

Return of Organization Exempt From Income Tax

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

2004

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2004 calendar year, or tax year beginning **JUL 1, 2004** and ending **JUN 30, 2005**

B Check if applicable: <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization BABSON COLLEGE	D Employer identification number 04-2103544	
	Number and street (or P.O. box if mail is not delivered to street address) 231 FOREST ST.	Room/suite 	E Telephone number 781.239.5298
	City or town, state or country, and ZIP + 4 BABSON PARK, MA 02457-0301	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	
	* Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).		

G Website: **WWW.BABSON.EDU**

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

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **175,537,756.**

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number **N/A**
M Check if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	17,672,640.		
	b Indirect public support	1b			
	c Government contributions (grants)	1c	1,069,236.		
	d Total (add lines 1a through 1c) (cash \$ 18,297,977. noncash \$ 443,899.)			1d	18,741,876.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)			2	123,313,487.
	3 Membership dues and assessments			3	
	4 Interest on savings and temporary cash investments			4	585,285.
	5 Dividends and interest from securities			5	3,051,693.
	6 a Gross rents SEE STATEMENT 1	6a	907,688.		
	b Less: rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)			6c	907,688.
7 Other investment income (describe)			7		
8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	28,937,727.	8a			
	b Less: cost or other basis and sales expenses	26,608,303.	8b		
	c Gain or (loss) (attach schedule) STMT 1 A	2,329,424.	8c		
d Net gain or (loss) (combine line 8c, columns (A) and (B)) STMT 2			8d	2,329,424.	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	a Gross revenue (not including \$ of contributions reported on line 1a)	9a			
	b Less: direct expenses other than fundraising expenses	9b			
	c Net income or (loss) from special events (subtract line 9b from line 9a)			9c	
	10 a Gross sales of inventory, less returns and allowances	10a			
b Less: cost of goods sold	10b				
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c		
11 Other revenue (from Part VII, line 103)			11		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	148,929,453.	
Expenses	13 Program services (from line 44, column (B))		13	125,408,210.	
	14 Management and general (from line 44, column (C))		14	14,957,678.	
	15 Fundraising (from line 44, column (D))		15	4,308,137.	
	16 Payments to affiliates (attach schedule)		16		
17 Total expenses (add lines 16 and 44, column (A))			17	144,674,025.	
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)		18	4,255,428.	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))		19	222,785,774.	
	20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 3		20	4,118,058.	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)		21	231,159,260.	

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

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

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization BABSON COLLEGE	Employer identification number 04-2103544
	Number, street, and room or suite no. If a P.O. box, see instructions. BABSON PARK	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WELLESLEY, MA 02457-0301	

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

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

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

- The books are in the care of **Rich Bowman**
Telephone No. **(781) 235-1200** FAX No. _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole group**, check this box . If it is for **part of the group**, check this box and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until May 15, 2006.
- 5 For calendar year _____, or other tax year beginning July 1, 2004, and ending June 30, 2005.
- 6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 7 State in detail why you need the extension Additional time is needed to file a complete and accurate return.

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ None
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. \$ None
- c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0.00

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 Wayne B. Gunkel Title CPA Date 02/09/2005

Notice to Applicant—To Be Completed by the IRS

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

Director _____ By: _____ Date _____

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

Type or print	Name PricewaterhouseCoopers LLP Att: Joyce Singletary
	Number and street (include suite, room, or apt. no.) or a P.O. box number 125 High Street
	City or town, province or state, and country (including postal or ZIP code) Boston, MA 02110
	RE: BABSON COLLEGE

Application for Extension of Time To File an Exempt Organization Return

File a separate application for each return.

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

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

Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only...
All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Table with 3 columns: Type or print, Name of Exempt Organization, Employer identification number. Includes address: BABSON COLLEGE, BABSON PARK, WELLESLEY, MA 02457-0301.

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

- Form 990, Form 990-BL, Form 990-EZ, Form 990-PF, Form 990-T (corporation), Form 990-T (sec. 401(a) or 408(a) trust), Form 990-T (trust other than above), Form 1041-A, Form 4720, Form 5227, Form 6069, Form 8870

The books are in the care of Mr. Rich Bowman

Telephone No. (781) 235-1200 FAX No.

- If the organization does not have an office or place of business in the United States, check this box...
If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)...

1 I request an automatic 3-month (6-months for a Form 990-T corporation) extension of time until February 15, 2006 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
calendar year 20__ or
tax year beginning July 1, 2004 and ending June 30, 2005

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ None
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ None
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0.00

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

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.

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)				STATEMENT 7
	(cash \$ _____ noncash \$ 17836437)	17,836,437.	17,836,437.		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	1,819,088.	626,576.	850,749.	341,763.
26	Other salaries and wages	53,131,725.	45,608,521.	5,348,654.	2,174,550.
27	Pension plan contributions	4,085,439.	3,467,632.	429,408.	188,399.
28	Other employee benefits	5,660,774.	4,653,913.	613,440.	393,421.
29	Payroll taxes	3,439,187.	2,912,811.	368,103.	158,273.
30	Professional fundraising fees				
31	Accounting fees	206,789.		206,789.	
32	Legal fees	426,570.	89,105.	332,604.	4,861.
33	Supplies	2,415,987.	1,992,163.	344,281.	79,543.
34	Telephone	434,996.	369,772.	31,706.	33,518.
35	Postage and shipping	514,990.	344,611.	124,150.	46,229.
36	Occupancy	6,469,213.	6,346,299.	90,568.	32,346.
37	Equipment rental and maintenance	1,748,599.	1,581,518.	167,081.	
38	Printing and publications	1,191,670.	743,318.	360,250.	88,102.
39	Travel	4,697,004.	3,187,603.	1,049,474.	459,927.
40	Conferences, conventions, and meetings	666,237.	626,734.	30,942.	8,561.
41	Interest <i>STMT 3A</i>	3,854,695.	3,854,695.		
42	Depreciation, depletion, etc. (attach schedule)	9,846,155.	9,659,079.	137,846.	49,230.
43	Other expenses not covered above (itemize):				
a					
b					
c					
d					
e	SEE STATEMENT 4	26,228,470.	21,507,423.	4,471,633.	249,414.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15.	144,674,025.	125,408,210.	14,957,678.	4,308,137.

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;
 (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? **SEE STATEMENT 5**

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 SEE STATEMENT 6	
(Grants and allocations \$ 17,836,437.)	17,836,437.
b INSTRUCTION	
(Grants and allocations \$ _____)	32,133,253.
c PLANT & FACILITIES MANAGEMENT	
(Grants and allocations \$ _____)	32,023,885.
d AUXILIARY ACTIVITIES & INSTITUTIONAL SUPPORT	
(Grants and allocations \$ _____)	13,594,368.
e Other program services (attach schedule) STATEMENT 8	(Grants and allocations \$ _____) 29,820,267.
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	125,408,210.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45	Cash - non-interest-bearing	16,232,476.	45	20,340,441.
	46	Savings and temporary cash investments		46	
	47 a	Accounts receivable	6,194,313.		
		b Less: allowance for doubtful accounts	432,452.	47c	5,761,861.
	48 a	Pledges receivable	23,694,618.		
		b Less: allowance for doubtful accounts	4,397,538.	48c	19,297,080.
	49	Grants receivable		49	
	50	Receivables from officers, directors, trustees, and key employees		50	STMT 8A 200,000.
	51 a	Other notes and loans receivable STMT 8B	3,681,541.		
		b Less: allowance for doubtful accounts	314,327.	51c	3,367,214.
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	3,591,222.	53	3,074,744.
	54	Investments - securities STMT 9 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	167,784,355.	54	179,152,232.
	Liabilities	55 a	Investments - land, buildings, and equipment: basis		
		b Less: accumulated depreciation		55c	
56		Investments - other		56	
57 a		Land, buildings, and equipment: basis STMT 9A	267,796,675.		
		b Less: accumulated depreciation	123,938,343.	57c	143,858,332.
58		Other assets (describe BOND DEPOSITS WITH TRUSTEE)	4,409,085.	58	2,070,540.
59	Total assets (add lines 45 through 58) (must equal line 74)	360,727,662.	59	377,122,444.	
Liabilities	60	Accounts payable and accrued expenses	11,158,067.	60	13,046,787.
	61	Grants payable		61	
	62	Deferred revenue	7,719,801.	62	8,452,424.
	63	Loans from officers, directors, trustees, and key employees		63	
	64 a	Tax-exempt bond liabilities STMT 9B	79,084,018.	64a	77,189,295.
		b Mortgages and other notes payable	36,043,560.	64b	35,950,040.
65	Other liabilities (describe SEE STATEMENT 10)	3,936,442.	65	11,324,638.	
66	Total liabilities (add lines 60 through 65)	137,941,888.	66	145,963,184.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted	112,775,576.	67	104,587,213.
	68	Temporarily restricted	50,174,365.	68	53,509,535.
	69	Permanently restricted	59,835,833.	69	73,062,512.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds		72	
	73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	222,785,774.	73	231,159,260.
	74	Total liabilities and net assets / fund balances (add lines 66 and 73)	360,727,662.	74	377,122,444.

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		Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return	
a Total revenue, gains, and other support per audited financial statements ▶ a 135211074.		a Total expenses and losses per audited financial statements ▶ a 126837588.	
b Amounts included on line a but not on line 12, Form 990:		b Amounts included on line a but not on line 17, Form 990:	
(1) Net unrealized gains on investments ... \$ 4,118,058.		(1) Donated services and use of facilities ... \$	
(2) Donated services and use of facilities ... \$		(2) Prior year adjustments reported on line 20, Form 990 ... \$	
(3) Recoveries of prior year grants ... \$		(3) Losses reported on line 20, Form 990 ... \$	
(4) Other (specify): STUDENT AID \$ <17836437.>		(4) Other (specify): \$	
Add amounts on lines (1) through (4) ▶ b <13718379.>		Add amounts on lines (1) through (4) ▶ b 0.	
c Line a minus line b ▶ c 148929453.		c Line a minus line b ▶ c 126837588.	
d Amounts included on line 12, Form 990 but not on line a :		d Amounts included on line 17, Form 990 but not on line a :	
(1) Investment expenses not included on line 6b, Form 990 ... \$		(1) Investment expenses not included on line 6b, Form 990 ... \$	
(2) Other (specify): \$		(2) Other (specify): STUDENT AID \$17,836,437.	
Add amounts on lines (1) and (2) ▶ d 0.		Add amounts on lines (1) and (2) ▶ d 17,836,437.	
e Total revenue per line 12, Form 990 (line c plus line d) ▶ e 148929453.		e Total expenses per line 17, Form 990 (line c plus line d) ▶ e 144674025.	

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated.)				
(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 STATEMENT 11		1825588.	205,088.	0.

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. Yes No

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions	81a	0.
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	N/A
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	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, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> 0.; section 4912 <input type="checkbox"/> 0.; section 4955 <input type="checkbox"/> 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed <input type="checkbox"/> MASSACHUSETTS		
b	Number of employees employed in the pay period that includes March 12, 2004	90b	1240
91	The books are in care of <input type="checkbox"/> RICHARD BOWMAN Telephone no. <input type="checkbox"/> 781.239.5298		
Located at <input type="checkbox"/> NICHOLS BUILDING, BABSON COLLEGE, BABSON PARK, MA ZIP +4 <input type="checkbox"/> 02457-0301			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a TUITION & FEES					86,569,326.
b ROOM & BOARD					15,020,447.
c OTHER ED PROG& AUXILIARY	57MT11A	1,959,543.			19,764,171.
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	585,285.	
96 Dividends and interest from securities	900003	13,505.	14	3,038,188.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	907,688.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	2,329,424.	
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))		1,973,048.		6,860,585.	121,353,944.
105 Total (add line 104, columns (B), (D), and (E))					130,187,577.

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 page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 12

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

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

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has knowledge.

Signature of officer: *Philip N. Shapiro* Date: 5/9/06
 Type or print name and title: Philip N. Shapiro, VP-Finance & CEO

Preparer's signature: *Steve Spencer* Date: 5-4-06
 Firm's name (or yours if self-employed), address, and ZIP + 4: PricewaterhouseCoopers LLP 125 High Street, Boston, MA 02110
 EIN: 13-4008324
 Phone no.: 617-530-6000

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information-(See separate instructions.)

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

OMB No. 1545-0047

2004

Name of the organization

BABSON COLLEGE

Employer identification number

04 2103544

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
PATRICIA J GUINAN ★ ----- C/O BABSON COLLEGE, WELLESLEY, MA	PROFESSOR 40	415,870.	23,828.	0.
ROBERT J ENG ★ ----- C/O BABSON COLLEGE, WELLESLEY, MA	PROFESSOR 40	333,356.	23,595.	0.
LAWRENCE P CARR ★ ----- C/O BABSON COLLEGE, WELLESLEY, MA	PROFESSOR 40	324,867.	21,173.	0.
DHRUV GREWAL ★ ----- C/O BABSON COLLEGE, WELLESLEY, MA	PROFESSOR 40	292,239.	34,611.	0.
ALLAN R COHEN ★ ----- C/O BABSON COLLEGE, WELLESLEY, MA	PROFESSOR 40	291,167.	24,709.	0.
Total number of other employees paid over \$50,000 ▶	377			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
ARAMARK FACILITY SERVICES ----- NEWARK, NJ 07188	FACILITY SERVICES	1390396.
DELTA DESIGN & CONSTRUCTION ----- EVERETT, MA 02149	CONSTRUCTION AND DESIGN SERVICES	609,426.
TRAMMELL CROW COMPANY ----- BOSTON, MA 02110	CONSTRUCTION CONSULTANTS	404,359.
FRANKLIN W. OLIN COLLEGE ----- NEEDHAM, MA 02492	EDUCATIONAL SERVICES	402,761.
SEYFARTH SHAW ATTORNEYS ----- BOSTON MA 02210	LAWYERS	380,286.
Total number of others receiving over \$50,000 for professional services ▶	118	

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

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	X	
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit? See Part IV, Line 50 and STMT 8A	X	
c	Furnishing of goods, services, or facilities? See STMT 12 B	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V	X	
e	Transfer of any part of its income or assets?		X
3 a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) See STMT 12 C	X	
b	Do you have a section 403(b) annuity plan for your employees?	X	
4 a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

STMT 12 A

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

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

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

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

14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting. **N/A**

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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	0.	0.	0.	0.	0.
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c N/A
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2003) _____ (2002) _____ (2001) _____ (2000) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2003) _____ (2002) _____ (2001) _____ (2000) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 7 of the instructions.)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	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?	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?	X	
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
<u>SEE STATEMENT 13</u>			
.....			
.....			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	X	
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?		X
b	Admissions policies?		X
c	Employment of faculty or administrative staff?		X
d	Scholarships or other financial assistance?		X
e	Educational policies?		X
f	Use of facilities?		X
g	Athletic programs?		X
h	Other extracurricular activities?		X
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
34 a	Does the organization receive any financial aid or assistance from a governmental agency? <u>STMT 13A</u>	X	
b	Has the organization's right to such aid ever been revoked or suspended?		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	X	

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

N/A

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
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 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A (e) Total
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	Grassroots lobbying expenditures				0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	0.
d Mailings to members, legislators, or the public		X	0.
e Publications, or published or broadcast statements		X	0.
f Grants to other organizations for lobbying purposes		X	0.
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	0.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	X		See part III, Line 1 and STMT12A 0.
i Total lobbying expenditures (Add lines c through h.)			

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

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

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

a Transfers from the reporting organization to a noncharitable exempt organization of:

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

Table with columns Yes, No and rows 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), c

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: N/A

Table with columns (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements

52 a 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: N/A

Table with columns (a) Name of organization, (b) Type of organization, (c) Description of relationship

FORM 990

RENTAL INCOME

STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
WELLESLEY RECREATION CENTER	1	907,688.
TOTAL TO FORM 990, PART I, LINE 6A		907,688.

BABSON COLLEGE

04-2103544

FORM 990

GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES

STATEMENT 1 A

FORM 990, PART I, LINE 8

REALIZED GAIN FROM SALE OF SECURITIES	3,574,907
REALIZED LOSS FROM SALE OF SECURITIES	<u>(1,245,483)</u>
GAIN FROM SALE OF ASSETS OTHER THAN INVENTORY	<u><u>2,329,424</u></u>

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 2

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
SALE OF SECURITIES	28,937,727.	26,608,303.	0.	2,329,424.
TO FORM 990, PART I, LINE 8	28,937,727.	26,608,303.	0.	2,329,424.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 3

<u>DESCRIPTION</u>	<u>AMOUNT</u>
UNREALIZED GAIN (LOSS) ON INVESTMENTS	4,118,058.
TOTAL TO FORM 990, PART I, LINE 20	4,118,058.

FORM 990 PART II, LINE 42, DEPRECIATION

FORM 990 PART IV, LINE 57

	2005	2004
LAND	\$ 489,673	\$ 489,673
LAND IMPROVEMENTS	26,335,767	24,921,429
BUILDINGS AND IMPROVEMENTS	212,221,690	206,874,312
EQUIPMENT	27,443,156	27,226,424
CONSTRUCTION IN PROGRESS	1,306,389	3,382,065
	<u>267,796,675</u>	<u>262,893,903</u>
LESS: ACCUMULATED DEPRECIATION	<u>(123,938,343)</u>	<u>(114,092,188)</u>
	<u>\$ 143,858,332</u>	<u>\$ 148,801,715</u>

DEPRECIATION EXPENSE WAS \$9,846,155 IN 2005 AND \$9,402,637 IN 2004

FORM 990

OTHER EXPENSES

STATEMENT 4

DESCRIPTION	(A)	(B)	(C)	(D)
	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
FOOD & BEVERAGE SERVICES	6,085,389.	6,085,389.		
OTHER EXPENSES	4,674,750.	2,120,012.	2,545,647.	9,091.
COMMUNICATION & INFORMATION	2,393,446.	2,189,099.	164,228.	40,119.
CONSUMABLE EQUIPMENT	2,696,368.	2,498,466.	194,934.	2,968.
PURCHASED SERVICES	2,851,612.	1,915,847.	935,765.	
CONSULTING	2,813,456.	2,145,123.	471,097.	197,236.
ROOM, CONFERENCES, & ADMINISTRATION	2,857,040.	2,857,040.		
ADVERTISING & MEDIA	1,856,409.	1,696,447.	159,962.	
TOTAL TO FM 990, LN 43	26,228,470.	21,507,423.	4,471,633.	249,414.

**STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE
PART III**

EXPLANATION

BABSON COLLEGE IS A GLOBAL LEADER IN MANAGEMENT EDUCATION WITH APPROXIMATELY 1700 UNDERGRADUATE AND 1500 GRADUATE ENROLLMENT. WE EDUCATE MEN AND WOMEN TO BE ENTREPRENEURIAL LEADERS IN A RAPIDLY CHANGING WORLD. THROUGHOUT THEIR CAREERS, WE PREPARE THEM TO IDENTIFY OPPORTUNITIES AND INITIATE ACTIONS THAT RESULT IN GENUINE ACCOMPLISHMENT.

OUR INNOVATIVE CURRICULA CHALLENGE STUDENTS TO THINK CREATIVELY AND ACROSS DISCIPLINARY BOUNDARIES. WE CULTIVATE THE WILLINGNESS TO TAKE AND MANAGE RISK, THE ABILITY TO ENERGIZE OTHERS TOWARD A GOAL, AND THE COURAGE TO ACT RESPONSIBLY. OUR STUDENTS UNDERSTAND THAT LEADERSHIP REQUIRES BOTH TECHNICAL KNOWLEDGE AND A SOPHISTICATED APPRECIATION OF INSTITUTIONS, SOCIETIES, CULTURES, AND THE SELF. THEY WELCOME THE CHALLENGE OF LEARNING CONTINUOUSLY AND TAKING RESPONSIBILITY FOR THEIR CAREERS. OUR STUDENTS WILL BE KEY CONTRIBUTORS IN ESTABLISHED ENTERPRISES AS WELL AS EMERGING VENTURES. AT BABSON, WE COLLABORATE ACROSS DISCIPLINES AND FUNCTIONS TO CREATE KNOWLEDGE AND APPLY INTEGRATED SOLUTIONS TO COMPLEX PROBLEMS. WE REACH ACROSS INSTITUTIONAL BOUNDARIES TO FORGE RELATIONSHIPS WITH INDIVIDUALS AND ORGANIZATIONS THAT SHARE OUR COMMITMENT TO EXCELLENCE AND INNOVATION.

FORM 990

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

STATEMENT 6

DESCRIPTION OF PROGRAM SERVICE ONE

BABSON COLLEGE PROVIDES STUDENT AID IN THE FORM OF SCHOLARSHIPS & LOANS. THIS PROGRAM ENABLES STUDENTS TO PAY COLLEGE TUITION, FEES, HOUSING, AND OTHER ESSENTIAL COSTS RELATED TO ATTENDING AN INSTITUTION OF HIGHER LEARNING.

TO FORM 990, PART III, LINE A

GRANTS	EXPENSES
17,836,437.	17,836,437.

NON CASH GRANTS AND ALLOCATIONS

SCHOLARSHIPS AND AID GIVEN TO INDIVIDUALS: \$17,836,437

FORM 990

OTHER PROGRAM SERVICES

STATEMENT 8

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
STUDENT SERVICES		11,049,678.
ACADEMIC SUPPORT		18,770,589.
TOTAL TO FORM 990, PART III, LINE E		29,820,267.

FORM 990, Part IV, 50

A SECURED TERM NOTE WAS ISSUED TO PETER RAMSEY, V.P. OF DEVELOPMENT & ALUMNI AFFAIRS, IN THE AMOUNT OF 200,000 ON JULY 19, 2004 AND INTEREST IS CHARGED AT 6.875% PER ANNUM. THIS NOTE IS SECURED BY A MORTGAGE WITH RESPECT TO HIS PRINCIPAL RESIDENCE. ALL OUTSTANDING PRINCIPAL AND INTEREST SHALL BE PAID ON THE EARLIER OF (A) JULY 19, 2014 OR (B) SIX MONTHS AFTER THE DATE OF HIS TERMINATION.

FORM 990

FORM 990, PART IV, QUESTION 51

LOANS RECEIVABLE

PERKINS LOANS (NET OF CANCELLATIONS)	2,918,328
PRIVATE LOANS	758,780
EMPLOYEE LOANS	4,433
LESS: ALLOWANCE	<u>(314,327)</u>
	3,367,214

NON-GOVERNMENT SECURITIES

	30-Jun-05
EQUITY SECURITIES	96,193,842
FIXED INCOME SECURITIES	47,314,645
SHORT-TERM INVESTMENTS	5,248,167
ALTERNATIVE INVESTMENTS	<u>30,395,578</u>
	<u>179,152,232</u>

FORM 990 PART II, LINE 42, DEPRECIATION

FORM 990 PART IV, LINE 57

	2005	2004
LAND	\$ 489,673	\$ 489,673
LAND IMPROVEMENTS	26,335,767	24,921,429
BUILDINGS AND IMPROVEMENTS	212,221,690	206,874,312
EQUIPMENT	27,443,156	27,226,424
CONSTRUCTION IN PROGRESS	1,306,389	3,382,065
	<u>267,796,675</u>	<u>262,893,903</u>
LESS: ACCUMULATED DEPRECIATION	<u>(123,938,343)</u>	<u>(114,092,188)</u>
	<u>\$ 143,858,332</u>	<u>\$ 148,801,715</u>

DEPRECIATION EXPENSE WAS \$9,846,155 IN 2005 AND \$9,402,637 IN 2004

FORM 990

FORM 990, PART IV, QUESTION 64

BOND LIABILITIES AND NOTE PAYABLE

64(a)

Principal

	<u>BB 7/1/04</u>	<u>FY05 Activity</u>	<u>End Bal.</u>
MHEFA-A	20,000	(20,000)	-
MIFA 95	7,740,000	(465,000)	7,275,000
MIFA 97	22,350,000	(470,000)	21,880,000
MIFA 98	18,790,000	(595,000)	18,195,000
MDFA 2001	31,500,000	(400,000)	31,100,000
	<u>80,400,000</u>	<u>(1,950,000)</u>	<u>78,450,000</u>

Discount

MIFA 97	(852,169)	37,051	(815,118)
MIFA 98	(305,413)	12,466	(292,947)
MDFA 01	(158,400)	5,760	(152,640)
	<u>(1,315,982)</u>	<u>55,277</u>	<u>(1,260,705)</u>

Tax-exempt Bond Liabilities	79,084,018	(1,894,723)	77,189,295
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64(b)

<u>Note Payable</u>	225,000	(100,000)	125,000
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Taxable Bond

MDFA 2002	36,000,000	-	36,000,000
MDFA 2002 discount	(181,440)	6,480	(174,960)

Note Payable and Taxable Bond	36,043,560	(93,520)	35,950,040
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FORM 990	OTHER LIABILITIES	STATEMENT 10
DESCRIPTION		AMOUNT
GOVERNMENT ADVANCES FOR STUDENT LOANS		2,739,891.
MARKET VALUE OF INTEREST RATE SWAP CONTRACTS		8,584,747.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		11,324,638.

FORM 990

PART V - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 11

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE	
			BEN PLAN CONTRIB	EXPENSE ACCOUNT
KATHERINE L. BABSON, JR., ESQUIRE C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
MARK H. BELL C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
DANIEL V. RILEY C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
WILLIAM G. BURRILL C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
DR. JAMES I. CASH, JR. C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
KAREN K. CHANDOR C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
STEPHEN D. CUTLER C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
EVERETT R. DOWLING C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
EDWARD M. FITZGERALD C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
BARRY H. GOLDMAN C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
MUHAMMAD H. HABIB C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.

BABSON COLLEGE

04-2103544

N. LYLE HOWLAND C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
ESTEFANO E. ISAIAS, SR. C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
GLORIA M. GUTIERREZ C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
FRANCIS P. JENKINS, JR. C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
KATHRYN D. KARLIC, CFA C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
STEVEN C. KLETJIAN C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
ANN B. HUTCHINS C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
HAROLD G. KOTLER C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
JOHN B. LANDRY, III C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
ANDRONICO LUKSIC C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
VIRGINIA STRAUSS MACDOWELL C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
WILLIAM F. MARKEY, JR. C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
ELLYN A. MCCOLGAN C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.

BABSON COLLEGE

04-2103544

RICHARD G. MCDERMOTT, JR. C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
ERIC G. JOHNSON C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
DR. RICHARD K. MILLER C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
RENA P. MIRKIN C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
JEREMIAH J. NOONAN C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
JOSEPH G. PARHAM, JR. C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
RICHARD A RENWICK C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
THOMAS N. RILEY C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
ROBERT M. ROSENBERG C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
GOBIND SAHNEY C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
LOWELL M. SCHULMAN C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
THOMAS T. STALLKAMP C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	TRUSTEE 1.2	6,500.	0.	0.
JAMES W. TAYLOR C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.

STMT 13 B
6,500.

BABSON COLLEGE

04-2103544

WILLIAM J. TEUBER C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
DELIA H. THOMPSON C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
AARON M. WALTON C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
LAWRENCE WEBER C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
RONALD G. WEINER C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
ROBERT E. WEISSMAN C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
JOSEPH L. WINN C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
ANTHONY C. WOODRUFF C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
GARY L. ZWERLING C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	TRUSTEE 1.2	0.	0.	0.
BRIAN M. BAREFOOT C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	PRESIDENT 40	259,984.	See STMT 13C 38,254.	0.
MICHAEL FETTERS C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	PROVOST 40	302,453.	26,062.	0.
HENRY DENEALT C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	V.P. FOR FINANCE 40	324,122.	38,707.	0.
SCOTT TIMMINS C/O BABSON COLLEGE BABSON PARK, MA 02457-0310	V.P. MARKETING 40	338,683.	35,554.	0.

BABSON COLLEGE

04-2103544

MARY ROSE C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	V.P. ADMINISTRATION 40	186,353.	22,231.	0.
RICHARD VOOS C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	CLERK 40	130,726.	16,998.	0.
PETER R. RAMSEY C/O BABSON COLLEGE, BABSON PARK BABSON PARK, MA 02457-0310	V.P. DEVELOPMENT & ALUMNI 40	276,767.	27,282.	0.
TOTALS INCLUDED ON FORM 990, PART V		<u>1,825,588.</u>	<u>205,088.</u>	<u>0.</u>

FORM 990, PART VII, 93

OTHER ED. PROGRAMS & AUXILIARY ACTIVITIES:

	<u>BUSINESS CODE</u>	<u>AMOUNT</u>
OTHER ED. PROGRAMS	721000	1,402,050
AUXILIARY ACTIVITIES	713990	<u>557,493</u>
		<u>1,959,543</u>

FORM 990, Schedule A, Part I

FACULTY SALARIES INCLUDE COMPENSATION RELATED TO SERVICES PERFORMED IN CONNECTION WITH THE TRADITIONAL ACADEMIC PROGRAMS AS WELL AS COMPENSATION EARNED FOR ADDITIONAL SERVICES RELATED TO THE DEVELOPMENT AND/OR DELIVERY OF CONTENT RELATED TO THE BABSON EXECUTIVE EDUCATION PROGRAM.

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	THE TUITION AND FEES RECEIVED BY BABSON COLLEGE ARE USED TO OPERATE THE EDUCATIONAL INSTITUTION, WHICH OFFERS BOTH UNDERGRADUATE AND GRADUATE COURSES. THE COLLEGE'S EMPHASIS IS ON BUSINESS CURRICULUM
93B	ROOM AND BOARD ARE AN INTEGRAL PART OF THE EDUCATIONAL EXPERIENCE AT BABSON COLLEGE.
93C	CONTINUING AND NONDEGREE EDUCATIONAL PROGRAMS AND AUXILIARY ACTIVITIES
93C	INCLUDING, ICE RINK, BOOKSTORE, ALUMNI RELATIONS,
93C	PUBLIC SAFETY AND SUMMER PROGRAMS

FORM 990

FORM 990, SCHEDULE A, PART III, QUESTION 1
FORM 990, SCHEDULE A, PART VI-B, Line h

THE ORGANIZATION PAYS MEMBERSHIP DUES TO MEMBER ORGANIZATIONS WHICH MAY ENGAGE IN LOBBYING ACTIVITIES. THEREFORE, A PORTION OF THE DUES MAY BE ATTRIBUTABLE TO LOBBYING ACTIVITIES.

Governance Member	Company name	Relationship	Services rendered	Amount paid in FY 2005
Stephen D. Cutler	Essex Investment Management Co. LLC	President	Investment services. Venture Capital fund investment.	Babson paid mgt. fees approx \$20,000.
William F. Markey, Jr.	The Wilmark Group	President & majority shareholder	Temporary staffing services	Babson Paid \$69,400
Ellyn McColgan	Fidelity Investments	President of Fidelity Brokerage Services	403(b) provider	Babson paid no fees. Investment fees paid by individual employees
Richard K. Miller	Franklin W. Olin College of Engineering	President	Business and academic services	Babson paid to Olin \$384,400 Olin paid to Babson \$2,700,900
Jeremiah Noonan	Spencer Stuart Mgt. Services	Partner	Executive search	Babson paid \$120,600.
James W. Taylor	Smith Barney	Sr. V.P. Investments	Investment services	Babson paid \$7,000 for commissions and investment mgt fees

MEMBERS OF GOVERNANCE OF THE ORGANIZATION MAY BE AFFILIATED WITH OR MAY BE DIRECTORS OF VARIOUS COMPANIES IN THE COMMUNITY WHICH MAY HAVE A BUSINESS RELATIONSHIP WITH THE ORGANIZATION. PURCHASING DECISIONS ARE NOT MADE BY THESE INDIVIDUALS. ALL TRANSACTIONS ARE MADE WITHIN THE NORMAL COURSE OF BUSINESS AND ARE CONDUCTED AT ARM'S LENGTH.

FORM 990 SCHEDULE A, PART III, QUESTION 3

WHEN FAMILY AND STUDENT RESOURCES ARE INSUFFICIENT TO MEET THE TOTAL COST OF EDUCATION, THE COLLEGE ATTEMPTS TO ASSIST STUDENTS TO PURSUE A HIGHER EDUCATION AT BABSON COLLEGE THROUGH THE USE OF FINANCIAL AID. THE FINANCIAL AID PROCESS CONSISTS OF NEED DETERMINATION, ANNUAL ESTIMATED COSTS, AND EXPECTED FAMILY CONTRIBUTION. FINANCIAL AID MAY BE SIMPLY DEFINED AS THE DIFFERENCE BETWEEN THE TOTAL COST OF THE EDUCATION AND THE AMOUNT OF MONEY THE FAMILY AND STUDENT CAN REASONABLY MAKE AVAILABLE TO MEET THESE EXPENSES. THE STUDENT BUDGET USED TO CALCULATE FINANCIAL NEED COVERS AN ALLOWANCE FOR TUITION & FEES, ROOM & BOARD, BOOKS & SUPPLIES, TRAVEL, AND PERSONAL EXPENSES.

PART V, LINE 31

PRIVATE SCHOOL QUESTIONNAIRE

ACCORDING TO THE STUDENT HANDBOOK, BABSON COLLEGE PROHIBITS DISCRIMINATING ON THE BASIS OF RACE, COLOR, NATIONAL, OR ETHICAL ORIGIN, RELIGION, SEX, LIFESTYLE, SEXUAL ORIENTATION PREFERENCE, AGE, HANDICAP, OR VETERAN STATUS. THIS POLICY EXTENDS TO ALL EMPLOYMENT, EDUCATION AND ATHLETICS.

BABSON COLLEGE

04-2103544

FORM 990 SCHEDULE A, PART V LINE 34 A

BABSON COLLEGE RECEIVES FEDERAL AID TO ENHANCE SCHOLARSHIP AND WORK STUDY PROGRAMS.

FORM 990, PART V

**THOMAS T. STALLKAMP RECEIVES NO COMPENSATION FOR HOLDING THE POSITION OF TRUSTEE.
ALL HIS COMPENSATION RELATES TO HIS POSITION AS A PROFESSOR.**

BABSON COLLEGE

04-2103544

FORM 990

FORM 990, PART V

**THE PRESIDENT OF THE COLLEGE IS PROVIDED HOUSING AS A CONDITION
OF EMPLOYMENT FOR THE CONVENIENCE OF THE EMPLOYER.**