



LEVITSKY & BERNEY

A PROFESSIONAL CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
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May 12, 2003

The Town Council
Town of Wallingford
45 South Main Street
Wallingford, CT 06492

Dear Town Council Members:

We are writing in response to the New Haven Register article published May 10, 2003. We feel it is necessary to do so due to the slanderous comments quoted in this article from your Audit Search Committee member, Council member and Mayoral candidate, Mr. Mike Brodinsky.

Primarily we feel that your process to select new auditors appears to be flawed in that, as reported in the article, there are such challenges and accusations from within your own selection committee.

Secondly, in reference to Mr. Brodinsky's quoted comment regarding Levitsky & Berney's being "remiss in not consulting regularly with the council and that it failed to spot an accounting error on the part of the Board of Education", we feel the need to respond to your Council as follows:

- 1) We have NEVER turned down a direct request to consult with or report to your council. We further stated in our presentation to your committee, that we would be available to your Council and your individual members, as we always have been.
- 2) We can only assume, since the quote is not specific as to the Board of Education's error quoted in the second part of Mr. Brodinsky's comment, that he is referring to the reason for Levitsky and Berney's qualification of the Independent Auditor's Report as reported on pages 21 and 22 of your bound report for the year ended June 30, 2003, as follows:

"As discussed in Note 3 to the financial statements, management has not properly recorded certain general assets in governmental activities and, accordingly, has not properly recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that all general assets be capitalized and depreciated,

which would increase the assets and expenses of the governmental activities. The amount by which this departure would affect the assets and expenses of the governmental activities is not reasonably determinable."

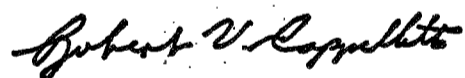
Since this was reported to you in Levitsky & Berney's audit report, it is difficult for us to understand Mr. Brodinsky's comment that we "failed to spot" this omission. Further, if Mr. Brodinsky is intimating that we should have "spotted" and reported this in the past, perhaps he does not realize that Governmental Accounting Standards Board's GASB Statement No. 34 required additional schedules to be prepared for this year, and that it was these schedules which have not been properly prepared and therefore certain assets were not properly reported – for this year.

Since Mr. Brodinsky has used unfounded and slanderous remarks, and that these are being publicly made, we are therefore requesting the ranking and determination process, including final scores, your five member committee used in their recommendation.

In closing, since the Town Council and its members have always conducted themselves in a highly professional manner, it should not allow two of its members to diminish its high reputation. We felt it important to our own reputation to clarify these public accusations with you directly.

Respectfully,

LEVITSKY & BERNEY, P.C.



Robert V. Cappelletti, CPA
Principal