

COOPER TIRE & RUBBER CO

Form 11-K

June 21, 2006

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 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
Commission File No. 1-4329
Cooper Tire & Rubber Company
Pre-Tax Savings Plan (Clarksdale)
COOPER TIRE & RUBBER COMPANY
(Exact name of registrant as specified in its charter)**

DELAWARE	34-4297750
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
Lima and Western Avenues, Findlay, Ohio 45840	
(Address of principal executive offices)	
(Zip code)	
(419) 423-1321	
(Registrant's telephone number, including area code)	

Cooper Tire & Rubber Company
Pre-Tax Savings Plan (Clarksdale)

ITEM 1. Not applicable.

ITEM 2. Not applicable.

ITEM 3. Not applicable.

ITEM 4. FINANCIAL STATEMENTS OF THE PLAN

The Financial Statements of the Cooper Tire & Rubber Company Pre-Tax Savings Plan (Clarksdale) for the fiscal year ended December 31, 2005, together with the report of Ernst & Young LLP, independent auditors, are attached to this Annual Report on Form 11-K. The Financial Statements and the notes thereto are presented in lieu of the financial statements required by items 1, 2 and 3 of Form 11-K and were prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974.

EXHIBITS:

(23) Consent of Independent Registered Public Accounting Firm

(99) Certification Pursuant To 18 U.S.C. § 1350

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this Annual Report to be signed by the undersigned, thereunto duly authorized.

COOPER TIRE & RUBBER COMPANY

/s/ Philip G. Weaver

PHILIP G. WEAVER
Vice President and Chief Financial Officer
Plan Administrator

Date: June 21, 2006

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Report of Independent Registered Public Accounting Firm

The Pre-Tax Savings Plan Committee

Cooper Tire & Rubber Company

Pre-Tax Savings Plan (Clarksdale)

We have audited the accompanying statements of net assets available for benefits of the Cooper Tire & Rubber Company Pre-Tax Savings Plan (Clarksdale) (the Plan) as of December 31, 2005 and 2004, and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. 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 in accordance with auditing 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. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2 to the financial statements, the Plan Sponsor entered into an agreement with the Plan participants on July 30, 2005 to terminate the Plan. In accordance with accounting principles generally accepted in the United States, the Plan has changed its basis of accounting from the ongoing plan basis used in presenting the 2004 financial statements to the liquidation basis in presenting the 2005 financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2005 and 2004, and the changes in its net assets available for benefits for the year ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

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Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2005 is presented for the purpose of additional analysis and is not a required part of the financial statements but is 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. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

June 2, 2006

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Cooper Tire & Rubber Company
Pre-Tax Savings Plan (Clarksdale)
Statements of Net Assets Available for Benefits

	December 31	
	2005	2004
	<i>(Liquidation Basis)</i>	
Investments, at market or contract value:		
Interest in investment trust	\$ 91,237	\$ 154,573
Mutual funds	29,162	38,231
	120,399	192,804
Cash, non-interest-bearing	908	1,355
Contributions receivable:		
Participant	242	274
Employer		6,823
Net assets available for benefits	\$ 121,549	\$ 201,256

See accompanying notes.

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Cooper Tire & Rubber Company
 Pre-Tax Savings Plan (Clarksdale)
 Statement of Changes in Net Assets Available for Benefits
 Year Ended December 31, 2005
(Liquidation Basis)

Additions

Investment income (<i>Notes 3 and 4</i>):	
Interest and dividends	\$ 5,632
Contributions:	
Participant contributions	16,989
Total additions	22,621

Deductions

Net depreciation in fair value of investments	14,181
Participant withdrawals	87,647
Other	500
Total deductions	102,328
Net decrease	(79,707)
Net assets available for benefits:	
Beginning of year	201,256
End of year	\$ 121,549

See accompanying notes.

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Cooper Tire & Rubber Company
Pre-Tax Savings Plan (Clarksdale)
Notes to Financial Statements
December 31, 2005

1. Description of Plan

The following description of Cooper Tire & Rubber Company Pre-Tax Savings Plan (Clarksdale) (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan, as amended and restated effective January 1, 2001, is a defined contribution plan covering all hourly employees who have completed 30 days of continuous credited service and are covered by the collective bargaining agreement between the United Steelworkers of America Local #556 (Union) and Cooper Tire & Rubber Company (the Company and the Plan Administrator). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective July 30, 2005, the Plan Sponsor has entered into an agreement with the Union to terminate the Plan. The distribution of funds from the Plan will be conducted in accordance with applicable regulations.

Contributions

Each year, participants may contribute up to 15% of their pretax compensation. Participants may direct their contributions to any of the Plan's investment fund options.

The Company contributions are made annually as provided in the Plan document and at the discretion of the Company's Board of Directors. All Company contributions are invested by the Investment Trust (see Note 4) in Cooper Tire & Rubber Company common stock until they become vested, after which they are invested as directed by the participant. There were no Company contributions to the Plan for the year ended December 31, 2005.

Participant Accounts

Individual accounts are maintained for each participant in the Plan. Each participant's account is credited with the participant's contributions, their allocation of the Company's contributions and Plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

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Cooper Tire & Rubber Company
Pre-Tax Savings Plan (Clarksdale)
Notes to Financial Statements (continued)

1. Description of Plan (continued)

Forfeitures

At December 31, 2005 forfeited nonvested accounts totaled \$996. These accounts will be used to reduce future employer contributions. The 2004 employer contribution received by the Plan in 2005 was reduced by \$500 from forfeited nonvested accounts.

Vesting

The participants are immediately vested in their contributions plus actual earnings thereon. After five years, the participants are 100% vested in the Company's contributions plus actual earnings thereon. Due to the agreement entered into to terminate the Plan, all participants will become fully vested in all Company contributions at the date Plan assets are distributed.

Participant Withdrawals

In the event of retirement, death, termination, permanent disability, or other separation from service, participants are entitled to receive an amount equal to the value of the vested interest in their accounts. Payment of benefits may be taken in a lump sum distribution or in two lump sum installments. The Plan was amended in 2005 to state that participants who are entitled to a benefit for the reasons outlined above are required to take a distribution if their vested balance is less than \$1,000.

In the event of hardship, as defined, participants may make a partial or full distribution of their accounts, subject to certain tax withholdings.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Plan changed its basis of accounting from the accrual basis used in presenting the 2004 financial statements to the liquidation basis used in presenting the 2005 financial statements. Except for the valuation of investment contracts (see below), there is no difference between the liquidation and accrual basis of accounting for the Plan.

Participant withdrawals are recorded upon distribution.

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Cooper Tire & Rubber Company
Pre-Tax Savings Plan (Clarksdale)
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Recognition

At December 31, 2005 and 2004 the Plan's investments are stated at fair value, which equals the quoted market price on the last business day of the plan year, except for the investment contracts held in the Investment Trust as of December 31, 2004. The shares of mutual funds are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year-end.

At December 31, 2004, investment contracts are recorded at their contract values, which represent contributions and reinvested income, less any withdrawals plus accrued interest, because these investments have fully benefit-responsive features. There are no reserves against contract values for credit risk of contract issues or otherwise. The average yield was approximately 4.6% and 4.5% in 2005 and 2004, respectively. The crediting interest rate for these investment contracts is reset monthly by the issuer but cannot be less than zero and ranged from 3.9% to 8.4% at December 31, 2005 and 3.5% to 6.6% and December 31, 2004.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative Expenses

The Company pays the administrative expenses of the Plan, unless the expenses relate to specific investment directions of the participant.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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Cooper Tire & Rubber Company
Pre-Tax Savings Plan (Clarksdale)
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)**New Accounting Pronouncement**

In December 2005, the FASB issued Staff Position AAG INV-1 and SOP 94-4-1 (FSP), *Reporting of Fully Benefit Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined Contribution Health and Welfare and Pension Plans*. This FSP requires that fully benefit-responsive investment contracts be reported at fair value. The effective date for implementation of this FSP is for fiscal years ending after December 15, 2006. In 2005, investment contracts were recorded at fair value in connection with the presentation of liquidation basis financial statements.

3. Investments

During 2005, the Plan's investments (including investments purchased, sold, as well as held during the year) (depreciated) appreciated in fair value as follows, as determined by quoted market prices, as follows:

	Net Realized and Unrealized (Depreciation) Appreciation in Fair Value of Investment
Interest in Investment Trust	\$ (14,313)
Mutual funds	132
	\$ (14,181)

Investments in mutual funds that exceed 5% or more of fair value of the Plan's net assets available for benefits are as follows:

	December 31	
	2005	2004
American Washington Mutual Investors Fund	\$12,255	\$18,167
Investment Company of America Fund	12,929	14,066

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Cooper Tire & Rubber Company
Pre-Tax Savings Plan (Clarksdale)
Notes to Financial Statements (continued)

4. Investment Trust

Certain investments of the Plan are held in an Investment Trust, which also combines similar investments of the other defined contribution plans sponsored by the Company. Each participating retirement plan has an undivided interest in the Investment Trust. Cooper Tire & Rubber Company common stock held in the Investment Trust includes non-participant-directed and participant-directed investments. The Plan's interest in the Investment Trust was determined by the Plan's relative asset value to the Investment Trust's total asset value at the end of the year. Investment income is allocated to the Plan based on its pro rata share in the net assets of the Investment Trust. At December 31, 2005 and 2004, the Plan's interest in the net assets of the Investment Trust was approximately 0.05% and 0.07%, respectively.

The following presents the fair value of the investments in the Investment Trust:

	December 31	
	2005	2004
Investments, at fair value:		
Cooper Tire & Rubber Company common stock*	\$ 85,020,990	\$ 129,838,642
Investment contracts	90,449,621	84,373,742
Money market mutual fund	2,649,180	4,005,562
 Total assets	 \$178,119,791	 \$ 218,217,946

* Includes
non-participant-directed
shares

The Investment Trust records investment contracts at contract value. The fair value of the investment contracts was \$91,025,547 and \$88,049,780 at December 31, 2005 and 2004, respectively.

The cost and fair value of the investment contracts of the Investment Trust at December 31, 2005, that relate to the Plan are as follows:

Fair value	\$ 63,718
Contract value	61,662
 Unrealized gain	 \$ 2,056

In accordance with the liquidation basis of accounting, the Plan recorded an unrealized gain of \$2,056 in 2005 for the difference between the fair value and contract value of investment contracts.

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Cooper Tire & Rubber Company
Pre-Tax Savings Plan (Clarksdale)
Notes to Financial Statements (continued)

4. Investment Trust (continued)

Investment income (loss) for the Investment Trust for the year ended December 31, 2005, is as follows:

Interest and dividends	\$ 6,518,273
Net depreciation in fair value of investments:	
Common stock	(34,602,678)
	\$ (28,084,405)

5. Non-Participant-Directed Investments

Cooper Tire & Rubber Company common stock held in the Investment Trust includes non-participant-directed investments. Information about the significant components of changes in net assets related to the non-participant-directed investments for the year ended December 31, 2005, is as follows:

Contributions	\$ 11,793,230
Dividends	2,444,195
Net depreciation in fair value of investment	(34,602,678)
Participant withdrawals	
Transfers out to other investment options	(24,452,399)

6. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated July 2, 2003, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

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Cooper Tire & Rubber Company
Pre-Tax Savings Plan (Clarksdale)
Notes to Financial Statements (continued)

7. Related-Party Transactions

Certain Plan investments are shares of mutual funds managed by the trustee, National City Bank, and, therefore, these transactions qualify as party-in-interest transactions. There have been no known prohibited transactions with a party in interest.

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that the changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

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Supplemental Schedule

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Cooper Tire & Rubber Company
 Pre-Tax Savings Plan (Clarksdale)
 EIN # 34-4297750 Plan #019
 Schedule H, Line 4i Schedule of Assets (Held At End of Year)
 December 31, 2005

Identity of Issue, Borrower, Lessor, or Identity of Issue	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Current Value
Investments held by National City Bank		
Mutual Funds:		
American Funds	397.36 shares, American Washington Mutual Investors Fund	\$ 12,255
	412.26 shares, Investment Company of America Fund	12,929
MFS Family of Funds	0.30 shares, Massachusetts Investors Growth Stock Funds	4
Janus Funds	68.20 shares, Janus Worldwide Fund	2,955
Invesco Funds	0.38 shares, AIM Stock Funds	7
* Allegiant	1.16 shares, Allegiant Equity Index Fund #42	13
Money Market Fund:		
* Allegiant	999.24 shares, Allegiant Government Money Market Fund #509	999
		\$ 29,162

* Indicates party in interest to the Plan.