

WAL MART STORES INC

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

Filed 07/30/98 for the Period Ending 01/31/98

Address	702 SOUTHWEST 8TH ST BENTONVILLE, AR 72716
Telephone	5012734000
CIK	0000104169
Symbol	WMT
SIC Code	5331 - Variety Stores
Industry	Retail (Department & Discount)
Sector	Services
Fiscal Year	01/31

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 11-K

(Mark One)

Annual Report Pursuant to Section 15(d) of the Securities Exchange
Act of 1934

For the fiscal year ended January 31, 1998.

or

Transition Report Pursuant to Section 15(d) of the Securities
Exchange Act of 1934

For the transition period from _____ to _____.

Commission file number 1-6991

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

WAL-MART STORES, INC., 401(k) RETIREMENT SAVINGS PLAN

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

WAL-MART STORES, INC.

702 Southwest Eighth Street
Bentonville, Arkansas 72716

Wal-Mart Stores, Inc. 401(k) Retirement Savings Plan

Financial Statements and Supplemental Schedules

Year ended January 31, 1998

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Report of Independent Auditors

The Administrative Committee of the
Wal-Mart Stores, Inc. 401(k) Retirement Savings Plan

We have audited the accompanying statement of net assets available for benefits of Wal-Mart Stores, Inc. 401(k) Retirement Savings Plan as of January 31, 1998, and the related statement of changes in net assets available for benefits for the year then ended. 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 audit.

We conducted our audit in accordance with generally accepted auditing standards. 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. 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 that our audit provides a reasonable basis for our opinion.

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 January 31, 1998, and the changes in its net assets available for benefits for the year then ended, in conformity with generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment purposes as of January 31, 1998, and reportable transactions for the year then ended, are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and are not a required part of the basic financial statements. The Fund Information in the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the changes in net assets available for benefits of each fund. The supplemental schedules and Fund Information have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

June 19, 1998
Tulsa, Oklahoma

Statement of Net Assets Available for Benefits

January 31, 1998

(In Thousands)

Assets	
Company stock, at fair value	\$ 6,601
Other investments, at fair value:	
Merrill Lynch Equity Index Fund	19,747
Merrill Lynch Retirement Preservation Fund	7,706
Pacific Investment Management	
Company Total Return Fund	11,367
Ivy International Fund	17,008
Putnam New Opportunities Fund	19,508
Total investments	81,937
Receivables:	
Company contribution	141,142
Associates' contributions	4,853
Total receivables	145,995
Cash and other	36
Net assets available for benefits	\$227,968

See accompanying notes

Wal-Mart Stores, Inc. 401(k) Retirement Savings Plan

Statement of Changes in Net Assets Available for Benefits with Fund Information

Year ended January 31, 1998

(In Thousands)

	Wal-Mart Common Stock	Merrill Lynch Equity Index Fund	Merrill Lynch Retirement Preservation Fund	Pacific Investment Management Company Total Return Fund
Additions:				
Associate contributions	\$5,887	\$19,071	\$8,348	\$11,190
Company contributions	-	-	-	-
Net appreciation (depreciation) in fair value of investments	260	839	-	(29)
Investment income	12	-	125	420
Interfund transfers in	519	322	105	146
Total asset additions	6,678	20,232	8,578	11,727
Deductions:				
Benefit payments	59	145	63	92
Interfund transfers out	18	340	809	268
Total asset deductions	77	485	872	360
Net increase in net assets available for benefits	6,601	19,747	7,706	11,367
Net assets available for benefits at beginning of year	-	-	-	-
Net assets available for benefits at end of year	\$6,601	\$19,747	\$7,706	\$11,367

	Ivy International Fund	Putnam New Opportunities Fund	Other	Total
Additions:				
Associate contributions	\$17,072	\$19,133	\$ 4,853	\$ 85,554
Company contributions	-	-	141,142	141,142
Net appreciation (depreciation) in fair value of investments	(506)	229	-	793
Investment income	186	334	-	1,077
Interfund transfers in	611	215	401	2,319
Total asset additions	17,363	19,911	146,396	230,885
Deductions:				
Benefit payments	126	145	(32)	598
Interfund transfers out	229	258	397	2,319
Total asset deductions	355	403	365	2,917
Net increase in net assets available for benefits	17,008	19,508	146,031	227,968
Net assets available for benefits at beginning of year	-	-	-	-
Net assets available for benefits at end of year	\$17,008	\$19,508	\$146,031	\$227,968

See accompanying notes

Notes to Financial Statements

January 31, 1998

1. Description of the Plan

The following description of the Wal-Mart Stores, Inc. 401(k) Retirement Savings Plan (the "Plan") provides only general information regarding the Plan as in effect on January 31, 1998. This document is not part of the summary plan description of the Plan and is not a document pursuant to which the Plan is maintained within the meaning of Section 402(a)(1) of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. Participants should refer to the Plan document for a complete description of the Plan's provisions. To the extent not specifically prohibited by statute or regulation, Wal-Mart Stores, Inc. ("Wal-Mart" or the "Company") reserves the right to unilaterally amend, modify, or terminate the Plan at any time, and such changes may be applied to all Plan participants and their beneficiaries regardless of whether the participant is actively working or retired at the time of the change. The Plan may not be amended, however, to permit any part of the Plan's assets to be used for any purpose other than for the purpose of paying benefits to participants and their beneficiaries.

General

The Plan is a defined contribution plan established by the Company on February 1, 1997. All U.S. associates of the Company who are not covered by a plan of a related company and have completed at least 1,000 hours of service in a consecutive 12-month period are eligible to participate in the Plan. Participation may begin on the first day of the month following eligibility. The Plan is subject to the provisions of ERISA.

The responsibility for operation and administration of the Plan (except for investment management and control of assets) is vested in the Plan's Administrative Committee of the Company ("Administrative Committee").

The trustee function of the Plan is performed by Merrill Lynch Trust Company of America ("Trustee"). The Trustee receives and holds contributions made to the Plan in trust and invests those contributions according to the policies established by the Administrative Committee. The Trustee makes payouts from the Plan in accordance with the Plan document. The Trustee is affiliated with Merrill Lynch, Pierce, Fenner & Smith, Inc., the parent corporation of the Trustee and manager of the Merrill Lynch Equity Index Trust and the Retirement Preservation Trust, which are investment options offered under the Plan to participants.

Contributions

All eligible associates participate in the Plan and may elect to contribute from 1% to 10% of their eligible wages. Whether or not an associate contributes to the Plan, he or she will receive a portion of the Company's contribution if they meet certain eligibility requirements. To be eligible to receive a Company contribution, the associate must complete at least 1,000 hours of service during the Plan year for which the contribution is made, and be employed on the last day of that Plan year (January 31).

At the end of each Plan year, Wal-Mart's contribution (if any) will be determined for that Plan year. The Company's contribution for each associate will be a percentage of the associate's eligible wages for the Plan year. Wal-Mart's contribution is discretionary and can vary from year to year.

Participants' Accounts

Each participant's account is credited with the participant's contribution and an allocation of (a) the Company's contribution to the Plan made on the associate's behalf, and (b) an allocation, as defined, of Plan earnings. The benefit to which a participant is entitled from the Plan is dependent on the amount in the participant's account. The effective date on which participants could make contributions was July 1, 1997.

Company contributions to the Plan are invested in accordance with the investment elections made by each participant for deposit in his or her account.

Vesting

Participants are immediately vested in all contributions to their accounts, plus actual earnings thereon.

Payment of Benefits and Withdrawals

The normal form of payment upon a participant's separation from the Company is a lump-sum payment in cash for the balance of the participant's account. Participants may also elect to receive a single lump-sum payment in whole shares of Company stock, with partial or fractional shares paid in cash. To the extent the participant's account is not invested in Company stock, the account balance will automatically be distributed in cash. Participants may also elect to rollover their account balance into a different tax-qualified retirement plan or individual retirement account upon separation from the Company. The Plan permits withdrawals of participants' salary reduction contributions and rollover contributions only in amounts necessary to

satisfy financial hardship as defined by the Internal Revenue Service ("IRS").

Plan Termination

While there is no intention to do so, the Company may discontinue the Plan by giving written notice, subject to the provisions of ERISA. In the event of a complete or partial termination of this Plan or a complete discontinuance of contributions to it, the accounts of the Participants shall be fully and immediately vested and nonforfeitable. The Trust shall remain in effect (unless it is specifically terminated) and the Trust assets shall be administered in the manner provided by the terms of the Trust and distributed as soon as administratively feasible.

Income Tax Status

The Plan has received a letter of determination dated November 26, 1997, from the Internal Revenue Service ("IRS") which states that the Plan is in compliance with Section 401(k) of the Internal Revenue Code ("IRC") and, therefore, the related Trust is not subject to tax under present income tax law. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. In the opinion of the Company's management, the Plan as of January 31, 1998 continues to be in compliance with Section 401(k), and continues to be entitled to an exemption from federal income taxation under Section 401(k); thus, no provision for federal income taxes has been made in the accompanying financial statements.

Year 2000 Issue (unaudited)

The Company has developed a plan to modify its internal information technology to be ready for the year 2000 and has begun converting critical data processing systems. The project also includes determining whether third-party service providers have reasonable plans in place to become year 2000 compliant. The Company currently expects the project to be substantially complete by early 1999. The Company does not expect this project to have a significant effect on Plan operations.

Investment Options

Participant investment choices include five core funds, three investment models, and Wal-Mart stock. The associate may change their selections at any time throughout the year.

The five core funds are:

Merrill Lynch Retirement Preservation Trust (Stable Value Fund)-A common collective trust that seeks to preserve principal by investing mainly in a wide variety of guaranteed

investment contracts and in obligations of U.S. government and U.S. government agency securities.

PIMCO Total Return Fund (Fixed Income Bond Fund)-A registered investment company that seeks to provide income in the form of interest and dividends.

Merrill Lynch Equity Index Trust (Large Company Stock Fund)- A common collective trust that seeks to approximate the S&P 500 Index by investing in stocks of larger companies that make up the S&P 500.

Putnam New Opportunities Fund (Mid-Sized Company Stock Fund)- A registered investment company that seeks to provide growth by investing in stocks of mid-sized companies.

Ivy International Fund (International Stock Fund)- A registered investment company that seeks to provide growth by investing in stocks of international companies.

In addition to the core funds, the Plan participant may select from three investment models, which are comprised of a combination of the core funds. The investment models are as follows:

Conservative to Moderate Investment Model-The model invests 40% of its assets in the stock funds, 50% in the bond fund, and 10% in the Stable Value Fund.

Moderate Investment Model-This model invests 70% of its assets in the stock funds, 25% in the bond fund, and 5% in the Stable Value Fund.

Aggressive Investment Model-This model invests 80% of its assets in the stock funds, 10% in the bond fund, and 10% in the Stable Value Fund.

2. Summary of Accounting Policies

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

The preparation of the financial statements in conformity with generally accepted accounting principles requires Plan management to use estimates and assumptions that affect the accompanying financial statements and notes. Actual results could differ from these estimates.

Investments in registered investment companies and Wal-Mart common stock are stated at fair market value determined from publicly stated price information. Investments in common and collective trust funds are stated

at the fair value of the underlying assets determined by the Trustee. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex- dividend date.

Investments greater than 5% of net assets are separately identified in the statement of net assets available for benefits.

3. Differences Between Financial Statements and Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

	January 31, 1998
Net assets available for benefits per the financial statements	\$227,968
Amount shown on Form 5500 as benefit claims payable	22
Net assets available for benefits per the form 5500	\$227,946

Supplemental Schedules

Schedule 1:

Page 1 of 1

Wal-Mart Stores, Inc. 401(k) Retirement Savings Plan

Line 27a-Schedule of Assets Held for Investment Purposes

January 31, 1998

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Cost	Current Value
Wal-Mart Stores, Inc.*	165,803 shares common stock	\$ 6,344,178	\$ 6,600,934
Merrill Lynch* Equity Index Fund	298,803 units	18,918,555	19,747,298
Merrill Lynch* Retirement Preservation Fund	7,706,076 units	7,706,076	7,706,076
PIMCO Total Return Fund	1,061,165 units	11,392,969	11,365,082
Ivy International Fund	438,460 units	17,498,566	17,007,862
Putnam New Opportunities Fund	402,141 units	19,280,933	19,507,870
Total investments		\$81,141,277	\$81,935,122

[FN]
<F1>

*Party-in-interest

Wal-Mart Stores, Inc.

401(k) Retirement Savings Plan

Line 27d-Schedule of Reportable Transactions

Year ended January 31, 1998

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Category (iii) - Series of investment transactions in excess of 5% of average Plan assets due to initial Plan year.						
Wal-Mart Stores, Inc.*	Common stock	\$ 6,418,315	\$ -	\$ 6,418,315	\$ 6,418,315	\$ -
	Common stock	-	77,224	74,137	76,586	3,087
Merrill Lynch*	Equity Index Trust	19,392,429	-	19,392,429	19,392,429	-
	Equity Index Trust	-	484,024	473,874	484,024	10,150
	Retirement Preservation Trust	8,578,170	-	8,578,170	8,578,170	-
	Retirement Preservation Trust	-	872,094	872,094	872,094	-
Pacific Investment Management Company	Total Return Fund	11,754,322	-	11,754,322	11,754,322	-
	Total Return Fund	-	359,879	361,353	359,879	(1,474)
IVY Management	International Fund	17,869,387	-	17,869,387	17,869,387	-
	International Fund	-	355,349	370,821	355,349	(15,472)
Putnam Funds Corporation	New Opportunities Fund	19,683,093	-	19,683,093	19,683,093	-
	New Opportunities Fund	-	403,808	402,160	403,808	1,648

There were no category (i) (ii) or (iv) reportable transactions for the year ended January 31, 1998.
Columns (e) and (f) are not applicable.

[FN]

<F1> *Party-in-interest

SIGNATURES

The Plan. Pursuant to the requirements of the Securities and Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

WAL-MART STORES, INC.,

401(k) RETIREMENT SAVINGS PLAN

Date: July 30, 1998

*/s/ Debbie Davis-Campbell
Debbie Davis-Campbell
Administrative Committee*

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 333-29847) pertaining to the Wal-Mart Stores, Inc. 401(k) Retirement Savings Plan of our report dated June 19, 1998, with respect to the financial statements and schedules of the Wal-Mart Stores, Inc. 401(k) Retirement Savings Plan included in this Annual Report (Form 11-K) for the year ended January 31, 1998.

*/s/ Ernst & Young LLP
Ernst & Young LLP*

*Tulsa, Oklahoma
July 29, 1998*

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