

990

Form

Return of Organization Exempt From Income Tax

1997

Department of the Treasury
Internal Revenue Service

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

This Form Is
Open to Public
Inspection

Note: The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 1997 calendar year, OR tax year period beginning August 1, 1997, and ending July 31, 1998

B Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return (required also for State reporting)	C Name of organization Milton Hershey School & School Trust	D Employer identification number 23 1353340
	Number and street (or P.O. box if mail is not delivered to street address) P.O. Box 445	E State registration number
	City or town, state or country, and ZIP+4 Hershey, PA 17033	F Check <input type="checkbox"/> if exemption application is pending

G Type of organization Exempt under section 501(c)(3) (insert number) OR section 4947(a)(1) nonexempt charitable trust

Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H(a) Is this a group return filed for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	I If either box in H is checked "Yes," enter four-digit group exemption number (GEN) <input type="checkbox"/>
(b) If "Yes," enter the number of affiliates for which this return is filed: <input type="checkbox"/>	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) <input type="checkbox"/>
(c) Is this a separate return filed by an organization covered by a group ruling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 11.)

1 Contributions, gifts, grants, and similar amounts received:	1a	475	
a Direct public support	1b		
b Indirect public support	1c		
c Government contributions (grants)			
d Total (add lines 1a through 1c) (attach schedule of contributors) (cash \$ <u>475</u> noncash \$ <u></u>)	1d	475	
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	454,027	
3 Membership dues and assessments	3	0	
4 Interest on savings and temporary cash investments	4	6,447,624	
5 Dividends and interest from securities	5	103,695,917	
6a Gross rents	6a	3,799,111	
b Less: rental expenses	6b	1,870,263	
c Net rental income or (loss) (subtract line 6b from line 6a)	6c	1,928,848	
7 Other investment income (describe <input type="checkbox"/> see attached)	7	11,275,572	
8a Gross amount from sale of assets other than inventory	(A) Securities	(B) Other	
b Less: cost or other basis and sales expenses	1,401,044,666	8a 22,472	
c Gain or (loss) (attach schedule)	827,426,063	8b 5,592	
d Net gain or (loss) (combine line 8c, columns (A) and (B))	573,618,603	8c 16,880	
9 Special events and activities (attach schedule)	8d	573,635,483	
a Gross revenue (not including \$ <u></u> of contributions reported on line 1a)	9a		
b Less: direct expenses other than fundraising expenses	9b		
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c	0	
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	0	
11 Other revenue (from Part VII, line 103)	11	0	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	697,437,946	
13 Program services (from line 44, column (B))	13	66,383,889	
14 Management and general (from line 44, column (C))	14	13,866,886	
15 Fundraising (from line 44, column (D))	15	0	
16 Payments to affiliates (attach schedule)	16	0	
17 Total expenses (add lines 16 and 44, column (A))	17	80,250,775	
18 Expenses (deficit) for the year (subtract line 17 from line 12)	18	617,187,171	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	4,605,496,901	
20 Other changes in net assets or fund balances (attach explanation)	20	(222,375,353)	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	5,000,308,719	

SCANNED APR 09 1998

Revenue

D
16

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 15.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22	0		
23	Specific assistance to individuals (attach schedule)	23	0		
24	Benefits paid to or for members (attach schedule)	24	0		
25	Compensation of officers, directors, etc.	25	819,960	598,917	221,043
26	Other salaries and wages	26	27,156,084	25,620,458	1,535,626
27	Pension plan contributions	27	2,233,732	1,675,602	558,130
28	Other employee benefits	28	7,639,329	5,729,497	1,909,832
29	Payroll taxes	29	2,189,924	1,642,443	547,481
30	Professional fundraising fees	30	0	0	0
31	Accounting fees	31	26,800	20,100	6,700
32	Legal fees	32	311,821	146,997	164,824
33	Supplies	33	2,926,059	2,692,862	233,197
34	Telephone	34	380,988	359,702	21,286
35	Postage and shipping	35	109,791	86,276	23,515
36	Occupancy	36	3,359,514	2,779,690	579,824
37	Equipment rental and maintenance	37	1,486,219	1,263,286	222,933
38	Printing and publications	38	280,231	273,183	7,048
39	Travel	39	477,723	446,008	31,715
40	Conferences, conventions, and meetings	40	329,522	298,948	30,574
41	Interest	41	0	0	0
42	Depreciation, depletion, etc. (attach schedule)	42	12,286,626	12,286,626	0
43	Other expenses (itemize): a other	43a	2,293,765	794,968	1,498,797
b	General Insurance/Medical Services	43b	1,343,812	1,224,296	119,516
c	Outside Mgr. Fees/Trustee Expense	43c	5,343,519	0	5,343,519
d	Food & Clothing	43d	4,211,925	3,858,082	353,843
e	Contracted Services	43e	5,043,431	4,585,948	457,483
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	80,250,775	66,383,889	13,866,886

Reporting of Joint Costs.—Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 18.)

What is the organization's primary exempt purpose? ►

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

	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a Education and Guidance see attached	(Grants and allocations \$ None) 21,622,632
b Board Lodging & Clothing see attached	(Grants and allocations \$ None) 21,458,328
c Health Services/Recreation - Social Life and Enrollment see attached	(Grants and allocations \$ None) 11,016,303
d Depreciation on School Buildings, Student Homes, Machinery & Equipment see attached	(Grants and allocations \$ None) 12,286,626
e Other program services (attach schedule)	(Grants and allocations \$ 0)
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	(Grants and allocations \$ 66,383,889)

Part IV Balance Sheets (See Specific Instructions on page 18.)

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	0	45
46	Savings and temporary cash investments	66,405,034	46
47a	Accounts receivable	19,669,516	
47b	b Less: allowance for doubtful accounts	0	
48a	Pledges receivable	12,936,710	
48b	b Less: allowance for doubtful accounts	47c	19,669,516
49	Grants receivable	0	49
50	Receivables from officers, directors, trustees, and key employees (attach schedule)	0	50
51a	Other notes and loans receivable (attach schedule)	51a	
51b	b Less: allowance for doubtful accounts	51c	0
52	Inventories for sale or use	957,872	52
53	Prepaid expenses and deferred charges	0	53
54	Investments—securities (attach schedule)	4,418,370,355	54
55a	Investments—land, buildings, and equipment: basis	11,887,116	
55b	b Less: accumulated depreciation (attach schedule)	5,896,674	
55c		5,928,899	5,990,442
56	Investments—other (attach schedule)	0	56
57a	Land, buildings, and equipment: basis	213,152,567	
57b	b Less: accumulated depreciation (attach schedule)	67,914,738	
57c		138,467,122	145,237,829
58	Other assets (describe ► see attached schedule)	15,000	58
58			15,000
59	Total assets (add lines 45 through 58) (must equal line 74)	4,643,080,992	59
59			5,044,594,538
60	Accounts payable and accrued expenses	37,584,091	60
61	Grants payable	0	61
62	Deferred revenue	0	62
63	Loans from officers, directors, trustees, and key employees (attach schedule)	0	63
64a	Tax-exempt bond liabilities (attach schedule)	0	64a
64b	b Mortgages and other notes payable (attach schedule)	0	64b
65	Other liabilities (describe ►)	0	65
65			0
66	Total liabilities (add lines 60 through 65)	37,584,091	66
66			44,285,819
Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
67	Unrestricted	670,021,379	67
68	Temporarily restricted	0	68
69	Permanently restricted	3,935,475,522	69
Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 70 through 74.			
70	Capital stock, trust principal, or current funds	0	70
71	Paid-in or capital surplus, or land, building, and equipment fund	0	71
72	Retained earnings, endowment, accumulated income, or other funds	0	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)	4,605,496,901	73
73			5,000,308,719
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	4,643,080,992	74
74			5,044,594,538

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

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 20.)

a Total revenue, gains, and other support per audited financial statements. ►

b Amounts included on line a but not on line 12, Form 990:

(1) Net unrealized gains on investments . . . \$ _____

(2) Donated services and use of facilities \$ _____

(3) Recoveries of prior year grants . . . \$ _____

(4) Other (specify):
..... \$ _____

Add amounts on lines (1) through (4) ►

c Line a minus line b. ►

d Amounts included on line 12, Form 990 but not on line a:

(1) Investment expenses not included on line 6b, Form 990 . . . \$ _____

(2) Other (specify):
..... \$ _____

Add amounts on lines (1) and (2) ►

e Total revenue per line 12, Form 990 (line c plus line d) ►

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

a Total expenses and losses per audited financial statements . . . ►

b Amounts included on line a but not on line 17, Form 990:

(1) Donated services and use of facilities \$ _____

(2) Prior year adjustments reported on line 20, Form 990 \$ _____

(3) Losses reported on line 20, Form 990 \$ _____

(4) Other (specify):
----- \$ _____
----- \$ _____

Add amounts on lines (1) through (4) ►

c Line a minus line b ►

d Amounts included on line 17, Form 990 but not on line a:

(1) Investment expenses not included on line 6b, Form 990. . . . \$ _____

(2) Other (specify):
----- \$ _____
----- \$ _____

Add amounts on lines (1) and (2) ►

e Total expenses per line 17, Form 990 (line c plus line d) ►

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 20.)

(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	(E) Expense account and other allowances
see attached schedule				

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ►

If "Yes," attach schedule—see Specific Instructions on page 20.

Part VI Other Information (See Specific Instructions on page 21.)

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
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	X
b If "Yes," enter the name of the organization ► <u>see attached schedule</u> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.		
81a Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81.	81a	None
b Did the organization file Form 1120-POL for this year?	81b	N/A
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	X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III.).	82b	N/A
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85 501(c)(4), (5), or (6) organizations.—a Were substantially all dues nondeductible by members?	85a	N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c Dues, assessments, and similar amounts from members	85c	N/A
d Section 162(e) lobbying and political expenditures	85d	N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86 501(c)(7) organizations.—Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b Gross receipts, included on line 12, for public use of club facilities.	86b	N/A
87 501(c)(12) organizations.—Enter: a Gross income from members or shareholders	87a	N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership? If "Yes," complete Part IX	88	X
89a 501(c)(3) organizations.—Enter: Amount of tax imposed during the year under: section 4911 ► <u>None</u> ; section 4912 ► <u>None</u> ; section 4955 ► <u>None</u>		
b 501(c)(3) and 501(c)(4) organizations.—Did the organization engage in any section 4958 excess benefit transaction during the year? If "Yes," attach a statement explaining each transaction	89b	X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.		-0-
d Enter: Amount of tax in 89c, above, reimbursed by the organization		-0-
90a List the states with which a copy of this return is filed ► <u>None</u>	90b	1,066
b Number of employees employed in the pay period that includes March 12, 1998 (See instructions.)		
91 The books are in care of ► <u>Hershey Trust Company</u> Telephone no. ► <u>(717) 534-3225</u> Located at ► <u>100 Mansion Road East Hershey, PA</u> ZIP + 4 ► <u>17033</u>		
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 ► <u>92</u>		

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 25.)

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514	(E) Related or exempt function income	
		(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93	Program service revenue:			03	344,629	
a	Scholastic			03	109,398	
b	Operations					
c						
d						
e						
f	Medicare/Medicaid payments					
g	Fees and contracts from government agencies					
94	Membership dues and assessments					
95	Interest on savings and temporary cash investments			14	6,447,624	
96	Dividends and interest from securities			14	103,695,917	
97	Net rental income or (loss) from real estate:					
a	debt-financed property					
b	not debt-financed property			16	1,950,315	
98	Net rental income or (loss) from personal property					
99	Other investment income			14	11,275,572	
100	Gain or (loss) from sales of assets other than inventory			18	573,635,483	
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))		(21,467)		697,004,911	454,027
105	Total (add line 104, columns (B), (D), and (E))				697,437,471	

104 Subtotal (add columns (B), (D), and (E))

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

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 26.)

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).

See Attachment to Part III

Part IX Information Regarding Taxable Subsidiaries (Complete this Part if the "Yes" box on line 88 is checked.)

Name, address, and employer identification number of corporation or partnership	Percentage of ownership interest	Nature of business activities	Total income	End-of-year assets
Hershey Trust Company (23-0692150)	%			
Hershey, PA	100 %	State Bank Trust Powers	161,689	50,970,000
Hershey Entertainment & Resort Co (23-0691815)	%			

100 % Entertainment & Resort Co 107,000 115,644,000
return, including accompanying schedules and statements, and to the best of my knowledge, preparer (other than officer) is based on all information of which preparer has any knowledge.

Vincent B. Reditz, Treasurer

1997

Supplementary Information

See separate instructions.

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

Department of the Treasury
Internal Revenue Service

Employer identification number

Name of the organization

Milton Hershey School & School Trust

23 1353340

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions on page 1. 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
Donald R. Price DDS 78 Foxanna Dr., Hershey, PA	Dentist Full-time	104,544	18,280	—
Robert Sloane 820 Pamela's Lane, Mechanicsburg, PA	Executive Director Of Development Full-Time	95,104	23,604	—
Evan Pattishall MD 158 Hotel Rd., Hershey, PA	Dean Of Community Service Full-Time	94,350	18,785	2,769
Richard Pierce 765 Brook Dr., Hershey, PA	Dean Neighborhood & Family Life Full-Time	85,512	17,162	10,252
Lois Bowman 435 Meadow Lane, Hershey, PA	Sr. Director Operations Full-Time	83,993	16,408	3,573
Total number of other employees paid over \$50,000				

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions on page 1. 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
Perry Dean Rogers & Partners Associates 177 Milk St., Boston, MA 02109	Architectural	3,226,862
Reynolds Construction Management Inc P.O. Box 573, Camp Hill, PA 17001	Construction Management	2,185,837
Wallace Roberts & Todd 260 S. Broad St, Philadelphia, PA 19102	Architectural	1,297,882
Silchester International Investors 780 Third Ave, 42nd Floor, NY, NY 10017-2289	Investment Management	811,180
Peat Marwick (KPMG LLP) Dept. 0508, Washington DC 20073-0508	Research Consultants	733,009
Total number of others receiving over \$50,000 for professional services	33	

For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 990 and Form 990-EZ. Cat. No. 11285F Schedule A (Form 990) 1997

Part III Statements About Activities		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum?	1	X
If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>12,000</u>			
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 of its 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:		
2a	a Sale, exchange, or leasing of property? <u>See Attached</u>		
2b	b Lending of money or other extension of credit?		X
2c	c Furnishing of goods, services, or facilities? <u>See Attached</u>		
2d	d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <u>See Attached</u>		X
2e	e Transfer of any part of its income or assets?		X
If the answer to any question is "Yes," attach a detailed statement explaining the transactions.			
3	Does the organization make grants for scholarships, fellowships, student loans; etc.? <u>See Attached</u>		
4	Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See instructions on page 2.) <u>See Attached</u>		

Part IV Reason for Non-Private Foundation Status (See instructions on pages 2 through 4.)

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, page 4.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ►
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See instructions on page 4.)

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

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

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) 1996	(b) 1995	(c) 1994	(d) 1993	(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 not a business unrelated to the organization's charitable, etc., purpose		NOT	APPLICABLE		
18 Gross income from interest, dividends, amounts received from payments on securities and 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 in lines 10 or 11: a Enter 2% of amount in column (e), line 24 ►					26a
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1993 through 1996 exceeded the amount shown in line 26a. Enter the sum 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," attach a list to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year: (1996) (1995) (1994) (1993)					
b For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) 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: (1996) (1995) (1994) (1993)					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ►					27c
d Add: Line 27a total and line 27b total ►					27d
e Public support (line 27c total minus line 27d total) ►					27e
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ►					27f \$
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ►					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ►					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1993 through 1996, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See instructions on page 4.)					

Part V Private School Questionnaire (See instructions on page 4.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29 X	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30 X	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)	31 X	
See Attached		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c X	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d N/A	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	33a X	
b Admissions policies?	33b X	
c Employment of faculty or administrative staff?	33c X	
d Scholarships or other financial assistance?	33d X	
e Educational policies?	33e X	
f Use of facilities?	33f X	
g Athletic programs?	33g X	
h Other extracurricular activities?	33h X	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a Does the organization receive any financial aid or assistance from a governmental agency? See Attached	34a X	
b Has the organization's right to such aid ever been revoked or suspended?	34b X	
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 X	

Schedule A (Form 990) 1997

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions on page 6.)
 (To be completed ONLY by an eligible organization that filed Form 5768)

Check here ► a if the organization belongs to an affiliated group.Check here ► b if you checked "a" above 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— 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	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the instructions for lines 45 through 50 on page 7.)

	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 1997	(b) 1996	(c) 1995	(d) 1994	(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 instructions on page 7.)

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:

Yes	No	Amount
	X	
X		
	X	
X		1,000
	X	
X		
X		11,000
	X	

- 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

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 of:

(i) Cash

(ii) Other assets

b Other transactions:

(i) Sales of assets to a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities or equipment

(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)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

NOT APPLICABLE

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:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
NOT APPLICABLE		

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340

ID#

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

Miscellaneous contributions under \$5,000

475

475

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
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FOR THE FISCAL YEAR ENDED JULY 31, 1998

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PART I. LINES 4 AND 5

INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS, LINE 4

Other Interest	<u>6,447,624</u>
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DIVIDENDS AND INTEREST FROM SECURITIES, LINE 5

Dividends

Hershey Foods Corporation	36,438,481
Hershey Entertainment & Resort Co.	107,000
Hershey Trust Company	161,689
Other dividends	27,132,218

Interest

U.S. Government Securities	23,296,500
Corporate Bonds	16,556,017
Mortgages	4,012

103,695,917

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FOR 990
FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340

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PART 1, LINE 6a, GROSS RENTS

A to Z Video	47,729
Aldinger, E. Ray	500
Alger/Hitz	189,212
Alger, Daryl	3,000
American Commonwealth	66,983
American Golf	3,420
Applebee's	70,954
Atherton-Ely/Pepper	6,491
Balliet, Stephen	7,563
Barnes, Sandra	10,586
Bates, Randy	10,343
BDR (Best Western)	1
Bogusz, Jeffrey	9,193
Born/Roy	775
Bowman, Lois	9,892
Boyer, Donnie G & Co.	3,180
Brandt, Jay	2,822
Brinser, Heather Kline	9,171
Brown, Daniel	6,932
Brownell, Michael	10,519
Brubaker, Roy	19,059
Burkholder, Deborah	1,240
Buse, Richard	5,622
Camasta, Chris	10,017
Carbonara, Alphonese	5,080
Carvel, Carlene	7,155
Chandra, Bhunesh	9,247
Chapel, Michael	7,425
Chirdon, Susan	8,154
Cisney, Scott	8,736

23-1335340

ID#

PART 1, LINE 6a, GROSS RENTS

Cocoa Avenue Office Assoc.	28,800
Computer Resources	8,960
Corson, Ernest	8,306
Country Meadows Assoc.	275
Cover, Jeff	7,554
Crawford, Paul	7,564
Cunningham, David	1,440
D & S Remodeling	2,520
Dailey, Elizabeth	5,220
Davenport, Lawrence	10,428
DeAngelis/Rosner/Riley	7,690
Derry Twp. Camping Association	1
DiSanti, John	14,158
Donahue, Kathleen	15,716
Duck, Daniel	2,388
Duckrey Enterprises (BurgerKing)	97,862
Ed's Lawn Cutting Co.	1,980
Edwards, Georgia	5,631
Engle, Justin	2,078
Engle, Michael	495
Engle, Lori Ford	6,870
Ephrata Lock & Key	2,930
Farkas, Andrew	5,338
Fashion Bug	71,353
Fenicle, Linus	6,746
Foley, John	2,100
Folk, Terry	5,237
Freeman, Doyle	2,378
Fulton Bank	84,231
Garber & Sons	18,838
Gardner, Carrie	8,844
General Nutrition Center	34,336
Gibson, David	2,020
Gilbert, Lester	2,025
Grazier, Linda	6,357
Great Vacations	14,200
Grimm, Phyllis	5,368
Gumper, Mary	17,448
Haldeman, Germ	960

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PART 1, LINE 6a, GROSS RENTS

Hamer, Harold	7,504
Hamilton, Chris	7,830
Hamme, Susan	6,117
Harris Savings Bank	51,250
Heagy, Wayne	3,450
Heller Building Co.	2,400
Herman, Dwight	612
Herr, Jack	400
Hershey Entertainment & Resorts Co.	25,800—
Hershey Foods	23,661
<u>HERSHEY TRUST COMPANY</u>	<u>194,587</u>
Hoffer, Donald	1,150
Hoffer, Gerald	36,345
Holiday Hair Fashion	33,875
Hostetter, Ernest	2,240
Indian Echo Caverns	200
Intermedia Communications	5,544
Iriana, Thomas	8,910
J & J Farms	1,220
Jacobs, Chris	7,155
Jennings/Grosh	9,976
Jones, William	6,333
Jones, Morgan	7,844
Jones, Tom	250
Jumper/Kaufman/Lebo	1,163
K-Mart	790,440
Kapalin, Alfred	7,628
Karchner, Mary	5,760
Keener, Roy	65,280
Kelsey, Leslie	7,600
Keystone Sports Foundation	1,334

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PART 1, LINE 6a, GROSS RENTS

Kihara, Todd	8,418
King, Larry	6,222
King, Larry	300
Kochvar, Dennis	14,700
Kremer, Kenneth & Danielle	13,584
Lake, Robert	9,055
Landenberger, Timothy	7,332
Langhoff, Erik	10,650
Larkin, William	10,416
Lemke, Fred	2,550
Little Caesar's	30,252
Lombardo, George	10,496
Long, Stanley	5,312
Longreen, Deb	9,726
Lopez, Robert	3,832
M.S. Hershey Foundation-Museum	9,272
M.S. Hershey Foundation-Archives	20,210
Mader, Royce	5,291
Mailboxes, Etc.	22,990
Maish, George	16,100
March, Donald	6,480
Marconi, Mark	8,814
Massey, Elijah	2,520
Maurice's	79,283
Mazo, James/Paul	1,410
McCall, Ken	6,005
McCarty, Lisa	2,550
McCorkel, Mark	6,151
McKissick, Eric	7,415
McNitt, William	6,019
Miller, Jay	5,505
Miller, Mervin	2,478
Miller, Brian	595
Miotla, Roberta	2,178
Morris, Gail	6,127
Munoz, Frank	8,650
Musser, Brian	7,668

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PART 1, LINE 6a, GROSS RENTS

Nale, Kenneth	10,483
Nale, Patty	2,125
Nappy Construction	500
Nazario, Ruben	10,714
Neilson, Alyson	1,455
Nicoll, Scott	7,580
Oppel, F.M.	1,200
Otto, Karen	1,240
Palackovic, Stan	8,163
Patterson, Marcia	10,395
Penn State Medical Center	8,400
Pratzner, Mark	4,795
Proeitta, Raymond	8,591
Pruett, Steven	10,450
Puccio, Anthony	6,852
Radio Shack	26,391
Rafferty, Ellen	6,186
Restaurant on Chocolate	100
Rich, Janet	9,962
Risser Farms	3,105
Roberts, Rebecca	2,040
Roberts, Rebecca	8,235
Rohrbaugh, Craig	7,230
Rossmann/Reish/Hand	3,805
Ry's Bagel & Deli Shop	31,151
Schwilk, Chris	4,118
Sealer, Richard	6,630
Seesholtz, Kelly	9,133
Shepard & Sons.	480
Shirk/Barker/Boyce	8,705
Silverstein, Allyson	4,289
Slusser, Stephen	7,994
Smith, Bruce	9,208
Smith, Jerome	5,385

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PART 1, LINE 6a, GROSS RENTS

Sontag, Richard	8,490
Sorber, Steven	5,175
Spring Creek Golf Course	42,453
Strom, Erik	11,075
Sypolt, Jeffrey	10,374
Taraschi, Peter	1,912
Town & Country Shelter	100
Tyler, Susan	6,333
Vallati, Timothy	6,912
Via, Ruth	6,448
Weikel, Darwin	6,746
Weis Markets	528,903
Wilkie, Robert	666
Williams/Barry	3,175
Wine & Spirits	76,388
Wolfe, Marie	6,420
Wood, Nicole	1,600
Woolf/Miller/Powell	7,530
Ziegler's Antique Mall	27,951
Zimmerman, Kay	<u>7,885</u>

3,799,111

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340

ID#

PART I, OTHER INVESTMENT INCOME, LINE 7:

Intercompany investment income, Hershey Trust Company	1,361,572
Intercompany investment income, Hershey Entertainment & Resort Co.	9,914,000
	<u>11,275,572</u>

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
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FOR THE FISCAL YEAR ENDED JUN 31 1998

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PART I. SALES OF ASSETS OTHER THAN INVENTORY | LINE 8:

Description and Manner of Acquisition	Date Sold	Purchaser	Gross Sales Price	Cost	Expense of Sale	Accumulated Depreciation	Gain(Loss) on Sale
Other Sales:							
Easement	9-11-97	Suburban Cable	250	0	0	0	250
Easement	6-29-98	DTMA	10,000	0	0	0	10,000
Sale of hay dryer	1-16-98	Weaver Grains	5,000	30,389	0	30,389	5,000
School Equipment Dismantled or Sold	Various	Various	7,222	229,321	0	223,729	1,630
Security Sales:							
Various Publicly Traded Securities	Various	Various	1,401,044,666	827,426,063	0	0	573,618,603
TOTAL			1,401,067,138	827,685,774	0	254,119	573,635,483

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340

ID#

PART I, OTHER CHANGES IN FUND BALANCE, LINE 20:

Unrealized gains(losses) on investments carried at market value, Principal Fund	(232,844,898)
Unrealized gains(losses) on investments carried at market value, Income Fund	10,469,545
	<hr/>
	<u>(222,375,353)</u>

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
 RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
 FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340
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PART II. DEPRECIATION, DEPLETION, ETC., LINE 42:

Description	Date Placed in Service	Method of Depreciation	Life (Years)	Depreciation Expense	Program Services	Management and General
Student Homes	Various	Straight-Line	15-50	2,623,946	2,623,946	0
Community/School Buildings	Various	Straight-Line	15-50	2,736,601	2,736,601	0
Deferred Maintenance, AHERA & Technology	Various	Straight-Line	1-3	5,199,826	5,199,826	0
School Machinery & Equipment	Various	Straight-Line	2-18	1,145,505	1,145,505	0
Farm & Dairy Equipment	Various	Straight-Line	2-10	40,846	40,846	0
Trucks & Buses	Various	Straight-Line	2-10	539,902	539,902	0
				<u>12,286,626</u>	<u>12,286,626</u>	<u>0</u>

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 1998

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PART III - STUDENT CARE:

Milton Hershey School provides, through its Elementary, Intermediate, and Senior High Programs, an education and residential opportunity for approximately 1,100 children whose natural family relationships have been disrupted. Life in the student homes provides the warmth of family living and the personal satisfaction needed to enable children to make full use of the educational advantages.

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

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

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

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

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340

ID #

PART III LINE d.
SCHOOL OPERATIONS DEPRECIATION

The School Operations Depreciation includes depreciation on all school buildings, student homes, and school machinery and equipment.

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340

ID#

PART IV. INVESTMENTS-SECURITIES, LINE 54:

MARKET VALUE

PRINCIPAL FUND:

Stocks:

Hershey Foods Corporation	2,787,755,035
Hershey Entertainment & Resort Company	8,794,000
Hershey Trust Company	6,718,540
Common Stocks - other	737,179,607
REIT stocks	<u>153,621,073</u>
	<u>3,694,068,255</u>

Investment in Real Estate:

Real Estate	<u>8,970,122</u>
-------------	------------------

Bonds and Notes:

U.S. Government Obligations	226,807,187
Corporate Bonds	236,286,631
Agency Bonds	<u>32,862,946</u>
	<u>495,956,764</u>

INCOME FUND:

Stocks:

Hershey Trust Company	31,068,525
Common Stocks - other	<u>442,351,550</u>
	<u>473,420,075</u>

Investment in Real Estate:

Real Estate	<u>7,927,162</u>
-------------	------------------

Bonds and Notes:

U.S. Government Obligations	23,972,192
Corporate Bonds	<u>41,217,957</u>
	<u>65,190,149</u>

Investments-Securities

4,745,532,527

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
 STATEMENT ATTACHED TO AND MADE PART OF
 RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
 FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340
 ID #

PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
PRINCIPAL FUND		
CONTROLLED COMPANIES		
30,306,006.00	Hershey Foods Corp Class B	1,913,066,628.75
13,856,450.00	Hershey Foods Corp.	874,688,406.25
		<u>2,787,755,035.00</u>
~882.00	HERCO Inc	8,794,000.00
5,334.00	Hershey Trust Company	6,718,540.23
STOCKS		
Schroder Account 381		
807.00	ABB Ltd CHF50	1,196,044.63
	Acc sale 190 ABB	(281,596.62)
10,200.00	AMP Limited AUD3	135,040.04
42,700.00	ANZ Banking Group	276,680.20
535,830.00	ASDA Group PLC Ord	1,762,002.00
3,420.00	Accor Ord	915,849.97
8,500.00	Aegon NV NLG0.50	782,541.04
8,620.00	AlcatelAlsthomComp	1,713,921.98
3,510.00	Allianz AG	1,262,068.55
	Convert 104 Allianz rights to 104 Allianz	37,394.62
104.00	Allianz AG Holding Ord Rights	37,394.62
	Convert 104 Allianz rights to 104 Allianz	(37,394.62)
68,980.00	Allied Domecq PLC Ord	631,967.18
32,000.00	Asahi Bank	111,709.12
21,870.00	Atlas Copco	559,655.06
6,590.00	Axa-UAP Ord	903,384.97
15,110.00	BAAN Co Nv Ord	611,141.93
900,960.00	Banca Di Roma	2,095,020.31
16,180.00	Banco Pop Espanl Ord	1,301,596.02
68,840.00	Bank of Ireland Cap Stk	1,396,515.77
	Rec'd 835 Bank of Ireland in stock div	16,951.23
	Convert 58 Bank of Ireland 1/100 to .58 Bank of Irela	0.00
58.00	Bank of Ireland IEP 1/100th UK	12.00
	Convert 58 Bank of Ireland 1/100 to .58 Bank of Irela	(12.00)
24,170.00	Bayer AG NPV	1,150,373.12

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23-1353340

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
9,900.00	Brambles Inds NL Ord	209,091.95
30,275.00	Brembo Spa	411,524.13
38,000.00	Bridgestone Corp. Ord	921,208.13
177,278.00	British Airways Ord	1,801,066.51
149,210.00	British Energy PLC Ord	1,463,424.87
109,630.00	British Land Co PLC Ord	964,031.40
144,700.00	British Petroleum Ord	1,924,608.42
195,410.00	British Telecom Ord	2,835,657.06
15,600.00	Broken Hill Pty	126,518.97
213,530.00	Cable & Wireless Ord	2,756,253.79
4,680.00	Canal Plus Ord	903,043.98
11,900.00	CentrosComm Pryca	231,640.99
1,390.00	Ceteco Holdings NV	48,664.00
8,000.00	Credit Saison Ord	154,043.05
41,000.00	Daiwa House Ind Co Ord	339,357.84
3,460.00	Danone Group FRF10	1,043,253.04
39,650.00	De La Rue PLC Ord	163,790.18
14,290.00	Den Danske Bank Af Ord	1,887,058.00
25,160.00	Deutsche Bank	2,041,324.98
17,200.00	Dev BK Singapore Ord Rights	103,782.05
	Convert 43,000 rights to 12,900 Dev Bk Singapore	(103,782.05)
43,000.00	Dev Bk Singapore Ord	249,582.33
	Convert 43,000 rights to 12,900 Dev Bk Singapore	49,916.67
195,610.00	E.N.I.	1,273,151.12
54,770.00	EMI Group PLC Ord 14p	430,993.90
118.00	East Japan Railway	568,032.01
13,015.00	Elf Aquitaine	1,688,065.12
	Adj purch 2,260 Elf Aquitaine	293,124.88
115,270.00	Endesa SA Ord	2,541,451.01
63,190.00	Enterprise Oil Plc Ord	516,894.22
34,170.00	Ericsson (L.M.) Telef Ord Class B	960,561.74
	Rec'd bonus issue 26,740 Ericsson Telef	751,695.26
4,900.00	Falck DKK20	310,880.98
4.00	Familymart Co. Ord	152.00
96,040.00	Fiat Spa Ord	396,838.24
1,230.00	Fresenius AG DEM5	208,856.01
5,340.00	Fresenius Medical Ord	340,178.03
24,000.00	Fuji Photo Film Co Ord	886,021.91
7,560.00	Getronics Ord	420,767.97
7,560.00	Getronics Stock Dividend (3/98)	29,106.00

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
	Reversal of stock dividend	(29,106.00)
48,970.00	Glaxo Wellcome PLC Ord.	1,512,570.16
12,000.00	Glory Co Ltd	181,194.00
3,550.00	Gpe.Bruxl.Lambert Ord.NPV	726,092.00
12,000.00	Heiwa Corp	103,065.00
102,000.00	Hitachi Limited	638,666.86
9,770.00	Hoechst AG Ord	454,840.97
17,915.00	ING Groep NV Ord	1,355,374.06
16,300.00	ISS International Ser B	1,034,155.92
2,310.00	Imetal FRF50	308,137.00
12,000.00	Ito-Yokado Co. ORD	579,321.95
200.00	JAFCO Co Ltd	5,070.00
32,000.00	Japan Airport Terminal Ord	166,232.96
25,530.00	Jeronimo Martins PTE 1000	1,345,468.03
38,440.00	Johnson Matthey PLC Ord	271,046.97
3,950.00	KBC Bankverzek.Hld NPV	330,702.93
	Rec'd 2,250 KBC Bankverzek in stock split	188,375.07
16,000.00	Kinden Ord	174,766.08
47,910.00	KingFisher PLC Ord	362,902.91
	Rec'd 47,910 KingFisher in 2 for 1 split	362,903.09
2,575.00	Koninklijke Bijen	180,559.01
2,575.00	Koninklijke Bijen Stk Div	0.00
	Rev stock dividend of 2,575 shs	0.00
34,000.00	Kuraray Co Ltd Ord	300,494.05
31,000.00	Kurogane Kosakusho Ord	92,328.85
4,400.00	Kyocera	219,428.00
47,200.00	Laird Group Plc Ord	191,117.99
5,450.00	Lapeyre FRF10	386,814.03
123,900.00	Lloyds TSB Group PLC Ord	1,690,521.38
323,820.00	LucasVarity PLC Ord	1,133,706.77
9,350.00	Luxottica Group ADR ITL200	134,405.97
5,100.00	Mabuchi Motor Ord	335,583.01
2,140.00	Mannesmann Ag Ord	232,584.51
	Rec'd 19,260 Mannesmann in stock split	2,093,260.49
69,000.00	Matsushita Electric Ind	1,103,995.20
13,400.00	Michelin Class B	738,593.78
	Rec & convert 153 rights to 153 Michelin Class B	8,433.22
35,000.00	Mitsubishi Corp Ord	218,180.89
91,000.00	Mitsubishi Elec	194,132.13
	Acc sale 2,000 Mitsubishi Elec	(4,266.64)

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
	Acc sale 3,000 Mitsubishi Elec	(6,399.96)
	Acc sale 5,000 Mitsubishi Elec	(10,666.60)
88,000.00	Mitsui & Co. Ltd	494,931.35
25,000.00	Mitsui Fudosan	196,190.00
5,856.00	Moss Food Service	68,141.99
22,800.00	Murata Manufacturing Co. Ord	776,972.90
70,130.00	National Westminster Ord	1,216,165.77
725.00	Nestle SA	1,505,972.62
	Adj purch 110 Nestle	228,492.40
110.00	Nestle SA CHF10	228,492.40
	Rev purch 110 Nestle CHF	(228,492.40)
31,100.00	News Corp Ord	226,635.03
104,000.00	Nihon Cement Co.	195,932.88
730.00	Nippon Tele Network Ord	211,098.99
43,000.00	Nomura Securities	501,850.85
2,385.00	Novartis AG	4,022,832.08
41,616.00	OCE NV NLG1	1,857,548.03
43,000.00	Oji Paper Co. Ord	180,488.20
9,000.00	Okinawa Electric Power Ord	132,778.98
36,000.00	Omron Corp Ord	531,114.84
27,426.00	Philips Elec NV ORd	2,222,657.05
304,680.00	Pilkington PLC Ord	505,933.32
6,640.00	Polygram NV	361,284.98
7,419.00	Primagaz Ord	641,089.12
	Convert 280 warrants to 96 Primagaz	8,294.88
288.00	Primagaz Warrants	25,293.00
	Convert 280 warrants to 96 Primagaz	(25,293.00)
79,950.00	Prudential Corp Ord	1,098,050.85
71,950.00	Rank Group PLC Ord	396,682.65
8,930.00	Repsol SA	492,902.96
	Acc sale 8,930 Repsol	(492,902.96)
243,060.00	Rolls Royce PLC Rights	944,409.62
	Rev purch 243,060 Rolls Royce rights	(944,409.62)
58,820.00	Rolls-Royce PLC Ord	228,551.00
	Adj purch 243,060 Rolls Royce	944,404.00
24,320.00	Royal Dutch Petroleum Ord	1,241,995.86
1,140.00	SAP AG Non-Voting	844,162.00
4,900.00	SMC Corp Ord	367,901.02
3,670.00	Sanofi	441,520.02
14,300.00	Santen Pharmaceuticals	163,923.05

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
22,000.00	Sanwa Shutter Ord	96,000.08
5,000.00	Secom Ord	292,293.00
14,925.00	Securitas AB SEK2	793,967.03
35,000.00	Sekisui House Ltd Ord	269,332.00
8,000.00	Shimamura Co. Ltd.	243,808.00
86,550.00	Showa Shell Sekiyu ord	384,264.67
24,000.00	Singapore International Air	118,854.96
54,765.00	Singapore Press HG Ord	386,994.14
	Acc purch 7,000 Skandia Group	120,009.00
	Acc purch 2,000 Skandia Group	34,289.00
	Acc purch 28,630 Skandia Group	490,833.00
	Acc purch 7,000 Skandia Group	120,009.00
	Acc purch 5,000 Skandia Group	85,721.00
102,260.00	Smith David S	303,644.72
7,410.00	SocieteGen D'entre	340,670.02
2,800.00	Sony Corp.	238,351.00
7,030.00	Suez Lyonnaise Des Ea	1,297,518.03
40,000.00	Sumitomo Marine & Fire Ins Ord	230,510.01
213,000.00	Sumitomo Metal Industries Ord	317,193.20
38,320.00	Svenska Handels Bank Ser A	1,847,704.20
34,000.00	Takeda Chemical	873,692.89
4,280.00	Technip Ord	524,242.01
127,350.00	Telecom Italia MOB Ord	849,921.18
228,220.00	Telecom Italia SPA	1,970,556.56
17,832.00	Telefon de Espana Ord	825,846.81
	Rename to Telefonica	(825,846.81)
	Rec'd 17,826 Telefonica	869,847.00
16,340.00	Telefon de Espana Ord Rights	731,070.08
	Convert 16,340 rights to Telefon de Espana	(731,070.08)
4,111.00	Toho Co. Ord	426,546.01
14,000.00	Tokyo Marine & Fire Ord	141,575.00
81,000.00	Toppan Printing Ord	938,052.92
7,680.00	Total	877,553.96
	Adj cost for French indemnity withholding 1,610 shs	0.00
24,000.00	Toyota Motor Co.	590,127.14
642.00	UBS Schweiz Bkgsl Bearer Shs CHF100	238,716.40
	Rec'd 2,568 Un Bk of Switzerland bonus	1,154,721.60
67,840.00	United News & Media PLC Ord	894,549.10
21,380.00	Veba AG Ord	1,304,284.97
133,250.00	Vickers PLC Ord	412,014.34

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PART IV. INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
	Tender offer 44,417 Vickers	(137,339.34)
11,338.00	Vivendi FRF100	2,480,729.00
5,818.00	Vivendi Warrants	11,811.99
147,240.00	Vodafone Group PLC	2,034,270.79
	Adj 119,695 Williams	703,977.00
2,625.00	WMC Limited	7,875.00
22.00	West Japan Railway	81,523.00
21,800.00	Woodside Petroleum Ord	105,246.91
39,000.00	Yamatake-Honeywell Ord	407,353.84
189,000.00	Yasuda Fire & Marine Ord	896,723.69
34,181.00	Zeneca Group PLC Ord	1,297,905.94
3,233.00	Zurich Versicher Ptg	2,537,872.05
1,200.00	Fresenius AG Non-Voting Pfd	220,292.01
26,820.00	Elan Corp PLC-Spons ADR	1,931,040.00
	Rev purch 2,660 Elf Aquitaine ADR	(146,617.50)
2,260.00	Elf Aquitaine - Sponsored ADR	146,617.50
		<u>122,495,923.58</u>

Inhouse Account 400

95,000.00	AGL Resources, Inc	1,787,187.50
153,240.00	Aceto Corp	2,336,910.00
50,000.00	Aquarion Co.	1,743,750.00
75,000.00	Baltimore Gas and Electric Company	2,268,750.00
100,000.00	Becton Dickinson	8,262,500.00
100,000.00	Clorox Company	10,275,000.00
50,000.00	Consolidated Natural Gas Co	2,584,375.00
100,000.00	Cross, A.T. Co. Class	1,037,500.00
60,000.00	Dana Corp	2,985,000.00
75,000.00	Eastern Company (The)	1,846,875.00
55,000.00	Eastern Enterprises	2,196,562.50
40,000.00	Eastman Chemical Co.	2,270,000.00
1,592.00	First National Bank of Anchorage	2,085,520.00
150,000.00	Horace Mann Educators	4,687,500.00
75,000.00	Hunt Corp	1,312,500.00
75,000.00	Idaho Power Company	2,278,125.00
63,750.00	Knape & Vogt Mfg Co	1,386,562.50
60,000.00	McKesson Corp New	4,837,500.00
100,000.00	Meredith Corp.	4,181,250.00
40,000.00	New Jersey Resources	1,370,000.00

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<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
60,000.00	Northern States Power Minn	1,578,750.00
70,000.00	ONEOK, Inc.	2,388,750.00
50,000.00	Orange & Rockland Utilities	2,687,500.00
50,000.00	Otter Tail Power	1,800,000.00
75,000.00	Oxford Industries Inc.	2,254,687.50
120,000.00	Penn Engineering & Manufacturing Corp	2,760,000.00
50,000.00	Peoples Energy Corp	1,750,000.00
50,000.00	Phillips Petroleum	2,212,500.00
96,000.00	Preformed Line Products Company	2,976,000.00
51,600.00	Puget Sound Energy Inc	1,306,125.00
	Acc purch 23,400 Puget Sound	592,312.50
115,000.00	Quaker State Corp	1,768,125.00
20,000.00	Republic Security Financial Corp	207,500.00
170,000.00	Ruddick Corp	2,751,875.00
200,000.00	Technitrol Inc.	4,725,000.00
60,000.00	Texaco Inc	3,641,250.00
75,000.00	True North Communications	2,165,625.00
50,000.00	WD-40	1,218,750.00
75,000.00	Washington Gas Light Co.	1,781,250.00
222,200.00	Williams Companies	7,138,175.00
54,815.00	Canadian National Railway Company	2,894,917.19
50,000.00	LaSalle Re Holdings Ltd	1,750,000.00
75,000.00	Royal Dutch Petroleum Co. NY 1.25 Guilders	3,825,000.00
100,000.00	Shell Canada Ltd - Class A	1,724,765.97
75,000.00	Shell Transport	2,910,937.50
122,500.00	Tranz Rail Holdings - Spon ADR	964,687.50
	Acc purch 27,500 TranzRail	232,031.25
		<u>123,739,881.91</u>

Silchester Account 406		
8,835,219.76	Silchester International Value Equity Trust	156,540,657.98
	Acc monthly share adjustment of (27,598.2627)	<u>(488,616.98)</u>
		<u>156,052,041.00</u>

Capital International Account 407		
775,152.80	Capital Int'l Emerging Markets Growth Fund	<u>37,300,351.91</u>

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
Jennison Account 408		
25,700.00 3Com Corp		636,075.00
26,400.00 Airtouch Communications		1,552,650.00
38,800.00 American Home Products		1,998,200.00
24,700.00 Applied Materials Inc		827,450.00
22,300.00 Ascend Communications, Inc.		991,653.13
18,100.00 Associates First Capital Corp Class A		1,406,143.75
26,200.00 Betzdearborn Inc		1,757,037.50
Acc sale 7,200 Betzdearborn		(482,850.00)
Acc sale 19,000 Betzdearborn		(1,274,187.50)
7,900.00 Boeing Company		306,618.75
Acc sale 7,900 Boeing		(306,618.75)
55,600.00 CBS Corporation		1,886,925.00
28,500.00 CIENA Corporation		2,110,781.25
Acc sale 1,500 Ciena		(111,093.75)
Acc sale 400 Ciena		(29,625.00)
31,250.00 CISCO Systems Inc		2,992,187.50
29,700.00 Cadence Design Systems, Inc.		855,731.25
41,900.00 Chase Manhattan Corp New		3,168,687.50
18,700.00 Citicorp		3,179,000.00
17,600.00 Dell Computer Corp		1,911,250.00
33,616.00 Dollar General Corp		1,378,256.00
13,500.00 Fleet Financial Group Inc		1,160,156.25
28,250.00 Gap Inc		1,684,406.25
25,700.00 General Electric Co		2,298,543.75
18,900.00 Gillette Co.		987,525.00
34,700.00 HBO & Company		1,022,565.63
Acc purch 4,600 HBO		135,556.25
Acc purch 2,600 HBO		76,616.65
34,900.00 HEALTHSOUTH Corp.		876,862.50
24,100.00 Hewlett-Packard Co.		1,337,550.00
94,900.00 Hibernia Corp Class A		1,791,237.50
22,300.00 Hilton Hotels Corp		561,681.25
51,800.00 Home Depot Inc.		2,169,125.00
Acc purch 1,900 Home Depot		79,562.50
17,700.00 Intel Corp.		1,494,543.75
20,200.00 International Business Machines		2,676,500.00
28,200.00 International Rectifier Corp		186,825.00
Acc sale 1,200 Int'l Rectifier		(7,950.00)

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
	Acc sale 1,200 Int'l Rectifier	(7,950.00)
	Acc sale 600 Int'l Rectifier	(3,975.00)
18,300.00	KLA-Tencor Corp	546,712.50
31,800.00	Kohls Corp	1,558,200.00
31,300.00	Lilly (Eli) & Co	2,104,925.00
34,100.00	MBNA Corp	1,142,350.00
	Acc purch 7,000 MBNA	234,500.00
16,700.00	McDonalds Corp.	1,115,768.75
17,600.00	Merrill Lynch & Co Inc	1,722,600.00
19,800.00	Microsoft Corp	2,176,762.50
35,700.00	Monsanto Co.	2,021,512.50
30,100.00	Morgan Stanley Dean Witter & Co.	2,620,581.25
27,600.00	Omnicom Group	1,449,000.00
45,300.00	Oracle Corporation	1,200,450.00
	Acc purch 1,700 Oracle	45,050.00
	Acc purch 1,300 Oracle	34,450.00
	Acc purch 1,800 Oracle	47,700.00
24,200.00	Pfizer Inc.	2,657,462.50
45,417.00	Promus Hotel Corp	1,708,814.63
	Acc purch 100 Promus Hotels	3,762.50
16,700.00	Qwest Communications International, Inc.	674,262.50
	Acc purch 2,000 Qwest Communications	80,750.00
	Acc purch 1,200 Qwest Communications	48,450.00
	Acc purch 1,000 Qwest Communications	40,375.00
72,200.00	Rational Software Corporation	1,191,300.00
23,400.00	Schering-Plough Corp	2,263,950.00
16,300.00	Schlumberger Ltd	987,168.75
10,600.00	Sears Roebuck & Co	537,950.00
22,700.00	Staples, Inc.	746,262.50
	Acc purch 700 Staples	23,012.50
	Acc purch 1,100 Staples	36,162.50
	Acc purch 1,500 Staples	49,312.50
26,100.00	Tellabs Inc	1,964,840.63
	Acc sale 1,700 Tellabs	(127,979.35)
32,600.00	Texas Instruments Inc.	1,935,625.00
	Acc purch 1,900 Texas Instruments	112,812.50
	Acc purch 1,200 Texas Instruments	71,250.00
21,200.00	UNUM Corporation	1,116,975.00
	Acc sale 200 UNUM	(10,537.50)
	Acc sale 900 UNUM	(47,418.75)

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
	Acc sale 300 UNUM	(15,806.25)
22,400.00	Warner-Lambert Co.	1,688,400.00
50,250.00	Washington Mutual Inc	2,006,859.38
	Acc purch 3,300 Washington Mutual	131,793.75
	Acc sale 1,100 Washington Mutual	(43,931.25)
	Acc sale 7,400 Washington Mutual	(295,537.50)
69,300.00	Worldcom Inc	3,664,237.50
35,600.00	Ace, Limited	1,306,075.00
	Acc purch 400 Ace Ltd	14,675.00
	Acc purch 200 Ace Ltd	7,337.50
	Acc purch 600 Ace Ltd	22,012.50
19,500.00	Nokia Corp - Spon ADRA	1,701,375.00
	Acc sale 900 Nokia	(78,525.00)
6,800.00	Vodafone Group PLC ADR	928,200.00
		<hr/>
		88,395,945.45
Morgan Stanley Asset Management Account 409		
53,129.36	Morgan Stanley Offshore Emerging Markets Fund	43,627,703.83
		<hr/>
Grantham, Mayo, Van Otterloo Account 410		
3,080,175.63	GMO International Core Fund	73,400,584.91
274,066.36	GMO International Small Companies Fund	3,464,198.94
1,331,903.61	GMO Japan Fund III	7,578,531.61
		<hr/>
		84,443,315.46
City of London Investment Management Account 411		
1,720,281.09	City of London Emerging Markets Country Fund	16,692,852.20
		<hr/>
Artisan Partners Account 412		
17,400.00	ATL Ultrasound, Inc.	871,631.25
	Acc sale 10,500 ATL Ultrasound	(525,984.37)
	Acc sale 6,900 ATL Ultrasound	(345,646.88)
17,100.00	ATMI, Inc	273,600.00
4,200.00	Aavid Thermal Technologies, Inc	46,725.00
	Acc sale 4,200 Aavid Thermal	(46,725.00)
25,600.00	Aftermarket Technology Corp	377,600.00

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
 STATEMENT ATTACHED TO AND MADE PART OF
 RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
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23-1353340

ID #

PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
	Acc purch 1,000 Aftermarket Tech	14,750.00
	Acc purch 400 Aftermarket Tech	5,900.00
25,100.00	Alternative Living Services, Inc	713,781.25
7,300.00	AptarGroup, Inc	449,406.25
16,700.00	Bay View Capital Corp	462,381.25
	Acc purch 1,000 Bay View	27,687.50
40,100.00	Borg-Warner Security Corp	769,418.75
19,200.00	CB Richard Ellis Services	620,400.00
21,600.00	CEC Entertainment Inc	577,800.00
	Acc purch 2,500 CEC Entertainment	66,875.00
18,600.00	CUNO Inc.	356,887.50
22,000.00	Callon Petroleum Co	281,875.00
	Acc purch 300 Callon Petrol	3,843.75
	Acc purch 500 Callon Petrol	6,406.25
15,800.00	Carey International Inc	396,975.00
28,700.00	Crown Craft Inc	294,175.00
	Acc sale 300 Crown Crafts	(3,075.00)
	Acc sale 1,100 Crown Crafts	(11,275.00)
13,400.00	Culp, Inc	123,112.50
	Acc sale 400 Culp	(3,675.00)
	Acc sale 300 Culp	(2,756.25)
	Acc sale 1,000 Culp	(9,187.50)
17,500.00	Data Processing Resources Corp	575,312.50
12,500.00	DeCrane Aircraft Holdings, Inc.	294,531.25
29,500.00	Dress Barn, Inc.	685,875.00
	Acc purch 900 Dress Barn	20,925.00
	Acc purch 1,200 Dress Barn	27,900.00
29,700.00	Franchise Mortgage Acceptance Company LLC	738,787.50
22,700.00	General Cable Corp	659,718.75
57,100.00	General Communication Inc	264,087.50
29,300.00	Glenayre Technologies Inc	239,893.75
37,500.00	Great Lakes REIT, Inc	588,281.25
16,800.00	Hastings Entertainment, Inc.	212,100.00
13,900.00	HealthCare Financial Partners, Inc	695,000.00
	Acc purch 400 HealthCare	20,000.00
30,700.00	Healthcare Recoveries Inc	502,712.50
14,600.00	Holophane Corp	347,662.50
46,500.00	Hospitality Worldwide Services	383,625.00
18,300.00	Houston Exploration Co.	384,300.00
30,500.00	ITI Technologies, Inc.	825,406.25

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
 STATEMENT ATTACHED TO AND MADE PART OF
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PART IV. INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
	Acc purch 400 ITI Technologies	10,825.00
38,100.00	Intelligroup, Inc	781,050.00
25,600.00	Interface, Inc.	419,200.00
	Acc purch 2,700 Interface	44,212.50
23,500.00	K2, Inc	446,500.00
21,900.00	Littelfuse, Inc	509,175.00
13,500.00	MGC Communications, Inc.	202,500.00
19,900.00	Maxxim Medical Inc	504,962.50
9,800.00	Micros Systems Inc	367,500.00
19,900.00	Morrison Health Care, Inc.	384,318.75
12,600.00	NCS HealthCare, Inc.	364,612.50
34,800.00	Northland Cranberries Inc	426,300.00
	Acc purch 3,300 Northland Cranberries	40,425.00
18,900.00	Oshkosh B'Gosh, Inc. Class A	774,900.00
25,400.00	PCD, Inc.	450,850.00
12,000.00	PRI Automation Inc	167,250.00
	Acc purch 1,100 Pri Automation	15,331.25
25,900.00	Pameco Corp	579,512.50
	Acc sale 1,700 Pameco	(38,037.50)
	Acc sale 900 Pameco	(20,137.50)
46,800.00	Park-Ohio Holdings Corp	880,425.00
27,000.00	Penn Treaty American Corp	762,750.00
11,400.00	Photronics Inc	206,625.00
	Acc purch 1,700 Photronics	30,812.50
53,600.00	Prime Medical Services, Inc.	455,600.00
35,500.00	Rio Hotel & Casino, Inc.	652,312.50
30,500.00	SPSS, Inc	686,250.00
17,600.00	Silicon Valley Bancshares	545,600.00
16,700.00	Sipex Corporation	307,906.25
	Acc purch 1,100 Sipex	20,281.25
41,100.00	Southern Energy Homes, Inc.	390,450.00
13,100.00	Sunrise Assisted Living Inc	397,912.50
	Acc purch 1,800 Superior Services	50,625.00
	Acc purch 200 Superior Services	5,625.00
	Acc purch 3,800 Superior Services	106,875.00
36,200.00	Techne Corporation	581,462.50
	Acc purch 200 Techne	3,212.50
	Acc purch 1,000 Techne	16,062.50
	Acc purch 800 The Talbot's	18,700.00
	Acc purch 4,800 The Talbot's	112,200.00

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
	Acc purch 500 The Talbot's	11,687.50
	Acc purch 600 The Talbot's	14,025.00
18,400.00	Telxon Corporation	453,100.00
	Acc purch 200 Telxon	4,925.00
	Acc purch 1,200 Telxon	29,550.00
	Acc purch 1,200 Telxon	29,550.00
35,800.00	Tokheim Corp	671,250.00
	Acc purch 1,600 Tokheim	30,000.00
24,500.00	Tom Brown, Inc	405,781.25
16,100.00	Tractor Supply Company	394,450.00
	Acc purch 1,500 Tractor Supply	36,750.00
8,600.00	Trans World Entertainment Corp	338,625.00
23,400.00	TriStar Aerospace Co.	289,575.00
29,000.00	U.S. Xpress Enterprises, Inc - Class A	465,812.50
12,100.00	US LEC Corp	248,050.00
	Acc purch 1,200 US LEC	24,600.00
25,900.00	UTI Energy Corp	271,950.00
19,900.00	Vistana, Inc.	286,062.50
	Acc purch 3,100 Vistana	44,562.50
23,000.00	WICOR Inc.	493,062.50
	Acc purch 500 Wicor	10,718.75
1,200.00	Wild Oats Markets, Inc.	31,500.00
	Acc purch 1,600 Wild Oats Markets	42,000.00
	Acc purch 200 Wild Oats Markets	5,250.00
	Acc purch 200 Wild Oats Markets	5,250.00
	Acc purch 2,300 Wild Oats Markets	60,375.00
27,400.00	Worthington Foods, Inc.	472,650.00
	Acc purch 300 Worthington Foods	5,175.00
	Acc purch 400 Worthington Foods	6,900.00
	Acc purch 200 Worthington Foods	3,450.00
	Acc purch 1,300 Worthington Foods	22,425.00
38,200.00	International Comfort Products Corp	420,200.00
	Acc purch 1,600 Int'l Comfort Products	17,600.00
		31,568,825.00

TCW Group Account 413
 185,701.13 TCW Small Cap Growth Stock Ltd Ptn
 Monthly adjustment of shares 1.484829

32,861,673.48
 1,093.27

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
		32,862,766.75

		737,179,607.09
	Total Stocks	

REIT STOCKS

John McStay Investment Counsel Account 415		
14,500.00 AMB Property Corp		346,187.50
Acc sale 800 AMB		(19,100.00)
Acc sale 2,300 AMB		(54,912.50)
Acc sale 3,100 AMB		(74,012.50)
Acc sale 4,200 AMB		(100,275.00)
Acc sale 4,100 AMB		(97,887.50)
4,500.00 Alexandria Real Estate Equities, Inc.		131,062.50
44,500.00 American General Hospitality Corporation		848,281.25
Acc purch 2,600 Am Gen Hospitality		50,869.00
Rec'd 39,917 Meristar Hosp for 47,100 Am Gen'l		(899,150.25)
6,900.00 Apartment Investment & Management Co.		262,200.00
35,900.00 Archstone Communities Trust		753,900.00
47,700.00 Arden Realty Group, Inc		1,126,912.50
20,805.00 Avalon Bay Communities Inc		746,379.38
18,300.00 BRE Properties, Inc		462,075.00
Acc purch 1,700 Bre Prop		42,925.00
27,000.00 Bedford Property Investors, Inc		504,562.50
35,700.00 Boykin Lodging Company		604,668.75
25,000.00 Brandywine Realty Trust		498,437.50
Acc purch 4,200 Brandywine Rlty		83,737.50
Acc purch 400 Brandywine Rlty		7,975.00
Acc purch 400 Brandywine Rlty		7,975.00
6,100.00 Bristol Hotel Company		141,825.00
Acc sale 1,600 Bristol Hotel & Resort		(11,000.00)
Acc sale 700 Bristol Hotel & Resort		(4,812.50)
Rec'd 3,050 Bristol Hotel in exchange		20,968.75
Exchange 6,100 for 4,178.5 FelCor Lodging Trust		(141,825.00)
42,500.00 Burnham Pacific Properties, Inc.		587,031.25
19,100.00 Camden Property Trust		550,318.75
Acc purch 3,100 Camden Pty		89,318.75
45,400.00 Candlewood Hotel Company, Inc		351,850.00
9,700.00 CapStar Hotel Company		243,106.25

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
	Rec'd 9,700 Meristar Hosp for 9,700 CapStar Hotel	(243,106.25)
	Rec'd 9,700 Meristar Hotel for 9,700 CapStar Hotel	0.00
30,300.00	Captec Net Lease Realty, Inc	439,350.00
	Acc purch 1,900 Captec Net Lease	27,550.00
32,500.00	CarrAmerica Realty Corporation	875,468.75
36,200.00	Catellus Development Corp	590,512.50
16,500.00	Chateau Properties, Inc	474,375.00
34,000.00	Cornerstone Properties Inc	544,000.00
28,400.00	Crescent Real Estate Equities Company	834,250.00
8,900.00	Developers Diversified Realty Corp	329,300.00
	Acc purch 200 Developers Divers	7,400.00
	Acc purch 2,500 Dev Diversified	92,500.00
	Acc purch 1,400 Devel Diversified	51,800.00
10,900.00	Duke Realty Investments Inc.	235,031.25
	Acc purch 5,000 Duke Realty	107,812.50
	Acc purch 4,600 Duke Realty	99,187.50
39,400.00	ElderTrust	576,225.00
	Acc purch 3,300 Eldertrust	48,262.50
106,475.00	Equity Office Properties Trust	2,648,565.63
51,200.00	Equity Residential Properties Trust	2,150,400.00
21,500.00	Essex Property Trust, Inc.	653,062.50
77,800.00	FelCor Suite Hotels, Inc.	2,149,225.00
	Exchange 77,800 FelCor Suite for Felcor Lodging	(2,149,225.00)
	Rec'd 77,800 Felcor Lodging	2,149,225.00
	Rec'd in Bristol Hotel exchange	0.00
	Exchange 6,100 Bristol for 4,178.5 FelCor Lodging Tr	115,417.25
21,800.00	First Industrial Realty Trust, Inc.	602,225.00
68,400.00	First Union Real Estate Investments	508,725.00
	Acc purch 700 First Union	5,206.25
4,500.00	First Washington Realty Trust, Inc.	105,187.50
	Acc purch 600 First Wash	14,025.00
26,700.00	Glenborough Realty Trust, Inc	657,487.50
	Acc purch 2,500 Glenborough	61,562.50
28,400.00	Highwoods Properties, Inc	878,625.00
4,900.00	Home Properties of NY Inc	124,950.00
70,400.00	IRT Property Company	756,800.00
38,600.00	Innkeepers USA Trust	470,437.50
18,100.00	Irvine Apartment Communities, Inc	511,325.00
42,900.00	JP Realty, Inc	949,162.50
	Acc sale 800 JP Realty	(17,700.00)

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
23,700.00	Kilroy Realty Corporation	537,693.75
4,200.00	LTC Properties Inc	75,075.00
12,100.00	Liberty Property Trust	303,256.25
	Acc sale 4,200 Liberty Prop	(105,262.50)
10,900.00	Macerich Company	297,706.25
	Acc sale 2,000 Macerich	(54,625.00)
21,600.00	Mack-Cali Realty Corp	670,950.00
39,800.00	Meditrust Companies	895,500.00
	Acc purch 4,200 Meditrust	94,500.00
23,700.00	Meridian Industrial Trust, Inc	474,000.00
	Acc purch 1,300 Meridian Ind	26,000.00
	Rec'd 39,917 Meristar Hosp for 47,100 Am Gen'l	1,243,526.06
	Rec'd 9,700 Meristar Hotel for 9,700 CapStar Hotel	29,100.00
	Rec'd 8,268 Meristar Rights	0.00
7,550.00	National Golf Properties Inc	209,984.38
9,800.00	Pacific Gulf Properties, Inc.	203,962.50
	Acc purch 1,700 Pacific Gulf	35,381.25
108,200.00	Patriot American Hospitality	2,055,800.00
30,900.00	Philips International Realty Corp	502,125.00
15,400.00	Post Properties, Inc.	611,187.50
	Acc sale 2,500 Post Prop	(99,218.75)
	Acc sale 1,000 Post Prop	(39,687.50)
24,100.00	Prentiss Properties Trust	573,881.25
16,600.00	Prime Hospitality Corp	235,512.50
10,400.00	Prologis Trust	248,300.00
31,100.00	Public Storage, Inc.	824,150.00
15,100.00	Reckson Associates Realty Corporation	342,581.25
11,040.00	Reckson Service Industries Inc	23,460.00
	Acc sale 11,040 Reckson Service	(23,460.00)
20,300.00	Regency Realty Corp	482,125.00
12,700.00	Rouse Company	370,681.25
	Acc purch 400 Rouse	11,675.00
23,000.00	SL Green Realty Corp	506,000.00
31,800.00	Simon DeBartolo Group, Inc	989,775.00
	Acc purch 1,500 Simon DeBartolo	46,687.50
	Acc purch 2,400 Simon DeBartolo	74,700.00
25,700.00	Sovran Self Storage, Inc	653,743.75
18,100.00	Spieker Properties, Inc.	650,468.75
	Acc purch 2,900 Spieker	104,218.75
65,500.00	Starwood Hotels and Resorts Trust	2,689,593.75

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
29,300.00	Storage Trust Realty	651,925.00
15,900.00	Storage USA Inc	518,737.50
39,100.00	Summit Properties Inc	706,243.75
10,700.00	Sun Communities Inc	359,118.75
	Acc sale 400 Sun Communities	(13,425.00)
49,100.00	Sunstone Hotel Investors, Inc.	546,237.50
9,900.00	The St. Joe Company	245,643.75
26,500.00	Tower Realty Trust, Inc.	606,187.50
	Acc sale 5,000 Tower Realty	(114,375.00)
18,500.00	TrizecHahn Corporation	394,281.25
8,100.00	Urban Shopping Centers, Inc	266,287.50
36,700.00	Vornado Realty Trust	1,325,787.50
23,500.00	Weeks Corporation	678,562.50
	Acc sale 2,500 Weeks	(72,187.50)
	Acc sale 200 Weeks	(5,775.00)
		<u>48,358,497.70</u>

EII Realty Securities Account 416

40,000.00	Archstone Communities Trust	840,000.00
72,900.00	Arden Realty Group, Inc	1,722,262.50
33,279.00	Avalon Bay Communities Inc	1,193,884.13
43,600.00	BRE Properties, Inc	1,100,900.00
38,400.00	Boston Properties, Inc.	1,240,800.00
38,800.00	Bradley Real Estate, Inc.	826,925.00
30,600.00	CarrAmerica Realty Corporation	824,287.50
69,100.00	Catellus Development Corp	1,127,193.75
32,000.00	Charles E. Smith Residential Realty, Inc.	992,000.00
49,900.00	Chateau Properties, Inc	1,434,625.00
74,700.00	Cornerstone Properties Inc	1,195,200.00
28,900.00	Developers Diversified Realty Corp	1,069,300.00
107,067.00	Equity Office Properties Trust	2,663,291.63
39,200.00	Equity Residential Properties Trust	1,646,400.00
23,100.00	Federal Realty Investment Tr. SBI	539,962.50
64,800.00	Franchise Finance Corporation of America	1,611,900.00
47,200.00	General Growth Properties	1,716,900.00
71,100.00	Kilroy Realty Corporation	1,613,081.25
80,100.00	Kimco Realty Corporation	2,963,700.00
	Acc sale 6,600 Kimco Realty	(244,200.00)
48,900.00	Liberty Property Trust	1,225,556.25

**MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

SHARES	DESCRIPTION	MARKET VALUE
30,200.00	Macerich Company	824,837.50
25,400.00	Mack-Cali Realty Corp	788,987.50
28,200.00	Manufactured Home Communities, Inc.	696,187.50
9,800.00	Merry Land & Investment Company, Inc	214,375.00
23,000.00	Nationwide Health Properties, Inc.	529,000.00
87,100.00	Patriot American Hospitality	1,654,900.00
43,600.00	Post Properties, Inc.	1,730,375.00
69,800.00	Prologis Trust	1,666,475.00
78,900.00	Reckson Associates Realty Corporation	1,790,043.75
	Rec'd taxable stock distribution	0.00
52,900.00	SL Green Realty Corp	1,163,800.00
92,900.00	Simon DeBartolo Group, Inc	2,891,512.50
	Acc sale 5,300 Simon DeBartolo	(164,962.50)
29,000.00	Spieler Properties, Inc.	1,042,187.50
67,532.00	Starwood Hotels and Resorts Trust	2,773,032.75
39,200.00	Storage Trust Realty	872,200.00
44,700.00	Sun Communities Inc	1,500,243.75
84,300.00	Taubman Centers, Inc	1,101,168.75
23,800.00	Tower Realty Trust, Inc.	544,425.00
17,300.00	Urban Shopping Centers, Inc	568,737.50
51,700.00	Vornado Realty Trust	1,867,662.50
7,416.00	Kimco Realty Corp 7.50% Series D Conv Pfd	190,498.50
	Rec'd 7,416 Kimco Realty Ser D in taxfree spinoff	0.00
10,000.00	Vornado Realty Trust 6.5% Series A Conv Pfd	540,000.00
		<u>52,089,657.01</u>

Morgan Stanley Asset Management Account 417		
1,500.00	Aml Residential Properties Trust	32,718.75
	Acc purch 1,200 Apt Inv & Mgt	45,600.00
	Acc 500 Apt Inv & Mgt	19,000.00
85,200.00	Archstone Communities Trust	1,789,200.00
	Acc purch 100 Archstone	2,100.00
106,400.00	Arden Realty Group, Inc	2,513,700.00
	Acc purch 800 Arden	18,900.00
	Acc purch 700 Arden Realty	16,537.50
	Acc purch 500 Arden Realty	11,812.50
61,400.00	Avalon Bay Communities Inc	2,202,725.00
	Acc sale 600 Avalon Bay	(21,525.00)
31,500.00	Bedford Property Investors, Inc	588,656.25

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
107,000.00	Brandywine Realty Trust	2,133,312.50
	Acc purch 1,300 Brandywine Rlty	25,918.75
183,000.00	Brookfield Properties Corporation	2,353,672.79
133,500.00	Burnham Pacific Properties, Inc.	1,843,968.75
5,400.00	CBL & Associates Properties, Inc	131,287.50
	Acc sale 600 CBL	(14,587.50)
	Acc sale 900 CBL	(21,881.25)
	Acc sale 600 CBL	(14,587.50)
5,100.00	CapStar Hotel Company	127,818.75
	Acc sale 1,900 CapStar Hotel	(47,618.75)
	Acc sale 3,200 CapStar Hotel	(80,200.00)
1,500.00	Capital Automotive	20,531.25
	Acc sale 1,500 Capital Auto	(20,531.25)
91,700.00	CarrAmerica Realty Corporation	2,470,168.75
35,500.00	Charles E. Smith Residential Realty, Inc.	1,100,500.00
90,600.00	Chateau Properties, Inc	2,604,750.00
	Acc purch 1,000 Chelsea Realty	36,250.00
2,100.00	Crescent Real Estate Equities Company	61,687.50
54,800.00	Equity Office Properties Trust	1,363,150.00
	Acc purch 4,400 Equity Office	109,450.00
	Acc purch 100 Equity Office	2,487.50
12,600.00	Equity Residential Properties Trust	529,200.00
	Acc purch 800 Equity Residential	33,600.00
64,500.00	Essex Property Trust, Inc.	1,959,187.50
97,100.00	Federal Realty Investment Tr. SBI	2,269,712.50
8,200.00	First Washington Realty Trust, Inc.	191,675.00
82,200.00	Great Lakes REIT, Inc	1,289,512.50
49,400.00	Host Marriott Corp	836,712.50
	Acc sale 100 Host Marriott	(1,693.75)
41,800.00	Irvine Apartment Communities, Inc	1,180,850.00
	Acc sale 1,400 Irvine Apt	(39,550.00)
40,500.00	Kilroy Realty Corporation	918,843.75
	Acc purch 100 Kilroy	2,268.75
	Acc purch 100 Kilroy	2,268.75
15,600.00	Mack-Cali Realty Corp	484,575.00
	Acc sale 100 Mack-Cali	(3,106.25)
5,200.00	Manufactured Home Communities, Inc.	128,375.00
9,000.00	Meridian Industrial Trust, Inc	180,000.00
59,600.00	Merry Land & Investment Company, Inc	1,303,750.00
	Acc purch 1,600 Merry Land	35,000.00

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
 STATEMENT ATTACHED TO AND MADE PART OF
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 FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
	Acc purch 600 Merry Land	13,125.00
	Acc purch 500 Merry Land	10,937.50
4,200.00	OMEGA Healthcare Investors, Inc.	123,375.00
	Acc purch 100 Omega Healthcare	2,937.50
	Acc purch 1,400 Omega Healthcare	41,125.00
42,600.00	PA Real Estate Investment Trust SBI	934,537.50
	Acc purch 400 PA Real Estate	8,775.00
91,000.00	Pacific Gulf Properties, Inc.	1,893,937.50
36,300.00	Pan Pacific Retail Properties, Inc.	748,687.50
69,900.00	Prime Group Realty Trust	1,284,412.50
20,200.00	Public Storage, Inc.	535,300.00
	Acc purch 1,200 Public Storage	31,800.00
21,200.00	Reckson Associates Realty Corporation	480,975.00
	Acc sale 1,400 Reckson Assoc	(31,762.50)
	Acc sale 1,400 Reckson Assoc	(31,762.50)
	Acc sale 100 Reckson Assoc	(2,268.75)
11,992.00	Reckson Service Industries Inc	25,483.00
	Acc sale 900 Reckson Service	(1,912.50)
	Acc sale 1,100 Reckson Service	(2,337.50)
	Acc sale 4,600 Reckson Service	(9,775.00)
30,700.00	Regency Realty Corp	729,125.00
100.00	Rouse Company	2,918.75
	Acc purch 100 Rouse	2,918.75
	Acc purch 1,000 Rouse	29,187.50
46,100.00	SL Green Realty Corp	1,014,200.00
	Acc sale 100 SL Green	(2,200.00)
	Acc sale 2,700 SL Green	(59,400.00)
29,100.00	Shurgard Storage Centers Inc	800,250.00
	Acc purch 300 Shurgard	8,250.00
800.00	Simon DeBartolo Group, Inc	24,900.00
	Acc purch 400 Simon DeBartolo	12,450.00
	Acc purch 100 Simon DeBartolo	3,112.50
	Acc purch 2,800 Simon DeBartolo	87,150.00
30,400.00	Spieker Properties, Inc.	1,092,500.00
	Acc sale 2,000 Spieker	(71,875.00)
60,621.00	Starwood Hotels and Resorts Trust	2,489,249.81
	Acc purch 2,000 Starwood Hotels	82,125.00
47,300.00	Station Casinos Inc	431,612.50
6,500.00	Storage Trust Realty	144,625.00
	Acc purch 400 Storage Trust	8,900.00

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
6,000.00	Summit Properties Inc	108,375.00
26,700.00	Sun Communities Inc	896,118.75
167,700.00	Taubman Centers, Inc	2,190,581.25
	Acc purch 2,700 Taubman	35,268.75
	Acc purch 400 Taubman	5,225.00
92,300.00	TrizecHahn Corporation	1,967,143.75
	Acc sale 700 Trizec Hahn	(14,918.75)
	Acc sale 3,600 Trizec Hahn	(76,725.00)
	Acc sale 700 Trizec Hahn	(14,918.75)
26,300.00	Urban Shopping Centers, Inc	864,612.50
3,700.00	Vornado Realty Trust	133,662.50
	Acc sale 3,700 Vornado Realty	(133,662.50)
72,700.00	Wellsford Real Properties Inc	954,187.50
37,800.00	Westfield America Inc	666,225.00
		<u>53,172,918.10</u>
	Total REIT Stocks	<u>153,621,072.81</u>

INVESTMENT IN REAL ESTATE

AEW Copley Account 380		
10,000,000.00	CIIF Corp (AEW)	3,156,102.00
JMB Account 398		
10,000,000.00	JMB III Endowment	5,814,020.04
		<u>8,970,122.04</u>

US TREASURY BONDS & NOTES

Mellon Account 401			
15,000,000.00	U S Treasury Notes	6.875% 8/31/99	15,213,299.56
6,000,000.00	U S Treasury Notes	7.500% 10/31/99	6,138,719.79
8,075,000.00	U S Treasury Notes	7.75% 1/31/00	8,329,846.86
11,000,000.00	U S Treasury Notes	6.875% 3/31/00	11,231,990.13
24,000,000.00	U S Treasury Notes	6.250% 5/31/00	24,300,000.00
15,000,000.00	U S Treasury Notes	5.625% 11/30/00	15,035,100.17
50,000.00	U S Treasury Bonds	11.750% 2/15/01	57,273.50
9,650,000.00	U S Treasury Notes	7.750% 2/15/01	10,152,089.78
3,150,000.00	U S Treasury Notes	8.000% 5/15/01	3,347,851.44
1,000,000.00	U S Treasury Notes	6.500% 5/31/01	1,024,840.01
1,000,000.00	U S Treasury Notes	6.625% 6/30/01	1,028,750.00

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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23-1353340

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
1,092,000.00	U S Treasury Notes 7.875% 8/15/01	1,161,953.50
15,505,000.00	U S Treasury Notes 7.500% 11/15/01	16,396,537.50
3,600,000.00	U S Treasury Notes 6.625% 3/31/02	3,723,731.87
16,000,000.00	U S Treasury Notes 6.625% 4/30/02	16,562,559.81
4,100,000.00	U S Treasury Notes 6.250% 6/30/02	4,195,448.12
11,300,000.00	U S Treasury Notes 6.375% 8/15/02	11,626,682.87
7,600,000.00	U S Treasury Notes Series A 6.250% 2/15/03	7,805,428.22
4,300,000.00	U S Treasury Bonds 10.750% 2/15/03	5,178,145.87
	Acc purch 1,700,000 UST 5.75% 4/30/03	1,700,000.00
500,000.00	U S Treasury Bonds 12.375% 5/15/04	665,469.97
3,325,000.00	U S Treasury Notes 7.250% 8/15/04	3,609,187.65
8,250,000.00	U S Treasury Bonds 11.625% 11/15/04	10,853,864.71
3,125,000.00	U S Treasury Notes 7.875% 11/15/04	3,500,968.69
5,370,000.00	U S Treasury Bonds 10.750% 8/15/05	6,955,009.55
350,000.00	U S Treasury Notes 6.500% 8/15/05	368,976.99
5,250,000.00	U S Treasury Notes 6.875% 5/15/06	5,670,000.00
5,750,000.00	U S Treasury Notes 7.000% 7/15/06	6,261,232.43
	Acc purch 980,000 UST 6.625% 5/15/07	1,049,207.85
7,000,000.00	U S Treasury Notes 6.625% 5/15/07	7,494,339.75
		<u>210,638,506.59</u>

Miller Anderson & Sherrerd Account 414P

2,425,000.00	Treasury Inflation Index Nt 3.625% 7/15/02	2,401,507.81
	Adjust 37,563 for TIPS factor	37,193.19
6,785,000.00	Treasury Inflation Index Nt 3.375% 1/15/07	6,562,367.19
	Adjust 179,870 for TIPS factor	173,985.81
3,550,000.00	Treasury Inflation Index Nt 3.625% 1/15/08	3,506,734.38
	Adjust 23,749 for TIPS factor	23,459.62
2,000,000.00	U S Treasury Strips % 2/15/19	606,059.99
2,100,000.00	U S Treasury Bonds 8.750% 8/15/20	2,857,968.75
		<u>16,169,276.74</u>

FUTURES & VARIATION MARGIN

Miller Anderson & Sherrerd Account 414P	
49,984.37 Margin on Futures	49,984.37
Adjust to general ledger	(54,236.68)
Acc purch variation margin	1,156.25

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
	Acc futures losses	(8,532.14)
	Acc futures losses	(156.25)
73.00	Sept 98 10Yr T-Note Futures % 9/30/08	82.90
	Adjust market value & shares to -53	(11,270.90)
15.00	Sept 98 10Yr T-Bond Futures % 9/30/08	18.39
	Adjust market value	14,794.61
26.00	Sept 98 10Yr Muni Bond Futures	3,224.00
	Adjust market value	4,339.00
		<u>(596.45)</u>
	Total US Treasury Bonds & Notes	<u>226,807,186.88</u>

CORPORATE BONDS

Inhouse Account 400.				
1,095,000.00	BankAtlantic Bancorp Inc Cnv	6.750%	7/1/06	<u>1,708,200.00</u>

Mellon Account 401				
695,000.00	Exxon Capital Corp	6.500%	7/15/99	699,635.65
3,050,000.00	Texaco Capital	6.875%	7/15/99	3,080,682.90
1,345,000.00	Alabama Power Co.	6.375%	8/1/99	1,350,958.36
1,500,000.00	Internat'l Lease Financing	6.125%	11/1/99	1,503,510.02
900,000.00	Chase Manhattan Corp	7.750%	11/1/99	919,403.98
4,165,000.00	CIT Group Holdings	6.400%	1/28/00	4,167,374.02
1,000,000.00	American Home Products	7.700%	2/15/00	1,024,840.01
365,000.00	Commercial Credit Group	6.125%	3/1/00	365,777.44
900,000.00	Norwest Corp	6.000%	3/15/00	901,511.99
500,000.00	Upjohn Co.	5.875%	4/15/00	500,999.98
1,530,000.00	American General Finance	7.250%	4/15/00	1,561,166.14
960,000.00	Fleet Financial Group	7.125%	5/1/00	977,568.02
1,525,000.00	IBM Corp	6.375%	6/15/00	1,539,243.47
2,550,000.00	May Department Stores Co.	9.875%	6/15/00	2,721,003.03
2,400,000.00	Oklahoma Gas & Electric	6.250%	10/15/00	2,415,815.92
1,385,000.00	Tennessee Valley Auth Pwr	6.000%	11/1/00	1,392,354.33
150,000.00	Ford Capital BV	10.125%	11/15/00	162,924.00
2,645,000.00	General Motors Corp	9.625%	12/1/00	2,846,443.13
930,000.00	Chrysler Financial	5.875%	2/7/01	927,377.42
2,500,000.00	Allied Signal Inc.	5.750%	3/15/01	2,489,500.05
2,695,000.00	National Westminster Bank	9.450%	5/1/01	2,934,181.25

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
2,150,000.00	KFW International Finance 9.125% 5/15/01	2,322,644.97
1,000,000.00	International Paper Co. 7.000% 6/1/01	1,018,600.01
450,000.00	Caterpillar Inc 9.375% 7/15/01	490,531.52
1,500,000.00	Lucent Tech Inc 6.900% 7/15/01	1,540,320.05
2,120,000.00	Grand Metro Investment 8.625% 8/15/01	2,268,272.87
1,490,000.00	Associates Corp 7.875% 9/30/01	1,565,364.18
250,000.00	Bet IceCalm BV 8.625% 10/15/01	263,700.01
925,000.00	American Express 6.125% 11/15/01	926,646.51
1,725,000.00	Southern New Eng Telecomm 6.500% 2/15/02	1,756,791.79
1,185,000.00	Honeywell Inc 6.750% 3/15/02	1,211,247.71
1,500,000.00	Penney J.C. & Co. 7.250% 4/1/02	1,552,769.97
1,000,000.00	Republic NY Corp 7.250% 7/15/02	1,039,779.97
800,000.00	Public Service Elec & Gas 6.125% 8/1/02	800,416.02
800,000.00	duPont (El) de Nemours 6.500% 9/1/02	812,112.00
300,000.00	Rockwell International 6.750% 9/15/02	308,607.01
735,000.00	Northern Telecom Ltd 6.875% 10/1/02	756,403.22
365,000.00	BankAmerica MTN D92 7.875% 12/1/02	388,268.75
1,865,000.00	Ford Motor Credit 7.500% 1/15/03	1,960,338.79
375,000.00	Baltimore Gas & Electric 6.500% 2/15/03	379,957.49
1,000,000.00	SONY Corp 6.125% 3/4/03	1,002,259.98
405,000.00	Consolidated Edison Co. 6.375% 4/1/03	408,268.35
1,000,000.00	Archer Daniels Midland 6.250% 5/15/03	1,007,180.02
1,100,000.00	General Motors MTN 8.875% 5/15/03	1,219,438.02
345,000.00	New York Telephone Co. 5.875% 9/1/03	341,681.11
315,000.00	Commercial Credit 5.900% 9/1/03	312,577.66
365,000.00	J C Penney Inc Notes 6.125% 11/15/03	364,704.35
500,000.00	Wal Mart Stores 7.500% 5/15/04	534,874.99
325,000.00	Nationsbank 7.750% 8/15/04	347,782.51
	Rev purch 35,000 Nationsbank 7.75% 8/15/04	(37,453.51)
380,000.00	J.P. Morgan 7.625% 9/15/04	407,785.59
2,000,000.00	General Electric Cap Corp 7.375% 9/15/04	2,146,419.98
1,385,000.00	Abbey National First Capital 8.200% 10/15/04	1,516,907.43
1,335,000.00	Union Electric 7.375% 12/15/04	1,423,443.75
852,000.00	Southwestern Bell Telephone 6.625% 4/1/05	875,208.47
300,000.00	Nationsbank 7.625% 4/15/05	323,295.00
	Acc purch 35,000 Nationsbank 7.625% 4/15/05	37,717.75
1,000,000.00	Norwest Financial Inc 7.500% 4/15/05	1,069,049.99
570,000.00	First Bank System 7.625% 5/1/05	611,820.89
350,000.00	Abbott Laboratories 6.800% 5/15/05	364,931.00
800,000.00	A T & T 7.000% 5/15/05	835,296.02

**MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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23-1353340

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

SHARES	DESCRIPTION	MARKET VALUE	
500,000.00	Carnival Corp	7.050% 5/15/05	518,359.99
865,000.00	Anheuser Busch	6.750% 6/1/05	878,615.08
650,000.00	BankAmerica	6.750% 9/15/05	667,602.00
350,000.00	Emerson Electric	6.300% 11/1/05	352,726.50
1,200,000.00	Nike Inc	6.375% 12/ 1/05	1,214,051.97
1,000,000.00	Merrill Lynch Co.	6.250% 1/15/06	998,980.03
200,000.00	Pacific Bell	5.875% 2/15/06	196,242.00
1,500,000.00	Province of Ontario	6.000% 2/21/06	1,490,145.03
855,000.00	Finland Republic	5.875% 2/27/06	853,640.58
380,000.00	Disney Global	6.750% 3/30/06	395,811.81
875,000.00	Sysco Corp	7.000% 5/1/06	920,106.24
1,125,000.00	Santander Financial	7.250% 5/30/06	1,174,500.02
1,235,000.00	ABN Amro Bank NV	7.550% 6/28/06	1,317,176.89
915,000.00	Union Bank Switzerland	7.250% 7/15/06	965,745.88
1,310,000.00	Aetna Services Inc	7.125% 8/15/06	1,356,360.92
1,030,000.00	Daimler-Benz NA	7.375% 9/15/06	1,112,039.46
460,000.00	Deutsche Bank Financial	6.700% 12/13/06	470,248.79
1,325,000.00	Province of Quebec	7.000% 1/30/07	1,387,831.46
1,200,000.00	Chase Manhattan	7.125% 2/1/07	1,257,840.00
1,300,000.00	Sherwin Williams	6.850% 2/1/07	1,350,713.01
1,100,000.00	Travelers Inc	8.625% 2/1/07	1,273,954.03
1,000,000.00	Bear Stearns Cos	7.000% 3/1/07	1,033,020.02
1,000,000.00	Household Finance Corp	6.875% 3/1/07	1,027,539.98
1,000,000.00	Banc One Corp	7.600% 5/1/07	1,080,569.99
1,275,000.00	Sears Roebuck Acceptance	7.000% 6/15/07	1,325,936.29
1,325,000.00	Wisconsin Power & Light	7.000% 6/15/07	1,392,548.49
1,000,000.00	Gap Inc	6.900% 9/15/07	1,042,389.98
840,000.00	Warner Lambert Co.	6.000% 1/15/08	830,995.21
870,000.00	GMAC	6.125% 1/22/08	857,985.33
1,120,000.00	Wells Fargo & Co.	6.250% 4/15/08	1,103,871.97
575,000.00	First Union Corp	6.300% 4/15/08	573,321.00
		<u>101,379,103.25</u>	

Miller Anderson & Sherrerd Account 414P

615,000.00	Prime Property FNDG II	6.800% 8/15/02	623,474.69
975,000.00	Samsung Electronics	7.450% 10/1/02	822,695.23
540,000.00	Southland Corp	5.000% 12/15/03	471,150.00
825,000.00	Florida Res Prop & Cas	7.450% 7/1/04	863,016.01
315,000.00	Korea Development Bank	7.375% 9/17/04	265,311.89

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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23-1353340

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
492,620.58	Credit Card Rec Trust 98-1 6.478% 12/22/04	492,620.58
600,000.00	Fred Meyer Inc 7.375% 3/01/05	605,160.00
485,000.00	American Standard Co. 7.375% 4/15/05	482,351.91
480,000.00	CBS Corp 7.150% 5/20/05	480,513.61
350,000.00	Philip Morris Cos. Inc 7.000% 7/15/05	357,707.01
	Acc purch 595,000 HMH 7.875% 8/1/05	594,833.40
	Acc purch 445,000 GS Escrow 7.125% 8/1/05	443,322.35
125,000.00	Lenfest Communications 8.375% 11/01/05	132,500.00
705,000.00	Petroleum Nasional Berhd 7.125% 10/18/06	596,676.77
395,000.00	Hyundai Semicon 8.625% 5/15/07	305,927.49
340,000.00	EOP Operating LP 6.763% 6/15/07	337,375.19
550,000.00	Rogers Cantel 8.300% 10/01/07	548,625.00
425,000.00	CSC Holdings Inc 7.875% 12/15/07	444,125.00
480,000.00	Union Pacific Corp 6.625% 2/1/08	477,532.80
235,000.00	Lenfest Communications 7.625% 2/15/08	240,875.00
440,000.00	Grupo Minero Mexico SA 8.250% 4/1/08	423,033.59
790,000.00	Equitable Companies Inc 6.500% 4/1/08	794,463.52
235,000.00	Republic of Korea 8.875% 4/15/08	221,541.56
480,000.00	Tenet Healthcare Corp 7.625% 6/1/08	482,423.99
460,000.00	Endesa SA 7.750% 7/15/08	453,753.19
276,000.00	Niagra Mohawk Power 7.750% 10/1/08	284,981.03
660,741.78	Alcoa Aluminum 7.500% 12/16/08	664,778.91
394,000.00	Niagra Mohawk Power 8.500% 7/1/10	279,247.50
1,430,000.00	World Financial 6.950% 9/1/13	1,480,950.95
960,000.00	Scotia Pacific Co LLC 7.710% 1/20/14	949,017.63
595,000.00	Paiton Energy 9.340% 2/15/14	223,125.00
805,000.00	RAS Laffan Liq Nat Gas 8.294% 3/15/14	773,274.93
500,000.00	Glencore Nickel Property Ltd 9.000% 12/1/14	479,415.02
260,000.00	Columbia/HCA Healthcare 9.000% 12/15/14	275,654.61
285,000.00	Oxymar 7.500% 2/15/16	289,847.84
600,000.00	Republic of Columbia 8.700% 02/15/16	544,361.98
775,000.00	Petrozuata Finance Inc 8.220% 4/1/17	758,523.50
815,000.00	Hutchison Whampoa Fin 7.450% 8/1/17	671,258.44
320,000.00	Multicanal SA 10.500% 4/15/18	316,803.20
520,000.00	Continental Airlines 6.648% 3/15/19	523,717.98
925,000.00	Dr Structured Finance 9.350% 8/15/19	973,414.51
1,150,000.00	United Mexican St Ser A 6.250% 12/31/19	951,625.00
490,000.00	Rhone-Poulenc Rorer Inc 8.62% 1/5/21	541,592.10
655,000.00	Paramount Communications 8.250% 08/01/22	681,802.62
650,000.00	Metropolitan Life 7.450% 11/1/23	652,249.00

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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23-1353340

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
650,000.00	Nationwide Mutual Insurance 7.500% 2/15/24	652,327.01
490,000.00	Prudential Insurance Co. 8.300% 7/1/25	555,699.19
	Acc purch 150,000 Prudential 8.3% 7/1/25	170,328.00
375,000.00	Columbia/HCA Healthcare 7.580% 9/15/25	345,326.24
295,000.00	Reliance Industries Ltd 9.375% 6/24/26	279,143.75
525,000.00	First Chicago NBD Instit 7.950% 12/1/26	559,082.98
905,000.00	BT Instl Cap Trust A 8.090% 12/1/26	955,263.71
575,000.00	First Union Inst Cap I 8.040% 12/1/26	616,992.26
720,000.00	BANKAMERICA INSTIT-A 8.070% 12/31/26	777,923.99
450,000.00	Great Western Fin'l Series A 8.206% 2/1/27	484,474.51
685,000.00	Israel Electric 7.750% 12/15/27	670,327.31
685,000.00	News America Inc 7.280% 6/30/28	689,274.40
245,000.00	Equifax Inc 6.900% 7/1/28	240,781.10
815,000.00	Farmers Exchange Capital 7.050% 7/15/28	799,229.77
975,000.00	MMCA Automobile Trust 6.080% 5/15/01	976,491.75
800,000.00	WFS Auto 6.250% 3/20/02	802,239.99
655,623.78	Oil Purchase Company 7.100% 4/30/02	652,483.37
800,000.00	WFS Auto 98 A A3 5.900% 5/20/02	798,552.00
800,000.00	Arcadia Auto Receivables Tr 5.900% 11/15/02	798,784.00
500,046.54	Long Beach Accept Auto Trust 6.850% 10/25/03	501,916.72
767,496.45	Chevy Chase 6.250% 6/15/04	769,929.42
900,000.00	Dollar Thrifty 6.450% 8/25/04	905,660.98
925,000.00	Team Fleet 98 3 A 6.130% 10/25/04	919,782.97
572,405.41	Long Beach Auto 6.190% 1/25/05	571,191.92
313,090.59	Global Rates Eligible Asset 7.450% 3/15/06	312,871.43
347,472.48	Smart (CFS) 7.710% 4/15/06	349,658.07
950,000.00	Green Tree 98 5.850% 10/02/08	947,606.01
950,000.00	UCFC 6.475% 6/15/12	952,992.52
725,000.00	IMC EHL 98 1 A2 6.310% 12/20/12	724,920.24
800,000.00	First Plus 98 1 A3 6.040% 11/10/13	798,143.98
950,000.00	Empire Funding Home Loan 6.590% 5/25/14	953,229.97
615,000.00	Republic of Argentina 5.750% 3/31/23	464,325.00
950,000.00	Empire Funding Home Loan 7.160% 4/25/23	962,787.01
		46,236,393.10

MORTGAGE BACKED FUND

Miller Anderson & Sherred Account 414P
 7,915,133.97 MAS Advisory Mortgage Portfolio

84,296,173.75

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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23-1353340

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
<u>FOREIGN ADVISORY FUND</u>		
Miller Anderson & Sherrerd Account 414P 271,012.25	MAS Advisory Foreign Fixed Portfolio	<u>2,666,760.57</u>
	Total Corporate Bonds	<u>236,286,630.67</u>
<u>AGENCY BONDS</u>		
Mellon Account 401		
3,000,000.00	Federal Home Loan Bank Bond 5.560% 2/24/00	2,988,750.00
7,700,000.00	Federal Farm Credit Bank 6.330% 11/6/00	7,703,618.77
18,802.75	FHLMC G-380013 OF 500,000 10.500% 11/1/02	19,440.16
3,900,000.00	FNMA 5.750% 4/15/03	3,893,292.11
750,000.00	FNMA 6.080% 9/3/03	742,575.02
2,000,000.00	FNMA 6.850% 4/5/04	2,104,060.06
5,115,000.00	Federal National Mtg Assoc 7.400% 7/1/04	5,513,816.40
6,500,000.00	Federal Home Loan Mortgage 5.900% 2/14/06	6,532,500.00
1,900,000.00	Federal National Mtg Assoc 5.750% 2/15/08	1,881,303.98
1,500,000.00	Federal Home Loan Mortgage 5.750% 4/15/08	1,483,589.97
		<u>32,862,946.47</u>
	Total Principal Fund Investments	<u>4,198,995,141.19</u>
<u>INCOME FUND</u>		
<u>CONTROLLED COMPANIES</u>		
Inhouse Management Account 1000 24,666.00	Hershey Trust Company	<u>31,068,525.20</u>
<u>STOCKS</u>		
Inhouse Account 400		
200,000.00	ABM Industries Inc.	5,900,000.00
90,000.00	AFLAC Inc.	3,093,750.00
50,000.00	AMP Inc	1,468,750.00
73,004.00	Affiliated Computer Services, Inc	2,646,395.00
80,000.00	Air Express International Corp	1,765,000.00
100,000.00	Albemarle Corporation	1,931,250.00
50,000.00	Alexander & Baldwin Inc	1,235,937.50

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
100,000.00	Aliant Communications Inc	2,703,125.00
75,000.00	Allergan Inc.	3,918,750.00
80,000.00	Alltel Corp.	3,355,000.00
100,000.00	Amcast Industrial Corp.	1,900,000.00
44,276.00	American General Corp	3,024,604.25
200,000.00	American Home Products	10,300,000.00
60,000.00	Amoco Corp	2,505,000.00
85,000.00	Arvin Industries Inc	3,304,375.00
50,000.00	Avnet Inc.	2,743,750.00
60,000.00	Badger Meter Inc.	2,006,250.00
75,000.00	Bard, C.R. Inc.	3,037,500.00
120,000.00	Barnes Group Inc.	3,360,000.00
40,000.00	Bausch & Lomb Inc.	2,045,000.00
40,000.00	Bemis Company Inc	1,545,000.00
90,000.00	Blount International Inc., Class A	2,396,250.00
102,100.00	Boeing Company	3,962,756.25
85,000.00	Boston Acoustics Inc.	3,400,000.00
50,000.00	Bowater, Inc.	2,300,000.00
44,000.00	Bryn Mawr Bank Corp.	2,475,000.00
50,000.00	Campbell Soup	2,700,000.00
50,000.00	Carpenter Technology Corp	2,165,625.00
125,000.00	Carter Wallace	2,273,437.50
150,000.00	Centris Group Inc	1,687,500.00
75,000.00	ChemFirst Inc	1,448,437.50
75,000.00	Cincinnati Bell Inc.	2,409,375.00
55,125.00	Codorus Valley Bancorp Inc	1,178,296.88
75,000.00	Commerce Group Inc	2,306,250.00
80,000.00	Conagra Inc	2,070,000.00
75,000.00	Courier Corp	2,057,812.50
58,450.00	Crestar Financial Corp.	3,985,559.38
75,000.00	Cubic Corp.	1,893,750.00
90,478.00	Danaher Corporation	3,692,633.38
50,000.00	Diamond Offshore Drilling Inc	1,640,625.00
75,000.00	Diebold Inc.	1,893,750.00
150,000.00	Dimon Inc	1,631,250.00
30,000.00	Donaldson, Lufkin & Jenrette	1,582,500.00
100,000.00	EVEREN Capital Corp	2,781,250.00
90,000.00	Edwards, A.G. Inc.	3,515,625.00
90,000.00	El Paso Energy Corp	3,060,000.00
50,000.00	EnergyNorth Inc.	1,325,000.00

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23-1353340

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
55,000.00	Equitable Resources Inc	1,354,375.00
12,300.00	Equity Income Fund 1st Exchange Ser AT&T(UIT)	1,809,637.50
39,900.00	F & M Bancorp	1,586,025.00
300,000.00	Family Dollar Stores	5,437,500.00
9,400.00	Farmer Brothers Co	2,209,000.00
525.00	Farmers & Merchants Bank of Long Beach	1,564,500.00
80,000.00	Fed One Bancorp Inc	3,320,000.00
100,000.00	Fingerhut Companies	3,343,750.00
50,000.00	First Virginia Banks Inc	2,746,875.00
60,000.00	Fleetwood Enterprises Inc.	2,141,250.00
112,500.00	Flowers Industries Inc	2,081,250.00
40,000.00	Fluor Corporation	1,682,500.00
	Acc sale 40,000 Fluor	(1,682,500.00)
30,000.00	Franklin Electric Co Inc	1,884,375.00
86,625.00	Fremont General	4,953,867.19
100,000.00	Frontier Corp	3,356,250.00
100,000.00	Garan Inc	2,512,500.00
25,000.00	General Mills Inc.	1,548,437.50
80,000.00	Genuine Parts Co.	2,775,000.00
166,132.00	Guilford Mills, Inc.	2,959,226.25
50,000.00	Harsco Corp	2,159,375.00
75,000.00	Hasbro Inc.	2,714,062.50
140,000.00	Haskel International Inc. - A	1,365,000.00
25,000.00	IMS Health Inc.	1,570,312.50
50,000.00	International Aluminum Corp	1,471,875.00
75,000.00	International Multifoods Corp	1,575,000.00
75,000.00	Intimate Brands Inc	1,715,625.00
231,900.00	JLG Industries	3,594,450.00
100,000.00	Jackpot Enterprises Inc	1,175,000.00
67,500.00	Jefferson Pilot Corp	3,805,312.50
50,000.00	Johnson Controls Inc.	2,615,625.00
65,000.00	Jostens Inc Minn	1,466,562.50
104,000.00	K-Swiss Inc Class A	2,483,000.00
57,800.00	Kenan Transport Co.	1,878,500.00
45,000.00	Kerr-McGee	2,309,062.50
99,000.00	Keystone Financial Inc	3,310,312.50
75,000.00	Lance Inc	1,417,968.75
40,500.00	Landauer Inc	1,083,375.00
75,000.00	LeaRonal Inc.	1,532,812.50
25,000.00	Lehman Brothers Holdings Inc.	1,796,875.00

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23-1353340

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
100,000.00	Limited Inc.	2,681,250.00
93,000.00	Lincoln Electric Holdings	2,069,250.00
100,000.00	Longs Drug Stores	2,762,500.00
60,000.00	Lufkin Industries	1,773,750.00
60,000.00	Mac Dermid Inc.	2,088,750.00
50,000.00	Martin Marietta Materials	2,475,000.00
50,000.00	Matthews International Corp-Class A	1,100,000.00
75,000.00	McCormick & Co	2,432,812.50
50,000.00	McGraw Hill Companies	4,096,875.00
100,000.00	Mississippi Chemical Corp	1,625,000.00
50,000.00	Morgan Keegan, Inc.	1,184,375.00
50,000.00	Morgan Stanley Dean Witter & Co.	4,353,125.00
90,000.00	Myers Industries Inc	2,115,000.00
75,000.00	Nalco Chemical Co.	2,568,750.00
75,000.00	National Service Industries	3,895,312.50
50,000.00	Nike Inc - Class B	2,225,000.00
45,000.00	Norfolk Southern Corp	1,344,375.00
90,000.00	North Carolina Natural Gas Corp	2,250,000.00
45,000.00	Nymagic, Inc.	1,260,000.00
80,000.00	Oglebay Norton	2,940,000.00
151,803.00	Old Kent Financial Corp	5,597,735.63
67,500.00	Old Republic International Corp	1,805,625.00
150,000.00	Omnicom Group	7,875,000.00
75,000.00	P P & L Resources Inc	1,739,062.50
60,000.00	PXRE Corp	1,620,000.00
100,000.00	Park Electrochemical Corp	1,900,000.00
25,000.00	Phelps Dodge Corp	1,389,062.50
100,000.00	Phoenix Investment Partners, Ltd	850,000.00
75,000.00	Piedmont Natural Gas, Inc.	2,184,375.00
	Acc purch 25,000 Pitt DesMoines	666,000.00
100,000.00	Providence Energy	1,987,500.00
85,000.00	Provident Companies Inc	3,134,375.00
23,400.00	Puget Sound Energy Inc	592,312.50
	Rev purch 23,400 Puget Sound	(592,312.50)
150,000.00	Quaker Chemical Corp	2,681,250.00
50,000.00	Quaker Oats Co.	2,650,000.00
100,000.00	Reliance Steel & Aluminum Co.	3,331,250.00
100,000.00	Rite Aid Corp	3,950,000.00
168,750.00	Roanoke Electric Steel Corp	2,868,750.00
21,750.00	Rochester & Pittsburgh Coal Company	891,750.00

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
75,000.00	Russell Corp	2,451,562.50
90,000.00	SL Industries, Inc.	1,316,250.00
44,000.00	Safeco Corp.	1,982,750.00
280,000.00	Safety-Kleen Corp Acc sale 280,000 Safety-Kleen	1,137,500.00 (1,137,500.00)
100,000.00	Sara Lee Corp.	5,012,500.00
75,000.00	Sbarro, Inc.	1,851,562.50
30,000.00	Schlumberger Ltd	1,816,875.00
60,000.00	Schulman (A), Inc.	1,076,250.00
120,000.00	Schultz Sav-O-Stores	1,860,000.00
100,000.00	Selective Insurance Group, Inc.	1,937,500.00
80,000.00	Skyline Corp	2,575,000.00
60,000.00	Smith Investment Co.	4,117,500.00
100,000.00	Smucker Co. (J.M.) Class B	2,375,000.00
44,000.00	Southdown, Inc.	2,752,750.00
50,000.00	Southern New England Telecommunications	3,443,750.00
50,000.00	Sprint Corp	3,500,000.00
39,800.00	Starrett, L.S. Co.	1,497,475.00
10,200.00	Starrett, L.S. Co. Class	383,775.00
60,000.00	Stepan Co	1,725,000.00
125,000.00	Stephan Company (The)	1,593,750.00
50,000.00	Stone & Webster, Inc.	1,812,500.00
110,000.00	Stride Rite Corp	1,333,750.00
106,587.00	Susquehanna Bancshares, Inc.	2,398,207.50
60,000.00	Tandy Corp.	3,408,750.00
50,000.00	Tech/Ops Sevcon Inc.	650,000.00
45,000.00	Tennant Co.	1,974,375.00
40,000.00	Textron Inc.	2,955,000.00
40,000.00	Thomas & Betts Corp	1,640,000.00
50,000.00	Trinity Industries, Inc	1,996,875.00
65,000.00	Twin Disc Inc	1,767,187.50
75,000.00	Tyco International Ltd - New	4,645,312.50
60,000.00	Tyson Foods, Inc. - Class A	1,297,500.00
150,000.00	Uni Marts Inc	450,000.00
50,000.00	Universal Corp VA	1,740,625.00
135,000.00	Universal Foods Corp	3,088,125.00
82,500.00	Varlen Corp	2,567,812.50
75,000.00	Walgreen Co.	3,239,062.50
95,000.00	Wallace Computer Services	1,852,500.00
150,000.00	Warner-Lambert Co.	11,306,250.00

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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
50,000.00	Weis Markets, Inc.	1,715,625.00
90,000.00	Wendy's International Inc	2,008,125.00
50,000.00	Westvaco Corp	1,253,125.00
125,000.00	World Fuel Services Corp	2,125,000.00
236,250.00	Wynns International Inc.	4,296,796.88
75,000.00	Zero Corp	2,100,000.00
23,750.00	Sealed Air Corp \$2.00 Series A Cum Conv Pfd	1,059,843.75
40,000.00	Allied Irish Banks - Spons ADR	3,600,000.00
12,000.00	Anangel-American Shipholdings Ltd— Acc sale 12,000 Anangel-American Shipholdings	63,000.00 (63,000.00)
50,000.00	Autoliv, Inc	1,703,125.00
40,000.00	Exel Ltd	3,122,500.00
52,455.00	Fresenius Medical Care-ADR	1,078,605.94
50,000.00	Potash Corp of Saskatchewan	3,650,000.00
75,000.00	Puerto Rican Cement	3,604,687.50
51,350.00	Repsol SA	2,756,853.13
27,500.00	SCOR ADS	1,928,437.50
15,000.00	Velcro Industries NV	2,041,875.00
75,000.00	Volvo AB - Sponsored ADR	2,301,562.50
50,000.00	Fresenius Medical Holdings Inc Pfd	3,400.00
Total Stocks		<u>442,351,550.16</u>

INVESTMENT IN REAL ESTATE

Hershey Square Shopping Center	8,722,935.65
Accumulated Depreciation-Hershey Square	(967,745.30)
Hershey Square Phase II	186,988.55
Accumulated Depreciation-Hershey Square II	(15,016.75)
<u>7,927,162.15</u>	

US TREASURY BONDS & NOTES

Mellon Account 401		
950,000.00	U S Treasury Notes Series C 8.000% 8/15/99	973,455.52
1,850,000.00	U S Treasury Notes 8.500% 2/15/00	1,929,771.93
250,000.00	U S Treasury Bonds 11.750% 2/15/01	286,367.49
600,000.00	U S Treasury Notes 8.000% 5/15/01	637,685.99
9,700,000.00	U S Treasury Notes 6.375% 8/15/02	9,980,426.89
Acc purch 100,000 UST 5.75% 4/30/03		100,000.00
1,475,000.00	U S Treasury Notes 7.875% 11/15/04	1,652,457.22

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
1,750,000.00	U S Treasury Notes 6.875% 5/15/06	1,890,000.00
2,000,000.00	U S Treasury Notes 7.000% 7/15/06	2,177,819.98
		<u>19,627,985.02</u>

Miller Anderson	Miller Anderson & Sherrerd Account 4141	
650,000.00	Treasury Inflation Index Nt 3.625% 7/15/02	643,703.13
	Adjust 10,068 for TIPS factor	9,968.87
1,845,000.00	Treasury Inflation Index Nt 3.375% 1/15/07	1,784,460.94
	Adjust 48,910 for TIPS factor	47,311.06
975,000.00	Treasury Inflation Index Nt 3.625% 1/15/08	963,117.19
	Adjust 6,522 for TIPS factor	6,442.81
800,000.00	U S Treasury Strips % 2/15/19	242,424.00
475,000.00	U S Treasury Bonds 8.750% 8/15/20	646,445.31
		<u>4,343,873.31</u>

FUTURES & VARIATION MARGIN

Miller Anderson & Sherrerd Account 4141		
19,538.31	Margin on Futures	19,538.31
	Adjust to general ledger	(17,181.86)
	Acc purch variation margin	281.25
	Acc losses on sales	(2,090.98)
	Acc losses on sales	(25.00)
22.00	Sept 98 10Yr T-Note Futures % 9/30/08	24.98
	Adjust to -16 futures	(7,087.98)
5.00	Sept 98 10Yr T-Bond Futures % 9/30/08	6.13
	Adjust market value	4,868.87
7.00	Sept 98 10Yr Muni Bond Futures	868.00
	Adjust market value	1,132.00
		<u>333.72</u>

Total US Treasury Bonds & Notes 23,972,192.05

CORPORATE BONDS

Mellon Account 401		
940,000.00	Duke Power 7.500% 4/1/99	950,076.79
500,000.00	Avco Financial Services 7.250% 7/15/99	506,214.98

**MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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PART IV, INVESTMENTS-SECURITIES, LINE 54:

SHARES	DESCRIPTION	MARKET VALUE
100,000.00	Honeywell Inc 6.750% 3/15/02	102,215.00
285,000.00	Morgan Stanley Group 8.100% 6/24/02	304,100.71
30,000.00	Rockwell International 6.750% 9/15/02	30,860.70
350,000.00	Weyerhaeuser 9.050% 2/1/03	387,758.01
400,000.00	Dean Witter Discover 6.875% 3/1/03	411,284.00
300,000.00	Lilly (Eli) & Co Notes 6.250% 3/15/03	303,126.00
330,000.00	Bank One Cleveland Sub 6.625% 4/15/03	336,187.50
235,000.00	Bell Atlantic NJ 5.875% 2/1/04	233,571.20
500,000.00	Wal-Mart Stores 7.500% 5/15/04	534,874.99
1,000,000.00	Pacific Bell 5.875% 2/15/06	981,210.02
		<u>5,081,479.90</u>

Miller Anderson & Sherrerd Account 4141

170,000.00	Prime Property FNDG II 6.800% 8/15/02	172,342.60
250,000.00	Samsung Electronics 7.450% 10/1/02	210,947.49
140,000.00	Southland Corp 5.000% 12/15/03	122,150.00
225,000.00	Florida Res Prop & Cas 7.450% 7/1/04	235,368.00
150,000.00	Korea Development Bank 7.375% 9/17/04	126,339.00
123,155.15	Credit Card Rec Trust 98-1 6.478% 12/22/04	123,155.15
165,000.00	Fred Meyer Inc 7.375% 3/01/05	166,419.00
130,000.00	American Standard Co. 7.375% 4/15/05	129,290.20
130,000.00	CBS Corp 7.150% 5/20/05	130,139.10
95,000.00	Philip Morris Cos. Inc 7.000% 7/15/05	97,091.90
	Acc purch 165,000 HMH Prop 7.875% 8/1/05	164,953.80
	Acc purch 120,000 GS Escrow 7.125% 8/1/05	119,547.60
35,000.00	Lenfest Communications 8.375% 11/01/05	37,100.00
210,000.00	Petroleum Nasional Berhd 7.125% 10/18/06	177,733.50
110,000.00	Hyundai Semicon 8.625% 5/15/07	85,195.00
100,000.00	EOP Operating LP 6.763% 6/15/07	99,228.00
150,000.00	Rogers Cantel 8.300% 10/01/07	149,625.00
120,000.00	CSC Holdings Inc 7.875% 12/15/07	125,400.00
130,000.00	Union Pacific Corp 6.625% 2/1/08	129,331.80
90,000.00	Lenfest Communications 7.625% 2/15/08	92,250.00
120,000.00	Grupo Minero Mexico SA 8.250% 4/1/08	115,372.80
215,000.00	Equitable Companies Inc 6.500% 4/1/08	216,214.76
130,000.00	Tenet Healthcare Corp 7.625% 6/1/08	130,656.50
125,000.00	Endesa SA 7.750% 7/15/08	123,302.50
76,000.00	Niagra Mohawk Power 7.750% 10/1/08	78,473.04
176,197.43	Alcoa Aluminum 7.500% 12/16/08	177,274.00

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
 STATEMENT ATTACHED TO AND MADE PART OF
 RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
 FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340
 ID #

PART IV, INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
109,000.00	Niagra Mohawk Power	77,253.75
395,000.00	World Financial	409,073.86
260,000.00	Scotia Pacific Co LLC	257,025.61
165,000.00	Paiton Energy	61,875.00
210,000.00	RAS Laffan Liq Nat Gas	201,723.90
150,000.00	Glencore Nickel Property Ltd	143,824.50
70,000.00	Columbia/HCA Healthcare	74,214.70
100,000.00	Oxymar	101,701.00
155,000.00	Republic of Columbia	140,626.85
210,000.00	Petrozuata Finance Inc	205,535.40
200,000.00	Hutchison Whampoa Fin	164,726.00
85,000.00	Multicanal SA	84,150.85
145,000.00	Continental Airlines	146,036.74
255,000.00	Dr Structured Finance	268,346.70
315,000.00	United Mexican St Ser A	260,662.50
135,000.00	Rhone-Poulenc Rorer Inc	149,214.15
165,000.00	Paramount Communications	171,751.80
250,000.00	Metropolitan Life	250,865.00
250,000.00	Nationwide Mutual Insurance	250,895.00
150,000.00	Prudential Insurance Co.	170,112.00
105,000.00	Columbia/HCA Healthcare	96,691.35
125,000.00	First Chicago NBD Instit	133,115.00
250,000.00	BT Instl Cap Trust A	263,885.00
150,000.00	First Union Inst Cap I	160,954.50
250,000.00	BANKAMERICA INSTIT-A	270,112.50
125,000.00	Great Western Fin'l Series A	134,576.25
180,000.00	Israel Electric	176,144.40
190,000.00	News America Inc	191,185.60
70,000.00	Equifax Inc	68,794.60
150,000.00	Farmers Exchange Capital	147,097.50
275,000.00	MMCS Automobile Trust	275,420.75
225,000.00	WFS Auto 6.25% 3/20/02	225,630.00
225,000.00	WFS Auto 98 A A3	224,592.75
225,000.00	Arcadia Auto Receivables Tr	224,658.00
131,591.20	Long Beach Accept Auto Trust	132,083.35
201,972.74	Chevy Chase	202,613.00
250,000.00	Dollar Thrifty	251,572.49
250,000.00	Team Fleet 98 3 A	248,589.99
154,109.15	Long Beach Auto	153,782.44
95,803.74	Global Rates Eligible Asset	95,736.68

MILTON HERSHEY SCHOOL AND SCHOOL TRUST
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 FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340

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PART IV. INVESTMENTS-SECURITIES, LINE 54:

<u>SHARES</u>	<u>DESCRIPTION</u>	<u>MARKET VALUE</u>
95,197.94 Smart (CFS)	7.710% 4/15/06	95,796.73
275,000.00 Green Tree 98	5.850% 10/02/08	274,307.00
250,000.00 UCFC	6.475% 6/15/12	250,787.51
225,000.00 First Plus 98 1 A3	6.040% 11/10/13	224,477.99
275,000.00 Empire Funding Home Loan	6.590% 5/25/14	275,934.99
165,000.00 Republic of Argentina	5.750% 3/31/23	124,575.00
250,000.00 Empire Funding Home Loan	7.160% 4/25/23	253,365.00
		<u>12,300,996.42</u>

MORTGAGE BACKED FUND

Miller Anderson & Sherrerd Account 4141	<u>23,100,542.99</u>
2,169,065.15 MAS Advisory Mortgage Portfolio	

FOREIGN BOND FUND

Miller Anderson & Sherrerd Account 4141	<u>734,937.47</u>
74,688.77 MAS Advisory Foreign Fixed Portfolio	

Total Corporate Bonds	<u>41,217,956.78</u>
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Total Income Fund Investments	<u>546,537,386.34</u>
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Total Investments	<u>4,745,532,527.53</u>
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MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 99
FOR THE FISCAL YEAR ENDED JULY 31, 1998

23-1353340

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

	<u>Cost or Other Basis</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	2,665,626	-	2,665,626
Land Improvements	611,658	432,974	178,684
Buildings	8,128,201	4,989,168	3,139,033
Furniture & Equipment	481,631	474,532	7,099
	<hr/>	<hr/>	<hr/>
	<u>11,887,116</u>	<u>5,896,674</u>	<u>5,990,442</u>

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
FOR THE FISCAL YEAR ENDED JULY 31, 199823-1353340

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

	<u>Cost or Other Basis</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
School Buildings	108,728,461	36,714,207	72,014,254
Student homes	71,988,513	22,746,099	49,242,414
Construction in Progress	17,684,457	0	17,684,457
School machinery and fixtures	8,678,330	4,436,051	4,242,279
Farm and dairy equipment	906,286	813,323	92,963
Trucks and buses	5,166,520	3,205,058	1,961,462
	<u>213,152,567</u>	<u>67,914,738</u>	<u>145,237,829</u>

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

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

(A)	(B)	(C)	(D)	(E)
Name and Address	Title and Time in Position	Compensation	Contributions to Employee	Expense Account & Benefit Plans
William H. Alexander 16 Wagner Street Hummelstown, PA 17036	Director/Manager Part-Time			
Donald A. Brown, Esq. 1250 Connecticut NW Washington, DC 20036	Director/Manager Part-Time			
Anthony J. Colistra 429 Sioux Drive Mechanicsburg, PA 17055	Director/Manager Part-Time			
W. Don Cornwell 192 Columbia Heights Brooklyn, NY 11201	Director/Manager Part-Time			
Dr. Lawrence Davenport 505 Meadow Lane Hershey, PA 17033	Vice President Finance & Operations Full-Time	132,590	40,337	21,035
C. McCollister Evarts, M.D. R.D. #2, Box 184C Shady Lane Hummelstown, PA 17036	Director/Manager Part-Time			
A. John Gabig, Esq 397 Patowmack Court Great Falls, VA 22006	Director/Manager Part-Time			
Lucy Durr Hackney 2128 Pine Street Philadelphia, PA 19103	Director/Manager Part-Time			

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
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FOR THE FISCAL YEAR ENDED JULY 31, 1998

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

(A)	(B)	(C)	(D)	(E)
<u>Name and Address</u>	<u>Title and Time in Position</u>	<u>Compensation</u>	<u>Contributions to Employee Benefit Plans</u>	<u>Expense Account & Other Allow.</u>
Mavis E. Kelley 643 Heiden Court Hummelstown, PA 17036	Vice President of Programs Full-Time	133,480	40,695	21,035
Dr. William L. Lepley 858 Appenzell Drive Hummelstown, PA 17036	President Director/Manager Full-Time	195,530	82,427	58,258
Dr. Joan S. Lipsitz 17 Fones Avenue North Kingstown, RI 02852	Director/Manager Part-Time	-	-	-
The Rev. John S. McDowell, Jr. 125 Beverly Road Ashland, VA 23005	Director/Manager Part-Time	-	-	-
J. Bruce McKinney 300 Park Blvd. Hershey, PA 17033	Director/Manager Part-Time	-	-	-
Ruben Nazario 745 Homestead Lane Hershey, PA 17033	Vice President -Human Resources Full-Time	114,480	35,160	21,035
Juliet C. Rowland 1232 Park Plaza Drive Columbus, OH 43213	Director/Manager Part-Time	-	-	-
Vincent B. Rudisill 100 Mansion Road East Hershey, PA 17033-0445	Treasurer Part-Time	-	-	-

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
 RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM 990
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PART V. LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES:

(A) <u>Name and Address</u>	(B) <u>Title and Time in Position</u>	(C) <u>Compensation</u>	(D) <u>Contributions to Employee Benefit Plans</u>	(E) <u>Expense Account & Other Allow.</u>
Robert Stets 1048 Brookwood Drive Mechanicsburg, PA 17055	General Counsel Full-Time	158,740	38,077	21,035
Hershey Trust Company 100 Mansion Road East Hershey, PA 17033-0445	Trustee Part-time	1,000		
Robert C. Vowler 100 Mansion Road East Hershey, PA 17033-0445	Director/Manager Part-Time			
A. Morris Williams, Jr. 120 Righters Mill Road Gladwyne, PA 19035	Director/Manager Part-Time			
Kenneth L. Wolfe 100 Crystal A Drive Hershey, PA 17033-0810	Director/Manager Part-Time			
		<u>735,820</u>		
<u>Tie in to Part II</u>				
Col (C) Compensation		735,820		
Col (E) Expense Account & Other Allowances Part II, line 25		84,140		
		<u>819,960</u>		

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
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PART V, LINE 75

(A)	(B)	(C)	(D) Contributions to Employee Benefit Plans	(E) Expense Account & Other Allow.
<u>Name and Address</u>	<u>Title and Time in Position</u>	<u>Compensation</u>		
J. Bruce McKinney 300 Park Blvd Hershey, PA 17033	Chairman & CEO, Hershey Entertainment & Resorts Company Full-time (1)	634,271	256,691	7,540
Vincent B. Rudisill 100 Mansion Road East Hershey, PA 17033-0445	VP & Sr Investment Officer, Hershey Trust Co. Full-time (2)	257,690	43,476	7,392
Robert C. Vowler 100 Mansion Road East Hershey, PA 17033-0445	President & CEO Hershey Trust Co. Full-time (2)	326,459	64,802	12,154
Kenneth L. Wolfe 100 Crystal A Drive Hershey, PA 17033-0810	Chairman & CEO Hershey Foods Corp. Full-time (3)	1,028,814	3,701,201	0

(1) Individual is an officer of a wholly-owned for-profit entity. All compensation agreements relative to the for-profit entity are established by an independent Board of the for-profit entity with the assistance of third party compensation consultants. The for-profit entity derives a diminimus amount of revenue from the tax-exempt entity and all transactions are conducted at an arms-length basis. None of the compensation, employee benefit contributions or other allowances are paid for by the tax-exempt entity.

The compensation amount includes base salary and annual incentive payment for services rendered in connection with the for-profit entity. Compensation also includes director fees paid by Hershey Trust Company, a controlled for-profit entity. 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.

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

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PART V, LINE 75, continued

(2) Individual is an officer of a controlled for-profit entity. All compensation agreements are established by an independent Compensation Committee and by the Board of Directors of Hershey Trust Company with the advice of third party compensation consultants. The Hershey Trust Company receives a fee of \$1,000 for its services from the tax-exempt entity. None of the compensation, employee benefit contributions or other allowances are paid for by the tax-exempt entity.

The compensation amount includes base salary and annual incentive payment all 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.

(3) Individual is the Chairman of the Board of Directors and Chief Executive Officer of Hershey Foods Corporation, a for-profit, publicly traded company, voting control of which is held by the tax-exempt organization. Hershey Foods Corporation, the leading confectionery company in North America, had revenues of \$4.3 billion for 1997; at December 31, 1997, Hershey Foods Corporation had approximately 45,000 registered public stockholders and a market capitalization of approximately \$8.9 billion. All compensation arrangements and amounts for Mr. Wolfe as Chairman & Chief Executive Officer of Hershey Foods Corporation are established and set by an independent Compensation Committee and Board of Directors of Hershey Foods Corporation. Both Hershey Foods' Compensation Committee and Board of Directors are composed of individuals unrelated and not subject to the control of any disqualified person. The Hershey Foods Corporation Compensation Committee obtained and relied upon appropriate third party data as to comparability, and adequately documented the basis for determining Mr. Wolfe's compensation. The amount and composition of Mr. Wolfe's compensation is based on marketplace competitive considerations, financial and business objectives and results achieved, and is consistent with that reported in Hershey Foods' Proxy Statement on Form 14A filed with the U.S. Securities and Exchange Commission. During the year Mr. Wolfe exercised Hershey Foods stock options having a value of \$541,987. Compensation also includes director fees paid by Hershey Trust Company, a controlled for-profit company. The tax-exempt organization does not participate and is not involved in establishing, setting, or reviewing any of the compensation arrangements or amounts for Mr. Wolfe as Chairman of the Board and Chief Executive Officer of Hershey Foods Corporation.

MILTON HERSHY SCHOOL AND SCHOOL TRUST

STATEMENT ATTACHED TO AND MADE PART OF
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PART VI, LINE 80b:

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

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

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

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SCHEDULE A, PART III, LINE 2:

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

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

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

**STATEMENT ATTACHED TO AND MADE PART OF
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SCHEDULE A, PART III, LINE 3:

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

MILTON HERSHEY SCHOOL AND SCHOOL TRUST

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SCHEDULE A, PART VI-B, LINES b, d, & g:

Line b Employees of the exempt organization prepared a ruling request regarding transportation of students, and comments to state legislators about proposed legislation that would affect administration of trusts, including the exempt organization.

Line d Employees of the exempt organization prepared correspondence to legislators regarding proposed legislation affecting trust administration. The amount is estimated internal cost for staff time.

Line g Registered lobbyists represented the exempt organization in submitting a ruling request regarding transportation of students (approx. 90%) and in developing comments about proposed legislation affecting trust administration (approx. 10%).

Application for Extension of Time To File
Certain Excise, Income, Information, and Other Returns

OMB No. 1545-0148

► File a separate application for each return.

Please type or print. File the original and one copy by the due date for filing your return. See instructions on back.	Name Milton Hershey School & School Trust	Employer identification number 23 1353340
	Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address) P.O. Box 445	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Hershey, PA 17033	

Note: Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

1 I request an extension of time until March 15, 1999 to file (check only one):

<input type="checkbox"/> Form 706-GS(D)	<input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 1120-ND (sec. 4951 taxes)	<input type="checkbox"/> Form 8612
<input type="checkbox"/> Form 706-GS(T)	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 3520-A	<input type="checkbox"/> Form 8613
<input checked="" type="checkbox"/> Form 990 or 990-EZ	<input type="checkbox"/> Form 1041 (estate) (see instructions)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8725
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 5227	<input type="checkbox"/> Form 8804
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1042	<input type="checkbox"/> Form 6069	<input type="checkbox"/> Form 8831

If the organization does not have an office or place of business in the United States, check this box.

2a For calendar year, or other tax year beginning August 1, 1997 and ending July 31, 1998.

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

3 Has an extension of time to file been previously granted for this tax year? Yes No

4 State in detail why you need the extension Complexity of return

5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions. \$

b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$

c Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See instructions \$

Signature and Verification

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

Signature ► Kayla M Bush Title ► Hershey Trust Company, Trustee
Controller Date ► 12/1/98

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant—To Be Completed by the IRS

We HAVE approved your application. Please attach this form to your return.

We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.

We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.

We cannot consider your application because it was filed after the due date of the return for which an extension was requested.

Other:

Director

By:Date:

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print	Name
	Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.