL EXPENSES	4,923,236

**TY 2007 Other Expenses
Not Included Schedule**

Name: MILTON HERSHEY SCHOOL & SCHOOL TRUST

EIN: 23-1353340

Description	Amount
PROGRAM REVENUE	1,043,604

TY 2007 Other Revenues Included Schedule

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

Description	Amount
RENTAL EXPENSES	4,923,236

**TY 2007 Other Revenues
Not Included Schedule**

Name: MILTON HERSHEY SCHOOL & SCHOOL TRUST

EIN: 23-1353340

Description	Amount
PROGRAM REVENUE	1,043,604

TY 2007 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 2007 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 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 \$143,026. 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, PINEHURST ON NORTHEAST DRIVE, AND COUNTY CLUB BARN ON DERRY ROAD).
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.
2d	A FEE FOR SERVICE AS FIDUCIARY IS PAID BY MHS&ST TO HERSHEY TRUST COMPANY. SEE FORM 990, PART V FOR COMPENSATION PAID TO OFFICERS.