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Management  
City of Littleton  
Littleton, Colorado

In planning and performing our audit of the financial statements of the City of Littleton as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. This letter does not affect our report on the financial statements dated June 10, 2019.

During our testing of Investments, we noted that the City total investment in corporate bonds was 13% of the entire portfolio, which was higher than the 10% maximum outlined in the Concentration of Credit Risk section of the City's Investment Policy that was approved in 2013. The policy also outlines that the total invested in commercial paper and corporate debt cannot exceed 20% of the investment portfolio, so the City did not breach their investment policy. In our review of the investment policy we noted that the City's policy is stricter than the State's policy for local governments, which could be limiting the City's ability to move funds in order to get the best return on their investments. We recommend that the City revisit and update their investment policy to provide more flexibility for finance to be able to maximize investment income.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, City of Littleton's City Council, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

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Greenwood Village, Colorado  
June 10, 2019

