

KOHLS CORPORATION
Form 11-K
July 27, 2005
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended January 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 1-11084

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

Kohl's Department Stores, Inc. Savings Plan

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

Kohl s Corporation

N56 W17000 Ridgewood Drive

Menomonee Falls, WI 53051

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REQUIRED INFORMATION

1. NOT APPLICABLE
2. NOT APPLICABLE
3. NOT APPLICABLE
4. The Kohl's Department Stores, Inc. Savings Plan (the Plan) is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA). Attached hereto is a copy of the most recent financial statements and schedules of the Plan prepared in accordance with the financial reporting requirements of ERISA.

Exhibits

- 23 Consent of Independent Registered Public Accounting Firm

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FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Kohl's Department Stores, Inc. Savings Plan

January 29, 2005 and January 31, 2004

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Kohl's Department Stores, Inc.

Savings Plan

Financial Statements

and Supplemental Schedule

January 29, 2005 and January 31, 2004

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Report of Independent Registered Public Accounting Firm

Plan Administrator

Kohl's Department Stores, Inc. Savings Plan

We have audited the accompanying statements of assets available for benefits of Kohl's Department Stores, Inc. Savings Plan as of January 29, 2005 and January 31, 2004, and the related statement of changes in assets available for benefits for the year ended January 29, 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 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. 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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan at January 29, 2005 and January 31, 2004, and the changes in its assets available for benefits for the year ended January 29, 2005, in conformity with U.S. generally accepted accounting principles.

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 January 29, 2005, is presented for purposes 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. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit 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.

July 15, 2005

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Kohl's Department Stores, Inc.

Savings Plan

Statements of Assets Available for Benefits

	January 29, 2005	January 31, 2004
	<u> </u>	<u> </u>
Cash	\$ 2,368	\$ 208,892
Investments, at fair value	252,456,338	221,962,596
Receivables:		
Company contribution	9,755,329	8,461,657
Participants' contributions	305,005	272,410
	<u> </u>	<u> </u>
Total receivables	10,060,334	8,734,067
	<u> </u>	<u> </u>
Assets available for benefits	<u>\$ 262,519,040</u>	<u>\$ 230,905,555</u>

See accompanying notes.

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Kohl's Department Stores, Inc.

Savings Plan

Statement of Changes in Assets Available for Benefits

Year Ended January 29, 2005

Additions:	
Net realized and unrealized appreciation in fair value of investments	\$ 4,297,744
Interest and dividend income	4,141,518
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Net investment income	8,439,262
Contributions:	
Company	13,549,937
Participants	26,571,536
Rollovers	2,761,110
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Total contributions	42,882,583
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Total additions	51,321,845
Deductions:	
Benefit and withdrawal payments	19,708,360
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Net increase in assets available for benefits	31,613,485
Assets available for benefits at beginning of year	230,905,555
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Assets available for benefits at end of year	\$ 262,519,040
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See accompanying notes.

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Kohl's Department Stores, Inc.

Savings Plan

Notes to Financial Statements

January 29, 2005

1. Description of Plan

The Kohl's Department Stores, Inc. Savings Plan (the Plan) is a defined-contribution plan covering all employees of Kohl's Department Stores, Inc. (the Company), a wholly owned subsidiary of Kohl's Corporation, with greater than 1,000 hours of service in any calendar year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Participants should refer to the Savings Plan Handbook for a description of the Plan.

2. Summary of Significant Accounting Policies

Valuation of Investments

The common trust fund is valued at fair value based on the redemption prices established by Putnam Investments. Investments in Kohl's Corporation common stock and mutual funds are valued at fair value as established by quoted market prices. Participant notes receivable are stated at the unpaid principal balance, which approximates fair value.

Investment Options

The Plan is intended to satisfy the requirements under Section 404(c) of ERISA and, therefore, provides that participants may choose to direct their contributions and/or all or part of their account balances among any of the Plan's 12 investment alternatives. Participant contributions in Kohl's Corporation common stock are limited to 25% of a participant's total contribution amount.

Contributions

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Contributions from the Company are accrued for in accordance with the terms of the Plan and are made in cash. Participant contributions are recorded in the period the Company makes corresponding payroll deductions.

Expenses

Expenses related to the administration of the Plan are paid by the Company.

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Kohl's Department Stores, Inc.

Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Plan Year

The Plan's fiscal year ends on the Saturday closest to January 31.

Use of Estimates

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

Risks and Uncertainties

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

3. Contributions and Benefit and Withdrawal Payments

Eligible participants may make voluntary tax-deferred contributions up to a total of 25% of their base compensation (as defined), subject to certain statutory limits. Participant contributions made with tax-deferred dollars under Section 401(k) of the Internal Revenue Code (IRC) are excluded from the participant's current wages for federal income tax purposes. No federal income tax is paid on the tax-deferred contributions and growth thereon until the participant withdraws them from the Plan. The participant's contribution rate may be adjusted at the discretion of the plan administrator if a reduced rate is necessary to maintain Section 401(k) benefits. The Company's matching contribution is equal to 3 $\frac{1}{3}$ % of each participant's contribution, up to a maximum of 2% of the participant's base compensation. The Plan also provides for additional Company contributions based on the discretion of the Company's Board of Directors.

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The Company's profit-sharing contributions are 100% vested after 5 years of credited service. The Company's matching contributions for any Plan year beginning on or after February 3, 2002, are 100% vested after 3 years of service. The Company's matching contributions for any Plan year beginning prior to February 3, 2002, are 100% vested after 5 years of service.

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Kohl's Department Stores, Inc.

Savings Plan

Notes to Financial Statements (continued)

3. Contributions and Benefit and Withdrawal Payments (continued)

Upon termination, the nonvested portion of any participant account is forfeited and applied to reduce future Company contributions. The cumulative forfeitures relating to nonvested accounts totaled \$2,055,288 for the year ended January 29, 2005.

Retired participants and total and permanently disabled participants vested benefits are distributed, at the discretion of the participant, in a lump-sum payment or in periodic equal installments over a period not exceeding the lesser of ten years or the life expectancy of the participant. Terminated participants and deceased participants vested benefits are distributed in a lump-sum payment.

Participants may withdraw, at any time, upon substantial financial hardship (as defined), any portion of the balance in their account, which is attributable to their voluntary tax-deferred contributions and earnings. Participants are prohibited from making contributions to the Plan for six months following receipt of a hardship withdrawal.

4. Investments

During the year ended January 29, 2005, the Plan's investments (including investments purchased and sold, as well as held, during the year) appreciated in fair value as determined by quoted redemption or market prices as follows:

	Net Realized and Unrealized Appreciation in Fair Value of Investments
Kohl's Corporation Common Stock	\$ 1,325,703
Common trust funds	1,280,206
Mutual funds	1,691,835
	\$ 4,297,744

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Kohl's Department Stores, Inc.

Savings Plan

Notes to Financial Statements (continued)

4. Investments (continued)

Investments that represent 5% or more of the Plan's assets are as follows:

	January 29, 2005	January 31, 2004
Putnam Voyager Fund*	\$ 47,663,603	\$ 50,218,730
Kohl's Corporation Common Stock*	47,396,005	46,020,056
Putnam Stable Value Fund*	39,442,742	34,524,452
Dreyfus Premier Balanced Opportunity Fund CL	34,138,471	33,218,664
Putnam S&P 500 Index Fund*	26,254,221	22,149,482
PIMCO Total Return Fund	14,038,761	11,720,022
Europacific Growth Fund	13,360,173	

* Indicates party in interest to the Plan

5. Participant Notes Receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000, not to exceed 50% of their vested account balance. Loan terms range from one to five years. The loans are secured by the vested balance in the participant's account and bear interest at a rate commensurate with the Prime Rate as listed in the Wall Street Journal on the first business day of the month in which the loan is taken. Principal and interest are repaid in substantially equal installments through deductions from each paycheck beginning the first payroll following loan issuance.

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

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Kohl's Department Stores, Inc.

Savings Plan

Notes to Financial Statements (continued)

7. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated March 12, 1998, stating that the Plan is qualified under Section 401(a) of the IRC and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan, as amended and restated, is qualified and the related trust is tax-exempt.

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Supplemental Schedule

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Kohl's Department Stores, Inc.

Savings Plan

Employer Identification Number 13-3357362

Plan Number 002

Schedule H, Line 4i Schedule of Assets (Held At End of Year)

January 29, 2005

Identity of Issue, Borrower, Lessor or Similar Party	Number of Shares/Units	Current Value
Mutual Funds:		
Laudus Rosenberg US Small Capitalization	382,973.145	\$ 5,085,883
Europacific Growth Fund	382,703.319	13,360,173
Oppenheimer Developing Markets	149,584.229	3,998,386
American Funds Growth Fund of America	13,910.188	366,256
PIMCO Total Return Fund	1,314,490.765	14,038,761
Dreyfus Premier Balanced Opportunity Fund CL	1,789,228.054	34,138,471
Dodge & Cox Stock Fund	74,376.804	9,399,740
Putnam Retirement Ready Portfolio Class Y*	79,870.997	5,355,481
Putnam Voyager Fund*	3,001,486.331	47,663,603
Putnam Stable Value Fund*	39,442,741.973	39,442,742
Common Trust Fund:		
Putnam S&P 500 Index Fund*	883,385.633	26,254,221
Kohl's Corporation Common Stock*	1,038,930.399	47,396,005
Participant Notes Receivable, interest range from 4% to 9%*		5,956,616
		\$ 252,456,338

* Indicates party in interest to the Plan.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

KOHL S DEPARTMENT STORES, INC. SAVINGS PLAN

/s/ WESLEY S. MCDONALD

Wesley S. McDonald
Chief Financial Officer

Date: July 28, 2005