



Management
United Food Bank
Mesa, Arizona

In planning and performing our audit of the financial statements of United Food Bank as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, 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. We previously provided a written communication dated December 12, 2016, on the entity's internal control. This letter does not affect our communication dated December 12, 2016.

Journal Entries

There is not always a secondary review of journal entries, especially journal entries done by the chief financial and administrative officer. A lack of documented review creates an opportunity for fraud to occur or errors to go undetected. We recommend that all journal entries be reviewed and approved by someone other than the employee who proposed the entries.

Functional Expenses

Functional expense methodology is based on budgeting from the prior year. There has not been a time study to be a basis for the allocation and to accurately classify expense allocation. A time study would more accurately present the functional expenses of the organization. We recommend that time studies be conducted on a regular basis in order to provide support for management's estimate of functional expenses.

Endowments

A spending policy governing the spending and management of endowment funds under the Uniform Prudent Management of Institutional Funds Act (UPMIFA) was not developed. The absence of a spending policy could result in the imprudent spending of endowment funds and related earnings. We recommend the creation and adoption of a spending policy.

Bank Reconciliations

The director of finance has the ability to make bank transfers without review; in addition, she downloads the bank statements for the bank reconciliations, and reconciles the bank accounts. The lack of review or segregation of duties creates a risk that fraud could occur and go undetected. We recommend that bank reconciliations be prepared by an individual who does not have access to the organization's bank accounts or check stock.

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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, board of directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Phoenix, Arizona
December 12, 2016