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Report of Independent Accountants on Applying Agreed-Upon Procedures

Board of Directors and Management
Sparton Corporation
Jackson, Michigan

Environmental Protection Agency
Dallas, Texas

New Mexico Environmental Department
Santa Fe, New Mexico

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Sparton Corporation and subsidiaries as of June 30, 2004, and the related consolidated statements of income, shareowners' equity and cash flows for the year then ended, and have issued our report thereon dated August 13, 2004. Our opinion on the financial statements referred to above is presented in Sparton Corporation's 2004 Annual Report (Form 10-K) which is referred to in the letter dated September 15, 2004 and signed by Richard Langley, Chief Financial Officer of Sparton Corporation, to the Environmental Protection Agency and the New Mexico Environment Department ("the Langley Letter").

We have performed the procedures described below, which were specified by the Environmental Protection Agency and agreed to by Sparton Corporation, to the Langley Letter, solely to assist you in complying with the requirements of the State of New Mexico and the United States Environmental Protection Agency. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

We have compared the following data included in the Langley Letter to amounts included in or derived from the audited consolidated balance sheet of Sparton Corporation and subsidiaries as of June 30, 2004, and the related consolidated statements of income, shareowners' equity and cash flows for the year then ended, which we have audited and issued our report thereon as described above, and found them to be in agreement.



<u>Description</u>	<u>Balance</u>
Total liabilities	\$ 25,553,397
Tangible net worth	88,096,098
Net worth	88,866,099
Current assets	91,358,693
Current liabilities	19,011,388
Net working capital	72,347,305
Sum of net loss plus depreciation, depletion and amortization	(445,915)

We were not engaged to, and did not, conduct an audit, examination or review, the objectives of which would be the expression of an opinion or limited assurance on the Langley Letter. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and management of Sparton Corporation, the State of New Mexico and the United States Environmental Protection Agency and is not intended to and should not be used by anyone other than these specified parties.

BDO Seidman, LLP

Grand Rapids, Michigan
September 15, 2004