

HIBBETT SPORTING GOODS INC  
Form 10-K/A  
April 19, 2005

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A**

**AMENDMENT NO. 1**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 29, 2005

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-20969

**HIBBETT SPORTING GOODS, INC.**

(Exact name of registrant as specified in its charter)

Delaware

63-1074067

(State or other jurisdiction

(I.R.S. Employer

of incorporation or organization)

Identification No.)

Edgar Filing: HIBBETT SPORTING GOODS INC - Form 10-K/A

451 Industrial Lane

Birmingham, Alabama

35211

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(205) 942-4292

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Title of each class:

Name of each exchange on which registered:

Common Stock, \$.01 Par Value Per Share

NASDAQ Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act.)

Yes  No

The aggregate market value of the voting stock held by non-affiliates of the Registrant (assuming for purposes of this calculation that all executive officers and directors are affiliates ) was \$444,503,139 on July 30, 2004, based on the closing sale price \$19.06 at July 30, 2004 for the Common Stock on such date on the NASDAQ National Market.



The number of shares outstanding of the Registrant's Common Stock, as of April 13, 2005 was 22,646,951.

DOCUMENTS INCORPORATED BY REFERENCE

The information regarding securities authorized for issuance under equity compensation plans called for in Item 5 of Part II and the information called for in Items 10, 11, 12, 13 and 14 of Part III are incorporated by reference from the Company's definitive Proxy Statement for the 2005 Annual Meeting of Stockholders, to be held May 31, 2005. Registrant's definitive Proxy Statement will be filed with the Securities and Exchange Commission on or before April 29, 2005.

---

**EXPLANATORY NOTE**

This Amendment of Form 10-K/A constitutes Amendment No. 1 to our Annual Report on Form 10-K for the fiscal year ended January 29, 2005, which was originally filed with the SEC on April 14, 2005 (the "Original Report"). Because inadvertent drafting errors appeared in our Item 9A disclosure included in the Original Report, we are amending and restating Item 9A as it appeared in the original report.

This Amendment only amends Item 9A of the Original Report as specified above. It does not affect the original financial statements and footnotes or other disclosures filed in the Original Report and does not reflect events occurring after the original filing date of April 14, 2005.

- 1 -

---

**Item 9A. Controls and Procedures**

**(a) Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures**

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to its management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, the Company recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

The Company carried out an evaluation, with the participation of its principal executive officer and principal financial officer, of the effectiveness of its disclosure controls and procedures as of January 29, 2005. Based on this evaluation and due to the material weakness in internal control over financial reporting described below in Management's Report on Internal Control Over Financial Reporting, its principal executive officer and principal financial officer concluded that, as of January 29, 2005, its disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the Exchange Act), were not effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

**(b) Management's Report on Internal Control Over Financial Reporting**

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of its management, including its principal executive officer and principal financial officer, the Company carried out an evaluation of the effectiveness of its internal control over financial reporting as of January 29, 2005, based on the *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In performing this assessment, management concluded that the Company's controls over the selection, monitoring and review of assumptions and factors affecting lease accounting practices were not effective in ensuring that the related transactions were accounted for in accordance with generally accepted accounting principles, and, as a result, management determined that the Company's financial statements for fiscal 2004 and fiscal 2003 were misstated. Specifically, amounts previously reported for annual rent expense and depreciation expense were understated. On March 9, 2005, the Company announced its decision to restate its financial statements as of and for the years ended January 31, 2004 and February 1, 2003, and for the previously issued interim financial information for fiscal year 2005 and fiscal year 2004 to reflect the aforementioned correction of errors in lease accounting.

Management evaluated the impact of the aforementioned deficiencies on the Company's assessment of internal control over financial reporting and concluded that the control deficiency that resulted in the incorrect lease accounting represented a material weakness in internal control over financial reporting as of January 29, 2005. As a result of this material weakness, management concluded that, as of January 29, 2005, the Company's internal control over financial reporting was not effective based on the criteria set forth in the COSO framework.

In accordance with the Public Company Accounting Oversight Board ( PCAOB ) Auditing Standard No. 2, a material weakness in internal control over financial reporting is a control deficiency or combination of control deficiencies that results in there being more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. PCAOB Auditing Standard No. 2 identifies a number of circumstances that, because of their likely significant negative effect on internal control over financial reporting, are to be regarded as at least significant deficiencies as well as strong indicators that a material weakness exists, including the restatement of previously issued financial statements to reflect the correction of a misstatement.

The Company's independent registered public accounting firm, KPMG LLP, has issued an attestation report on management's assessment of the Company's internal control over financial reporting. This report appears below.

- 2

---

**(c) Changes in Internal Control Over Financial Reporting**

In connection with its evaluation of the Company's internal control over financial reporting described above, management has determined that no change in internal control over financial reporting occurred during the fourth quarter of fiscal 2005 that materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Subsequent to January 29, 2005, and in response to the material weakness in internal control over financial reporting noted above, the Company has implemented additional review procedures over the selection and monitoring of appropriate assumptions and factors affecting its lease accounting practices. The Company has taken these steps which are intended to remediate the material weakness in internal control over financial reporting and the ineffectiveness of its disclosure controls and procedures.

- 3 -

---



**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders

Hibbett Sporting Goods, Inc.:

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting (Item 9A(b)), that Hibbett Sporting Goods, Inc. and subsidiaries (the Company) did not maintain effective internal control over financial reporting as of January 29, 2005, because of the effect of the material weakness in internal controls over the selection, monitoring, and review of assumptions and factors affecting lease accounting practices, based on the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management of the Company is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the internal control over financial reporting of the Company based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. The following material weakness has been identified and included in management's assessment as of January 29, 2005: Management identified deficiencies in the Company's internal control over financial reporting regarding the selection, monitoring, and review of assumptions and factors affecting its lease accounting practices. As a result of these deficiencies in the Company's internal control, previously reported annual rent expense and depreciation was understated, resulting in the restatement of the consolidated financial statements as of and for the years ended January 31, 2004 and February 1, 2003 and for the previously issued interim financial information for fiscal 2005 and 2004.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Hibbett Sporting Goods, Inc. and subsidiaries as of January 29, 2005, and January 31, 2004, and the related consolidated statements of operations, stockholders' investment, and cash flows for each of the years in the three-year period ended January 29, 2005. The aforementioned material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2005 consolidated financial statements, and this report does not affect our report dated April 13, 2005, which expressed an unqualified opinion on those financial statements.

- 4 -

---

In our opinion, management's assessment that Hibbett Sporting Goods, Inc. and subsidiaries did not maintain effective internal control over financial reporting as of January 29, 2005, is fairly stated, in all material respects, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, in our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of January 29, 2005, based on the criteria established in *Internal Control - Integrated Framework* issued by COSO.

**KPMG LLP**

Birmingham, Alabama

April 13, 2005

- 5 -

---

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**HIBBETT SPORTING GOODS, INC.**

Date: April 19, 2005

By: /s/ Gary A. Smith

Gary A. Smith  
Vice President & Chief Financial Officer  
(Principal Financial and Accounting Officer)

**EXHIBITS INDEX**

<b><u>Number</u></b>	<b><u>Description</u></b>
<b>Certificates of Incorporation and By-Laws</b>	
3.1	Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 1997 (the 1997 10-K)).
3.2	By-laws of the Company (incorporated herein by reference to Exhibit 3.2 of the 1997 10-K).
<b>Material Contracts</b>	
10.1	Director Compensation Summary Terms (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 10-Q dated December 9, 2004).
10.2	Hibbett Sporting Goods, Inc. Stock Plan for Outside Directors (as amended) (incorporated herein by reference to Exhibit A to the Definitive Proxy Statement dated April 29, 2004)
<b>Subsidiaries of the Registrant</b>	
21	List of Company's Subsidiaries (incorporated herein by reference to Exhibit 21 of the 1996 S-1).
<b>Consents of Experts and Counsel</b>	
23.1	Consent of Independent Registered Public Accounting Firm (previously filed)
<b>Certifications</b>	
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer (filed herewith)
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer (filed herewith)
32.1	Section 1350 Certification of Chief Executive Officer (filed herewith)
32.2	Section 1350 Certification of Chief Financial Officer (filed herewith)

**Exhibit 31.1**

**Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer**

I, Michael J. Newsome, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of Hibbett Sporting Goods, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Edgar Filing: HIBBETT SPORTING GOODS INC - Form 10-K/A

Date April 19, 2005

/s/Michael J. Newsome  
Michael J. Newsome  
President, Chief Executive Officer and  
Chairman of the Board  
*(Principal Executive Officer)*

- 8 -

---

**Exhibit 31.2**

**Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer**

I, Gary A. Smith, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of Hibbett Sporting Goods, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date April 19, 2005

/s/ Gary A. Smith  
Gary A. Smith  
Vice President and Chief Financial Officer  
(Principal Financial Officer)





**Exhibit 32.1**

**Section 1350 Certification of Chief Executive Officer**

In connection with Amendment No. 1 to the Annual Report on Form 10-K of Hibbett Sporting Goods, Inc. (the Company) for the fiscal year ended January 29, 2005, as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned officer certifies, to the best knowledge and belief of such officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) Amendment No. 1 to the Annual Report on Form 10-K of the Company for the period ended January 29, 2005 fully complies with the requirements of Section 13 (a) or Section 15 (d), as applicable, of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 19, 2005

/s/ Michael J. Newsome

Michael J. Newsome

President, Chief Executive Officer and Chairman of the Board  
(*Principal Executive Officer*)

**Exhibit 32.2**

**Section 1350 Certification of Chief Financial Officer**

In connection with Amendment No. 1 to the Annual Report on Form 10-K of Hibbett Sporting Goods, Inc. (the Company ) for the fiscal year ended January 29, 2005, as filed with the Securities and Exchange Commission on the date hereof (the Report ), the undersigned officer certifies, to the best knowledge and belief of such officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) Amendment No. 1 to the Annual Report on Form 10-K of the Company for the period ended January 29, 2005 fully complies with the requirements of Section 13 (a) or Section 15 (d), as applicable, of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 19, 2005

/s/ Gary A. Smith

Gary A. Smith

Chief Financial Officer

*(Principal Financial Officer)*

- END -

- 11 -

