

RADIOSHACK CORP
Form 11-K
June 28, 2006
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 001-05571

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

RadioShack Supplemental Stock Purchase Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
RADIOSHACK CORPORATION

300 RadioShack Circle

Fort Worth, Texas 76102

Table of Contents

RADIOSHACK SUPPLEMENTAL STOCK

PURCHASE PLAN

FINANCIAL STATEMENTS

At December 31, 2005 and 2004 and for the

Year Ended December 31, 2005

Supplemental schedules at and for the year ended December 31, 2005

Table of Contents

RADIOSHACK SUPPLEMENTAL STOCK PURCHASE PLAN

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

	Page
	Number
<u>Report of Independent Registered Public Accounting Firm</u>	1
Financial Statements:	
<u>Statements of Net Assets Available for Benefits at December 31, 2005 and 2004</u>	2
<u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2005</u>	3
<u>Notes to Financial Statements</u>	4
Supplemental Schedules:	
<u>Schedule of Assets (Held at End of Year) at December 31, 2005</u>	7
<u>Schedule of Reportable Transactions for the Year Ended December 31, 2005</u>	8

All other supplemental schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable or are not required.

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Participants and Administrative Committee of the

RadioShack Supplemental Stock Purchase Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the RadioShack Supplemental Stock Purchase Plan (the Plan) at December 31, 2005 and 2004, and the change in net assets available for benefits for the year ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets (held at end of year) at December 31, 2005 and reportable transactions for the year ended December 31, 2005 are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan s management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP
Fort Worth, Texas
June 28, 2006

Table of Contents

RADIOSHACK SUPPLEMENTAL STOCK PURCHASE PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

At December 31, 2005 and 2004

	2005	2004
Assets		
Investments, at fair value:		
RadioShack Corporation common stock	\$ 13,266,565	\$ 20,182,599
Net assets available for benefits	\$ 13,266,565	\$ 20,182,599

The accompanying notes are an integral part of these financial statements.

Table of Contents**RADIOSHACK SUPPLEMENTAL STOCK PURCHASE PLAN****STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****For the Year Ended December 31, 2005**

Investment income (loss):	
Dividends	\$ 152,579
Net depreciation in fair value of investments	(7,246,045)
Total investment income (loss)	(7,093,466)
Contributions:	
Participants	1,536,440
Employer	1,229,153
Total contributions	2,765,593
Deductions:	
Benefits paid to participants	(2,588,161)
Total deductions	(2,588,161)
Net decrease in net assets available for benefits	(6,916,034)
Net assets available for benefits at beginning of year	20,182,599
Net assets available for benefits at end of year	\$ 13,266,565

The accompanying notes are an integral part of these financial statements.

Table of Contents

RADIOSHACK SUPPLEMENTAL STOCK PURCHASE PLAN

NOTES TO FINANCIAL STATEMENTS

1. Description of the Plan

The following description of the RadioShack Supplemental Stock Purchase Plan (the Plan) provides only general information. Participants should refer to the Plan's prospectus for a more complete description of the Plan's provisions.

General

The purpose of the Plan is to assist the employees of RadioShack Corporation, its divisions and subsidiaries (collectively, the Company) in building personal net worth by providing an opportunity for regular investment in the Company's common stock after an employee has reached his or her maximum annual salary deferral contribution limit under the RadioShack 401(k) Plan, as set forth by the Internal Revenue Code (the Code).

The Plan has one investment option, the Company's common stock, rendering the entire Plan nonparticipant-directed from a financial disclosure perspective. Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investment is presented in the accompanying statements of net assets available for benefits and the statement of changes in net assets available for benefits.

The Plan is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), relating to the protection of employee benefit rights. The Plan is not subject to Title IV of ERISA, relating to plan termination insurance coverage, and such insurance is not extended to participants in the Plan.

Administration

The Plan is administered by an Administrative Committee appointed by the Board of Directors of the Company. The assets of the Plan are monitored and transactions therein are maintained by the Plan's sponsor, RadioShack Corporation.

Contributions

Through authorized payroll deductions, a participant may contribute, on a post-tax basis, up to 8% of his or her gross salary or wages to the Plan after reaching a maximum annual salary deferral contribution limit under the RadioShack 401(k) Plan.

The Company makes matching contributions to the Plan equal to 80% of a participant's contribution.

Participants' Accounts

Each participant's account is credited with the participant's contribution, the related Company matching contribution and an allocation of the Plan's investment income (loss), which allocation is based upon the participant's account balance. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Cash dividends are credited to a participant's account and are reinvested to purchase additional shares of the Company's common stock. Cash dividends are not subject to matching contributions by the Company.

At the end of each calendar quarter, or as promptly as practicable thereafter, the participant's contribution, the Company contribution and any available cash dividends are aggregated for the purpose of acquiring of the Company's common stock, with shares being credited to each participant's account on the basis of the number of shares purchased at a price equal to the average of the closing prices of the Company's common stock as reported in the New York Stock Exchange Composite Transactions for each trading day in the calendar month in which the contributions are made.

Table of Contents

RADIOSHACK SUPPLEMENTAL STOCK PURCHASE PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

Vesting

Participants are fully vested in their accounts at all times.

Benefits Paid to Participants

Participants may withdraw from the Plan for the following reasons:

(1) Retirement

(2) Termination

(3) Death

(4) In-service withdrawal for certain qualifying events

Most distributions will be made in the form of stock certificates and cash in lieu of partial shares upon retirement, termination or death. Cash distributions will be made for in-service withdrawals.

The distribution of the Company's common stock to a participant is not a taxable event to the Plan. Cash paid in lieu of stock upon withdrawal will, to the extent that it exceeds or is less than the cost basis of the Company's common stock, be treated as a capital gain or loss to the participant.

A participant will recognize a gain or loss on the subsequent disposition of his or her common stock, measured by the difference between the amount realized and the cost basis.

If a participant withdraws from the Plan during a quarter, all quarter-to-date participant contributions are returned to the participant in the form of cash, as they will have not yet been used to purchase stock. The Company's matching contribution associated with the participant's contributions is also remitted to the participant in the form of cash.

Administrative Expenses

Administrative expenses of the Plan are paid directly by the Plan's sponsor and thus are not a component of the changes in net assets available for benefits.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared under the accrual basis of accounting.

Use of Estimates

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The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. The Company's common stock is valued at the closing price as reported in the New York Stock Exchange Composite Transactions. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

The Plan presents, in the statement of changes in net assets available for benefits, the net depreciation in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Table of Contents

RADIOSHACK SUPPLEMENTAL STOCK PURCHASE PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

Concentration, Market and Credit Risk

The Plan only invests in the Company's common stock. Equity securities are exposed to various risks, such as market and credit risk. Due to the level of risk associated with equity securities, it is at least reasonably possible that changes in the values of equity securities will occur in the near term and that such changes could materially affect participants' account balances and the amount reported in the Plan's statement of net assets available for benefits. As of June 27, 2006, the Company's stock price closed at \$14.22. At December 31, 2005 and 2004, the Company's stock price closed at \$21.03 and \$32.88, respectively.

Benefits Paid to Participants

Benefits are recorded when paid.

3. Income Tax Status

The Plan is not a qualified plan under Section 401 of the Code. All items of income and gains and losses are treated as received or incurred directly by the participants for income tax purposes.

A participant's contributions and the Company's matching contribution are components of the participant's current compensation and, as such, are subject to all applicable federal insurance contributions and federal, state, and local withholding taxes. The cash dividends allocated to a participant's account are taxable to the participant in the calendar year allocated.

4. Related Party Transactions

The Plan invests in common stock of the Company. At December 31, 2005 and 2004, the Plan held 630,840 and 613,826 shares, respectively, which represented less than 1% of the outstanding shares of the Company at those dates.

5. Subsequent Event

The Company has the right under the Plan to discontinue its contributions at any time and to terminate or suspend the Plan under the provisions of ERISA. The Company has announced that it will suspend the Plan effective as of July 1, 2006. As a result of the suspension, no further contributions will be made by participants or the Company under the Plan until such time, if any, that the Company determines to discontinue the suspension of the Plan. All participant accounts will be closed, and all net assets of the Plan will be distributed to the participants.

Table of Contents

Schedule I

RADIOSHACK SUPPLEMENTAL STOCK PURCHASE PLAN

EIN - 75 - 1047710

Schedule H, line 4i

Plan Number - 301

Schedule of Assets (Held at End of Year)

At December 31, 2005

		(c)		
(b)		Description of investment		
Identity of issue,		including maturity date, rate		
borrower, lessor or		of interest, collateral, par or		
		(d)		(e)
(a)	similar party	maturity value	Cost	Current Value
*	RadioShack Corporation	Common stock, 630,840 shares	\$ 14,729,042	\$ 13,266,565
			\$ 14,729,042	\$ 13,266,565

* Denotes a party-in-interest to the Plan as defined by ERISA

Table of Contents

Schedule II
RADIOSHACK SUPPLEMENTAL STOCK PURCHASE PLAN
 Schedule H, line 4j
 Schedule of Reportable Transactions
 For the Year Ended December 31, 2005

EIN - 75 - 1047710
 Plan Number -301

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred with transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
*RadioShack	Common stock	\$ 2,918,172	\$	\$	\$	\$ 2,918,172	\$ 2,918,172	N/A

* Denotes a party-in-interest to the Plan as defined by ERISA

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

RadioShack Supplemental Stock Purchase Plan

By: /s/ A. Grothues
A. Grothues
Administrative Committee Member

By: /s/ J. Mills
J. Mills
Administrative Committee Member

By: /s/ R. Ray
R. Ray
Administrative Committee Member

Date: June 28, 2006

Table of Contents

Index to Exhibits

Exhibit

Number	Description of Exhibit
23	Consent of Independent Registered Public Accounting Firm