

BIOANALYTICAL SYSTEMS INC
Form 8-K
July 21, 2004

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 14, 2004**

BIOANALYTICAL SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Indiana
(State or other jurisdiction of
incorporation or organization)

0-23357
(Commission File Number)

35-1345024
(IRS Employer Identification No.)

2701 Kent Avenue
West Lafayette, Indiana
(Address of principal executive offices)

47906-1382
(Zip Code)

(765) 463-4527
(Registrant's telephone number, including area code)

Item 4. Changes in Registrant's Certifying Accountants.

(a) Previous Independent Accountants

On July 14, 2004, the Company's Audit Committee of the Board of Directors approved a change in the Company's independent public accountants and replaced Ernst & Young, LLP (E&Y) with KPMG, LLP (KPMG).

The reports of E&Y for the past two fiscal years ended September 30, 2003 and 2002, contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

In connection with its audits for the two most recent fiscal years ended September 30, 2003 and 2002 and through July 14, 2004, there have been no disagreements with E&Y on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of E&Y, would have caused them to make reference to the subject matter of the disagreement in connection with their report on the financial statements for such period.

During the two most recent fiscal years ended September 30, 2003 and 2002, and through July 14, 2004, there have been no reportable events (as defined in Regulation S-K, Item 304(a)(1)(v)), except for a material weakness in the Company's internal

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control for the year ended September 30, 2003 which was identified by E&Y and disclosed in Item 9A in the Company's Annual Report on Form 10-K for the year ended September 30, 2003. Specifically, the independent auditors noted that the Company's internal control failed to timely alert management of potential loan covenant noncompliance. The Company did not have procedures in place to monitor near-term future financial position and results of operations to enable it to take operational action in the event of potential loan covenant noncompliance. The Company has taken measures to correct this material weakness in the form of enhancing its planning process and creating procedures to more timely identify credit agreement compliance issues.

E&Y has furnished the Company with a letter addressed to the Securities and Exchange Commission (the Commission) stating that it agrees with the above statements. A copy of such letter dated July 21, 2004 is filed as Exhibit 16.1 to this Form 8-K.

(b) New Independent Accountants

The Company has engaged KPMG as its principal independent auditor subject to completion by KPMG of its final client acceptance procedures. During the two most recent fiscal years ended September 30, 2003 and 2002, and through July 21, 2004, the Company has not consulted with KPMG regarding either: (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's financial statements; or (ii) any matter that was either the subject of a disagreement (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to that Item) or a reportable event (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

Item 7. Financial Statements and Exhibits.

(c) Exhibits

<u>Number</u>	<u>Exhibit</u>
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16.1	Letter dated July 21, 2004 from Ernst & Young, LLP to the Securities and Exchange Commission
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Bioanalytical Systems, Inc.
(Registrant)

By: /s/ Michael R. Cox

Date: July 21, 2004

Michael R. Cox
VP-Finance, Chief Financial Officer and
Treasurer