

DOLLAR GENERAL CORP

FORM 11-K (Annual Report of Employee Stock Plans)

Filed 06/27/00 for the Period Ending 12/31/99

Address	100 MISSION RIDGE GOODLETTSVILLE, TN, 37072
Telephone	6158554000
CIK	0000029534
Symbol	DG
SIC Code	5331 - Retail-Variety Stores
Industry	Discount Stores
Sector	Consumer Cyclical
Fiscal Year	02/02

DOLLAR GENERAL CORP

FORM 11-K

(Annual Report of Employee Stock Plans)

Filed 6/27/2000 For Period Ending 12/31/1999

Address	100 MISSION RIDGE GOODLETTSVILLE, Tennessee 37072
Telephone	615-855-4000
CIK	0000029534
Industry	Retail (Specialty)
Sector	Services
Fiscal Year	01/31

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

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

For the fiscal year ended December 31, 1999

Commission File No.: 1-11421

Dollar General Corporation

401(k) Savings and Retirement Plan
(Full title of plan)

Dollar General Corporation
100 Mission Ridge
Goodlettsville, Tennessee 37072-2170
(Name of issuer of securities held pursuant to the plan
and address of principal executive office)

INDEPENDENT AUDITORS' REPORT

To the Participants and Plan Administrator of Dollar General Corporation 401(k) Savings and Retirement Plan Nashville, Tennessee

We have audited the accompanying statements of net assets available for benefits of Dollar General Corporation 401(k) Savings and Retirement Plan as of December 31, 1999 and 1998, and the related statement of changes in net assets available for benefits for the year ended December 31, 1999. 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 generally accepted in the United States of America. Those standards require that we plan and perform the audits 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1999 and 1998, and the changes in net assets available for benefits for the year ended December 31, 1999 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of (1) assets held for investment as of December 31, 1999 and (2) transactions in excess of five percent of the current value of plan assets for the year ended December 31, 1999, 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 schedules are the responsibility of the Plan's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic 1999 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP

*Nashville, Tennessee
May 12, 2000*

DOLLAR GENERAL CORPORATION 401(k) SAVINGS AND RETIREMENT PLAN**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1999 AND 1998**

ASSETS	1999	1998
INVESTMENTS, AT FAIR VALUE:		
Dollar General Corporation Stock Fund	\$30,666,749	\$24,508,239
Registered investment companies	25,787,778	20,068,613
Participant notes receivable	1,309,192	804,179
Real estate limited partnerships	515,303	630,399
	-----	-----
Total investments	58,279,022	46,011,430
	-----	-----
RECEIVABLES:		
Employer contributions	4,298,023	3,671,017
Participants' contributions	463,352	381,155
	-----	-----
Total receivables	4,761,375	4,052,172
	-----	-----
TOTAL	63,040,397	50,063,602
	-----	-----
LIABILITIES		
EXCESS CONTRIBUTIONS PAYABLE	99,683	--
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$62,940,714	\$50,063,602
	=====	=====

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

DOLLAR GENERAL CORPORATION 401(k) SAVINGS AND RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEAR ENDED DECEMBER 31, 1999

**ADDITIONS TO NET ASSETS ATTRIBUTED TO:
INVESTMENT INCOME:**

Net appreciation in fair value of investments	\$ 4,393,326
Dividends	1,874,808
Interest	298,963

Total investment income	6,567,097

CONTRIBUTIONS:	
Employer contributions	6,458,704
Participants' contributions	4,837,855
Rollover contributions	431,798

Total contributions	11,728,357

Total additions	18,295,454

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
Benefits paid to participants	5,228,958
Other expenses	189,384

Total deductions	5,418,342

NET INCREASE	12,877,112
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	50,063,602

End of year	\$62,940,714
	=====

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

DOLLAR GENERAL CORPORATION 401(k) SAVINGS AND RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 1999 AND 1998

1. DESCRIPTION OF PLAN

The following brief description of the Dollar General Corporation 401(k) Savings and Retirement Plan ("the Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

On August 25, 1997, the Board of Directors of Dollar General Corporation (the "Company") resolved that the Dollar General Corporation Employee Stock Ownership Plan (the "ESOP Plan") be merged with the Dollar General Corporation Retirement Plan (the "Retirement Plan") to form the Dollar General Corporation 401(k) Savings and Retirement Plan. As a result, the Retirement Plan was amended, restated, converted and continued as the Plan and the ESOP Plan was merged into the Plan effective January 1, 1998.

The Plan is a defined contribution plan for all employees of the Company who have completed one year and 1,000 hours of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions - A participant may elect to contribute to the Plan through salary deferral from 1% to 15% of his or her annual pretax salary up to the maximum amount allowed by law.

The Company has the option of matching up to 50% of the first 6% of elective deferrals of each eligible participant's pretax contribution to the Plan for each period for which participants' contributions are made. The Company matching contribution is invested as directed by the participant. The Company matching contribution was 50% for the 1999 Plan year.

The Company also has the option to make contributions to the Plan on behalf of all participants which shall be treated as Qualified Nonelective Employer Contributions ("QNEC") to the extent such contributions may be used to meet the nondiscrimination requirements of Section 401(k)(3)(A)(ii) of the Internal Revenue Code or comparability requirements of Section 401(l) of the Internal Revenue Code. The Company may elect to have the first 1/2 of 1% of the QNEC be made in Company common stock or used to acquire Company common stock. The remaining QNEC is invested as directed by the participant. Included in Employer Contributions Receivable is \$4,106,366 and \$3,514,318 related to the QNEC at December 31, 1999 and 1998, respectively.

In addition to the matching and QNEC contributions described above, the Company may contribute discretionary amounts from time to time as profit sharing contributions. The profit sharing contribution is invested as directed by the participant. There were no profit sharing contributions for the 1999 Plan year.

Participants' accounts - Each participant's account is credited with the participant's contributions and withdrawals, as applicable, and allocations of (a) the Company's contributions and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. Plan

expenses are allocated to participant accounts based on an equal per person basis. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in all Company contributions and contributions made under the Retirement Plan, plus actual earnings thereon, is based on years of credited service. Participants are 40% vested after 4 years of credited service and 100% after 5 years of credited service.

Participant loans - Participants in the Plan may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan transactions are treated as a transfer between an investment fund and the participant loan fund. Loan terms generally range from one to five years or up to 30 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with the local prevailing rates as determined quarterly by the Plan administrator. Interest rates on outstanding loans range from 7.75% to 8.5% at December 31, 1999 and 1998. Principal and interest are paid ratably through weekly or semi-monthly payroll deductions.

Payment of benefits - On termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or monthly, quarterly, semi-annual or annual installments over a twenty-year period as long as the periodic payments are not less than \$50. As of December 31, 1999 and 1998, there were no benefits due to participants who have withdrawn from the Plan.

Forfeited accounts - Forfeited balances of terminated participants' nonvested accounts are used to reduce future contributions of the Company. In 1999, employer contributions were reduced by \$474,386 from forfeited nonvested accounts.

Investment options - Participants have the option to invest their contributions, rollover contributions and employer contributions in a variety of options. Except for the Dollar General Corporation Stock Fund, the funds are proprietary products of the American Funds Group. Participants may change their investment options at any time.

Participants may invest their account in minimum whole increments of 1% in any of the following options:

Dollar General Corporation Stock Fund: This fund is primarily comprised of Dollar General Corporation common stock with the remainder invested in a money market account.

The Income Fund of America: According to the fund prospectus, this fund seeks to provide current income and, secondarily, growth of capital through a flexible mix of equity and debt instruments. The fund may invest in stocks, bonds and other fixed-income securities in any proportion.

Washington Mutual Investors Fund: According to the fund prospectus, this fund seeks to provide current income and the opportunity for growth of principal. The fund invests in stocks of U.S. companies that meet strict standards based on requirements originally established by the U.S. District Court for the District of Columbia for the investment of trust funds.

New Perspective Fund: According to the fund prospectus, this fund seeks to provide long-term growth of capital through investments all over the world, including the United States. The fund diversifies in blue chip companies here and abroad, focusing on opportunities generated by changes in global trade patterns and economic and political relationships. The fund's investments are in common stocks, convertibles, preferred stocks, bonds and cash.

The Cash Management Trust of America: According to the fund prospectus, this fund seeks to provide income on cash reserves, while preserving capital and maintaining liquidity, through high-quality money market instruments.

The Bond Fund of America: According to the fund prospectus, this fund seeks to provide a high level of current income with preservation capital. The fund invests in corporate debt securities, U.S. and other government securities, mortgage-related securities and cash, in which it must invest at least 60% of its assets in securities rated A or better at the time of purchase. The fund may invest up to 25% of assets in fixed-income securities of corporations and government entities outside the United States. Typically, the fund will invest in intermediate- to long-term securities.

SMALLCAP World Fund: According to the fund prospectus, this fund seeks to provide long-term growth of capital by investing in the stocks of smaller companies in the United States and around the world. Normally, at least 65% of assets will be invested in equities of issuers located in at least three countries and typically having market capitalizations from \$50 million to \$1.2 billion.

The New Economy Fund: According to the fund prospectus, this fund seeks long-term growth of capital by investing primarily in stocks of companies in the service and information area of the global economy, although a portion of its assets may be outside these areas. The fund may also hold cash or money market instruments.

The Growth Fund of America: According to the fund prospectus, this fund seeks long-term growth of capital through investments in a diversified portfolio of common stocks. The fund may invest up to 15% of its assets in securities of issuers outside the United States and up to 10% of its assets in lower quality debt securities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements of the Plan are prepared under the accrual method of accounting.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Investment valuation and income recognition - The Plan's investments are valued in the financial statements at their respective quoted market prices as of the Plan's year end, or if not available, the last reported market price. Net appreciation of investments consists of unrealized and realized gains and losses on investments. Realized gains and losses on investments are based upon the average cost of investments sold. The participant notes receivable are valued at cost which approximates fair value.

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.

Plan expenses are paid by the Plan as provided in the Plan agreement.

Payment of benefits - Benefits are recorded when paid.

3. TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated October 6, 1999, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC) and therefore, no provision for income taxes has been included in the Plan's financial statements. The Plan has not been amended since receiving the determination letter.

4. INVESTMENTS EXCEEDING 5% OF NET ASSETS

The Plan's investments which exceeded 5% of net assets available for benefits as of December 31, 1999 and 1998 are as follows:

Identity of Party Involved	Description of Assets	1999	1998
Dollar General Corporation	Dollar General Corporation Stock Fund	\$ 30,666,749	\$ 24,508,239
The American Funds Group	The Income Fund of America	10,427,701	9,605,572
The American Funds Group	Washinton Mutual Investors Fund	5,192,125	4,093,395

5. PLAN AMENDMENTS AND TERMINATION

Although it has not expressed any intention 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. The Plan may also be amended at any time in any manner as deemed appropriate. Upon termination, the participants shall become fully vested and the assets under the Plan will be distributed to the participants based upon their account balance.

* * * * *

**DOLLAR GENERAL CORPORATION 401(k) SAVINGS
AND RETIREMENT PLAN**

**SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 1999**

Column A	Column B	Column C	Column D	Column E
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
*	Dollar General Corporation Stock Fund	2,612,159 units	\$ 32,276,792	\$ 30,666,749
*	The American Funds Group	The Income Fund of America	11,846,360	10,427,701
*	The American Funds Group	Washington Mutual Investors Fund	5,821,248	5,192,125
*	The American Funds Group	New Perspective Fund	2,438,488	3,020,645
*	The American Funds Group	The Cash Management Trust of America	2,363,375	2,363,375
*	The American Funds Group	The Bond Fund of America	1,985,670	1,883,229
*	The American Funds Group	SMALLCAP World Fund	1,874,738	2,669,225
*	The American Funds Group	The Growth Fund of America	173,634	180,122
*	The American Funds Group	The New Economy Fund	48,437	51,356
	Participant notes receivable	Interest rates ranging from 7.75% to 8.5% and maturity dates ranging from 2000 to 2004	1,309,192	1,309,192
	Real estate limited partnerships:			
	Interchange City Associates Ltd.	15.5 shares	240,553	246,403
	Liquidity Fund Tax Exempt	15 shares	150,000	21,400
	North Creek Associates	400 shares	242,372	140,800
	Realty FD 85-1	200 shares	82,353	106,700
			715,278	515,303
			\$60,853,212	\$58,279,022
			=====	=====

* Party-in-interest

**DOLLAR GENERAL CORPORATION 401(k)
SAVINGS AND RETIREMENT PLAN**

**SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 1999**

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expenses Incurred With Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
A single transaction representing an amount in excess of 5% of the fair value of Plan assets at the beginning of the year:								
*The American Funds Group	The Cash Management Trust of America	\$ 3,635,008	\$ -	\$ -	\$ -	\$3,635,008	\$3,635,008	\$ -
*The American Funds Group	The Cash Management Trust of America	-	2,591,980	-	-	2,591,980	2,591,980	-

* Party-in-interest

**DOLLAR GENERAL CORPORATION 401(k) SAVINGS
AND RETIREMENT PLAN**

**SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 1999**

Column A	Column B	Column C	Column D	Column E	Column F	Column G
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expenses Incurred with Transaction	Cost of Asset
A series of security transactions representing one or more securities of the same issue which in the aggregate is in excess of 5% of the fair value of Plan assets at the beginning of the year:						
* The American Funds Group	The Cash Management Trust of America	\$ 19,943,264 -	\$ - 19,216,568	\$ - -	\$ - -	\$ 19,943,264 19,216,568
* Dollar General Corporation Stock Fund	Common stock	5,940,339 -	- 4,274,482	- -	- -	5,940,339 3,757,220
* The American Funds Group	The Income Fund of America	3,848,946	-	-	-	3,848,946
Column H	Column I					
Value of Asset on Transaction Date	Net Gain or (Loss)					
\$ 19,943,264 19,216,568	\$ - -					
5,940,339 4,274,482	- 517,262					
3,848,946	-					

***Party-in-interest**

The following is a complete listing of Exhibits filed or incorporated by reference as part of this annual report:

EXHIBITS

Exhibit -----	Description -----
23	Consent of Independent Auditors

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrator of the Dollar General Corporation 401(k) Savings and Retirement Plan has duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

DOLLAR GENERAL CORPORATION

401(k) SAVINGS AND RETIREMENT PLAN

Date: June 23, 2000

By: /s/ Bob Carpenter

Name: Bob Carpenter
Title: Plan Administrator

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-65789 of Dollar General Corporation on Form S-8 of our report dated May 12, 2000, appearing in the Annual Report on Form 11-K of the Dollar General Corporation 401(k) Savings and Retirement Plan for the year ended December 31, 1999.

/s/ DELOITTE & TOUCHE LLP

Nashville, Tennessee

June 27, 2000

End of Filing

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