utah capital
INVESTMENT

Annual Report for 2014

Prepared in accordance with the requirements of §63M-1-1206 (6) of the Utah Venture Capital Enhancement Act

PORTFOLIO PERFORMANCE

2.4 % **net internal rate of return** including financing and administrative costs since fund inception

16.8% **net internal rate of return** including financing and administrative costs for the reporting period

$63.7 m **investment distributions** since fund inception

$113.1 m **net asset value** of Utah Capital portfolio funds

No new **investment commitments** will be made under the current financing structure

ECONOMIC DEVELOPMENT

77

Utah companies received investment capital from Utah Capital portfolio funds since fund inception (30 companies no longer owned by Utah Capital fund managers)

5,073

New Utah jobs added by Utah companies since fund inception

Eide Bailly, LLP performed agreed upon procedures on this Annual Report in accordance with the terms of a contract dated August 28, 2015

– as of December 31, 2014 –

ECONOMIC DEVELOPMENT

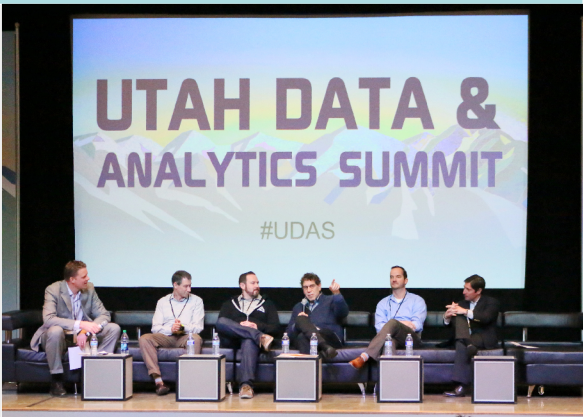
INSIGHT VENTURE PARTNERS · NEA · ACCEL PARTNERS · POLARIS PARTNERS · Zetta

- **77** Utah companies received investment capital from Utah Capital portfolio funds since fund inception (30 companies no longer owned by Utah Capital fund managers)
- **5,073** new Utah jobs added by Utah companies since fund inception
- **$879 m** invested in Utah companies by Utah Capital portfolio funds since fund inception
- **$17 m** invested by Utah Capital in Utah companies
- **29** consulting sessions during reporting period
- **74** events promoting Utah's entrepreneurs and companies
- **17** community events supported during reporting period

PELION VENTURE PARTNERS · Menlo · ANDREESSEN HOROWITZ · SORENSON CAPITAL

The Utah Data Analytics Summit:

- **35** Developers
- **36** Entrepreneurs
- **51** Executives
- **29** Investors
- **20** Marketing, Sales, Finance, HR personnel
- **2** Vendors
- **72** Others (mainly students & professors)



CAPITAL INTRODUCTIONS

Many introductions were made during the reporting period. Utah Capital was helpful in sharing Utah-based funds and a Utah-based start-up company with non-Utah investors, totaling an estimated $35 m that could be deployed into Utah. Venture Capital and Private Equity fund managers typically raise funds every 3–5 years and invest in companies opportunistically based on various investing strategies. The $35 m is modeled after each fund manager's past fund exposure to Utah. The Utah-based start-up company was discovered as a result of a Utah Capital event and led to subsequent capital introductions totaling nearly $2 m. Investments often take several months (or years) to materialize from introductions.

FINANCING COSTS

- **$3.8 m** for the full year

The combination of increased investment performance and a decline in financing costs due to the 2012 refinancing have allowed the fund to reduce current tax credit exposure to $0. Although it is possible that tax credits may be used in the future, assuming steady investment performance and distributions, it is unlikely that the fund will require any tax credit redemptions over the next 5 years. The fund has received typical investment distributions over the reporting period sufficient to allow the fund to pay-down its financing obligations. Current financing matures in 2017. Management continues to evaluate low cost sources of capital to finance the fund through completion. Consistent with legislation, Utah Capital will finance all new funds with equity capital.

ADMINISTRATIVE COSTS

- **$908 k** for the reporting period including:
  - **$466 k** in total compensation paid to four employees
  - **$250 k** investment allocation manager
  - **$173 k** other (economic development, office, legal)
  - **$19 k** business travel expense

* Detailed notes and explanations on back

Sources: Utah Capital analysis, LP Capital Advisors (fund allocation manager) analysis. Job figures are received directly from Utah Capital portfolio funds.

Community Event: *a Utah-based event focused on entrepreneurship and/or improving small business access to investment capital.*

Consulting Sessions: *meetings between Utah Capital staff and a Utah company seeking investment capital.*

Financing Costs: *interest, dividends, and fees paid to investors.*

Investment Commitment: *commitment by Utah Capital to invest in a portfolio fund.*

Investment Distributions: *cash returns from Utah Capital portfolio funds.*

Net Asset Value: *unrealized value of Utah Capital portfolio funds.*

Net Internal Rate of Return: *the annualized rate of return calculated using dates of cash outflows (investments, operating costs), cash inflows (investment distributions), and net asset value.*

New Utah Jobs: *number of Utah employees at a company that has received investment capital from a Utah Capital portfolio fund less number of employees at time of original investment by a Utah Capital portfolio fund. Once fund managers have sold their position in the company, Utah Capital does not track further job growth after the year of realization. With investments where fund managers continue to hold positions in the company, job growth is updated on an annual basis.*

Utah Capital Portfolio Fund: *any fund receiving an investment commitment from Utah Capital.*

Utah Company*: any company headquartered in or with substantial operations in Utah.*

Financial Statements
December 31, 2014 and 2013

Utah Capital Investment Corporation

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EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Utah Capital Investment Corporation
Cottonwood Heights, Utah

Report on the Financial Statements
We have audited the accompanying financial statements of Utah Capital Investments Corporation, which comprise the statements of financial position as of December 31, 2014 and 2013 and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

5 Triad Center, Ste. 600 | Salt Lake City, UT 84180-1106 | T 801.532.2200 | F 801.532.7944 | EOE

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Utah Capital Investment Corporation as of December 31, 2014 and 2013 and the results of its operations, its changes in net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2015, on our consideration of Utah Capital Investment Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Utah Capital Investment Corporation's internal control over financial reporting and compliance.

Eide Bailly LLP

Salt Lake City, Utah
August 31, 2015

Utah Capital Investment Corporation

Statements of Financial Position

December 31, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash	$ 7,770	$ 4,740
Receivable from Utah Fund of Funds, LLC	188,665	260,393
Prepaid expenses	114,761	20,866
	$ 311,196	$ 285,999
Liabilities		
Current Liabilities		
Accounts payable	$ 46,816	$ 21,619
Net Assets		
Unrestricted	264,380	264,380
	$ 311,196	$ 285,999

Utah Capital Investment Corporation

Statements of Activities and Changes in Net Assets

Years Ended December 31, 2014 and 2013

	2014	2013
Revenues		
Management fee revenue	$ 652,418	$ 590,648
Interest	5	5
Total revenues	652,423	590,653
Expenses		
Program and supporting services	652,423	590,653
Total expenses	652,423	590,653
Change in Net Assets	-	-
Net Assets, Beginning of Year	264,380	264,380
Net Assets, End of Year	$ 264,380	$ 264,380

Utah Capital Investment Corporation

Statements of Cash Flows

Years Ended December 31, 2014 and 2013

	2014	2013
Operating Activities		
Change in net assets	$ -	$ -
Change in operating assets and liabilities		
Receivable from Utah Fund of Funds, LLC	71,728	(21,609)
Prepaid expenses	(93,895)	(4,840)
Accounts payable	25,197	(3,773)
Accrued expenses	-	(30,000)
Net Cash from (used for) Operating Activities	3,030	(60,222)
Net Change in Cash	3,030	(60,222)
Cash, Beginning of Year	4,740	64,962
Cash, End of Year	$ 7,770	$ 4,740

Note 1 - Principal Activity and Significant Accounting Policies

Utah Capital Investment Corporation (the Corporation) is a nonprofit organization incorporated under the laws of the State of Utah on January 29, 2004. The Corporation acts as the Managing Member of the Utah Fund of Funds, LLC (the Fund). The Fund is a $122 million State of Utah economic development program aimed at providing access to alternative or non-traditional capital by Utah entrepreneurs.

Basis of Presentation

The Corporation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2014 and 2013, the Corporation has no temporarily or permanently restricted net assets.

The accounting policies of the Corporation conform to accounting principles generally accepted in the United States of America (GAAP). The following policies are considered to be significant.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

Revenue Recognition

Revenue is collected as a management fee from the Fund based on expenses incurred by the Corporation. For the year ended December 31, 2014 and 2013 management fee revenue earned was $652,418 and 590,648 respectively.

Advertising and Promotion

Advertising costs are expensed in the year incurred. The amount paid for advertising for the years ended December 31, 2014 and 2013 was $55 and $3,036, respectively.

Income Taxes

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for income taxes in the accompanying financial statements. In addition, the Corporation has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended December 31, 2014 and 2013. Consistent with federal tax law statute of limitations, the Corporation’s US federal tax returns for the years ended December 31, 2011 through December 31, 2013 remain open for examination.

Concentrations of Credit Risk

The Corporation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash deposits.

The Corporation maintains its cash deposits at financial institutions. At times such deposits may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

The Corporation received all of its management fee revenue from the Fund. Decreases in management fee revenue from the Fund could have an adverse effect on the Corporation.

Subsequent Events

Management has evaluated all events subsequent to the balance sheet date of December 31, 2014, through August 31, 2015, which is the date these financial statements were available to be issued.

Note 2 - Related Party Transactions

The Corporation has an agreement with the Fund to provide management services. Under the agreement, the Corporation may charge the Fund for reasonable expenses incurred in promoting the Fund. For the year ended December 31, 2014 and 2013, management fee revenue from the Fund was $652,418 and $590,648. As of December 31, 2014 and 2013, the Corporation also had a receivable due from the Fund totaling $188,665 and $260,393.

Note 3 - Operating Lease

The Corporation leases its office space under an operating lease. The lease agreement commenced on April 1, 2014 and terminates on May 31, 2017. Payments are $3,630 per month.

Total lease expense associated with this lease was $34,976 and $26,049 for the years ended December 31, 2014 and 2013. The Corporation subleases a portion of its office space to LP Capital Advisors for $1,210 per month, which reduces lease expense.

Future minimum lease payments under the operating lease, as of December 31, 2014, are as follows:

December 31,		
2015	$	43,557
2016		43,557
2017		18,149
	$	105,263

Note 4 - Commitments and Contingencies

In the normal course of business, the Corporation can become party to various claims, actions, and complaints. There are currently no claims, actions or complaints outstanding.

Utah Capital Investment Corporation is the guarantor of debt and a line of credit issued to Utah Fund of Funds, LLC and Utah Fund of Funds II, LLC. The debt is backed by the investments of Utah Fund of Funds, LLC. As of December 31, 2014 and 2013, the total amount of outstanding debt was $100,635,808 and $105,641,916, respectively.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Utah Capital Investment Corporation
Cottonwood Heights, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Utah Capital Investment Corporation (the Corporation), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets, and cash flows and for the year then ended, and the related notes to the financial statements, and have issued our report thereon August 31, 2015.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Salt Lake City, Utah
August 31, 2015

EideBailly
CPAs & BUSINESS ADVISORS

August 31, 2015

To the Utah Capital Investment Board and Management
Utah Capital Investment Corporation
Cottonwood Heights, Utah

We have audited the financial statements of Utah Capital Investment Corporation for the year ended December 31, 2014, and have issued our report thereon dated August 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 24, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Utah Capital Investment Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We did not identify any significant estimates.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures for the Organization are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 31, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and Management of Utah Capital Investment Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Eide Bailly LLP

Salt Lake City, Utah

Financial Statements
December 31, 2014 and 2013

Utah Fund of Funds, LLC

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Utah Fund of Funds, LLC
Cottonwood Heights, Utah

Report on the Financial Statements
We have audited the accompanying financial statements, including the schedules of investments, of Utah Fund of Funds, LLC which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations, members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion
In accordance with the Utah Venture Capital Enhancement Act and in order to adhere to partnership agreements and maintain investing relationships with premier venture capital and private equity managers, these financial statements do not disclose the cost basis of individual investments. In our opinion, accounting principles generally accepted in the United States of America require that the cost basis of individual investments exceeding 5% of the investment portfolio on the Schedules of Investments be disclosed. However, in conjunction with our audit of the Utah Fund of Funds, we have audited the associated individual investment costs that would be disclosed in the Schedules of Investments presented in accordance with accounting principles generally accepted in the United States of America.

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Qualified Opinion
In our opinion, except for the effects of not disclosing the cost basis of investments on the Schedules of Investments as explained in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Utah Fund of Funds, LLC as of December 31, 2014 and 2013, and the results of its operations, its change in members' equity (deficit), and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued a report dated August 31, 2015 on our consideration of Utah Fund of Funds, LLC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That reports is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Utah Fund of Funds, LLC's internal control over financial reporting and compliance.

Eide Bailly LLP

Salt Lake City, Utah
August 31, 2015

Utah Fund of Funds, LLC
Balance Sheets
December 31, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 3,321,678	$ 809,933
Receivable from UFOF II, LLC	1,147	19
Total current assets	3,322,825	809,952
Investments at Fair Value (Cost - $53,320,497 and $63,553,488)	113,029,813	103,223,094
	$ 116,352,638	$ 104,033,046
Liabilities		
Current Liabilities		
Payable to Utah Capital Investment Corporation	$ 188,665	$ 260,393
Interest payable	944,828	68,284
Accrued expenses	3,329	3,329
Current maturities of notes payable	8,000,000	6,000,000
Total current liabilities	9,136,822	6,332,006
Line of credit	11,230,808	8,881,916
Notes Payable, Less Current Maturities	81,405,000	90,760,000
Total liabilities	101,772,630	105,973,922
Members' Equity (Deficit)	14,580,007	(1,940,876)
	$ 116,352,637	$ 104,033,046

	Percentage of Investment Portfolio	Interest Held	Fair Value
UV Partners IV	9.36%	6.70%	$ 10,581,614
Cross Creek	8.10%	7.90%	9,156,230
Foundry Venture Capital 2007	7.56%	2.16%	8,541,008
Epic Venture Fund IV	7.07%	8.58%	7,987,139
5AM Ventures	5.54%	4.41%	6,262,308
TA XI L.P.	5.44%	0.17%	6,149,891
West Rim Capital Associates II	5.10%	1.74%	5,763,431
	48.2%		54,441,621
Total investments in other funds	51.8%		58,588,192
Total investments	100.0%		$ 113,029,813

(Note: Investments in the schedule are shown as a percentage of total investments of $113,029,813 and only separately disclose individual investments that represent more than 5% of total assets.)

	Percentage of Investment Portfolio	Interest Held	Fair Value
Cross Creek	9.1%	7.73%	$ 9,384,486
5AM Ventures	5.7%	4.88%	5,906,484
Foundry Venture Capital 2007	5.7%	2.16%	5,879,520
Epic Venture Fund IV	5.6%	8.58%	5,810,195
Allegis Capital	5.6%	5.82%	5,787,320
TA XI L.P.	5.4%	18.00%	5,597,550
Highway 12 Venture Fund II, LP	5.3%	11.29%	5,482,510
UV Partners IV	5.2%	6.86%	5,408,451
	47.7%		49,256,516
Total investments in other funds	52.3%		53,966,578
Total investments	100.0%		$ 103,223,094

(Note: Investments in the schedule are shown as a percentage of total investments of $103,223,094 and only separately disclose individual investments that represent more than 5% of total assets.)

Utah Fund of Funds, LLC
Statements of Operations
Years Ended December 31, 2014 and 2013

	2014	2013
Expenses		
Management fees	$ 652,418	$ 590,648
Professional fees	256,500	276,035
Operating expenses	923	1,513
Loan fees	20,190	-
Interest expense	3,818,382	3,909,546
Total expenses	4,748,413	4,777,742
Realized and Unrealized Gain on Investments		
Realized gain on investments	1,229,587	425,573
Net change in unrealized appreciation on investments	20,039,710	16,651,254
Total realized and unrealized gain on investments	21,269,297	17,076,827
Net Income	$ 16,520,884	$ 12,299,085

	Total Capital
Balances as of December 31, 2012	$ (14,239,961)
Net income	12,299,085
Balances as of December 31, 2013	(1,940,876)
Net income	16,520,884
Balances as of December 31, 2014	$ 14,580,007

Utah Fund of Funds, LLC
Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Activities		
Net income	$ 16,520,884	$ 12,299,085
Adjustments to reconcile net income to net cash used for operating activities		
Realized gain on investments	(1,229,587)	(425,573)
Appreciation from investments	(20,039,710)	(16,651,254)
Changes in operating asset and liabilities:		
Receivable from UFOF II, LLC	(1,127)	1,610
Payable to Utah Capital Investment Corporation	(71,728)	21,610
Interest payable	876,545	(660,521)
Accrued expenses	-	(62,500)
Net Cash used for Operating Activities	(3,944,723)	(5,477,543)
Investing Activities		
Purchase of investments	(6,004,848)	(8,772,122)
Cash distributions from investments	17,467,424	10,969,900
Net Cash from Investing Activities	11,462,576	2,197,778
Financing Activities		
Net change in line of credit	2,348,892	2,725,262
Principal payments on notes payable	(7,355,000)	(240,000)
Net Cash from (used for) Financing Activities	(5,006,108)	2,485,262
Net Change in Cash and Cash Equivalents	2,511,745	(794,503)
Cash and Cash Equivalents, Beginning of Year	809,933	1,604,436
Cash and Cash Equivalents, End of Year	$ 3,321,678	$ 809,933
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 2,941,838	$ 4,570,067

Note 1 - Basis of Presentation and Summary of Significant Accounting Policies

Utah Fund of Funds, LLC (the Fund) is a limited liability company organized under the laws of the State of Utah. The Fund commenced operations on March 16, 2006. The Fund is scheduled to terminate only on the occurrence of an "Event of Dissolution" as specified in the Amended and Restated Limited Liability Company Agreement (the Agreement).

The Fund is a $122 million State of Utah economic development program aimed at providing access to alternative or non-traditional capital by Utah entrepreneurs. The Fund does not invest money into any company or individual but rather invests in venture capital and private equity funds that commit to establishing a working relationship with the Fund and with Utah's start-up and business community, and making investments in qualified companies. The Fund invests in venture capital and private equity funds located both in Utah and outside of Utah. As of December 31, 2014 the Fund's portfolio of funds had 28 investments.

Utah Fund of Funds II (the Fund II) is a financing vehicle that was intended to be used by Utah Fund of Funds, LLC to make additional funds available for investing. As of December 31, 2014 no such investment activity has occurred.

The Managing Member is Utah Capital Investment Corporation, UCIC (a Utah quasi-public nonprofit corporation) (the Managing Member). The Managing Member was created upon the enactment of the Utah Venture Capital Enhancement Act to establish and provide management services to the Fund.

The accounting policies of the Fund conform to accounting principles generally accepted in the United States of America (GAAP). The following policies are considered to be significant.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

Concentrations of Credit Risk

The Fund's financial instruments that are exposed to concentrations of credit risk consist primarily of cash deposits.

The Fund maintains its cash deposits at financial institutions. At times such deposits may exceed federally insured limits. The Fund has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Cash and Cash Equivalents

Cash and Cash equivalents include all cash balances and highly liquid investments with original maturities of less than three months.

Gains or Losses on Investments

Unrealized gains and losses on investments reflect the difference between fair value and cost basis.

Realized gains and losses on investments are recognized in the period of disposal or exchange and are measured by the difference between the proceeds of the sale or the fair value at the date of distribution and the cost basis of the investment.

Allocation of Profits and Losses

The Agreement provides for profits and losses to be allocated by the Managing Member after financial obligations are met.

Income Taxes

As a limited liability company, the Fund's taxable income or loss is includable in the taxable income of the individual members and, accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements. No income tax returns are currently under examination. Consistent with federal tax law statute of limitations, the Fund's US federal tax returns for the years ended December 31, 2011 through December 31, 2013 remain open for examination.

Subsequent Events

Management has evaluated all events subsequent to the balance sheet date of December 31, 2014, through August 31, 2015, which is the date these financial statements were available to be issued.

Note 2 - Related Party Transactions

Under the Agreement, the Fund pays UCIC, the Managing Member, management fees for reasonable expenses incurred in providing management services to the Fund. For the year ended December 31, 2014 and 2013, management fee expense to the Managing Member totaled $652,418 and $590,648. As of December 31, 2014 and 2013, the Fund owed $188,665 and $260,393 to the Managing Member.

Note 3 - Fair Value Measurements

The Fund uses a fair value hierarchy that prioritizes inputs used to measure fair value into three broad levels. The Fund's investments are measured at fair value using the following fair value hierarchy levels:

- Level 1- Quoted prices in active markets for identical assets or liabilities;
- Level 2- Inputs that are both significant to the fair value measurement and observable, including net asset value per share (or equivalent) for certain investment funds.
- Level 3- Inputs that are both significant to the fair value measurement and unobservable, including inputs that are not derived from market data or cannot be corroborated by market data.

The Fund's investments consist of investments in private investment funds. The classification level within the fair value hierarchy for investments in investment funds is determined by the Fund's ability to redeem the investment with the investee at net asset value (NAV) per share or its equivalent member units or interest in partners' capital at the measurement date. For Level 3 classification, the Fund determined that the investments in investment funds cannot be redeemed at December 31, 2014, but may be redeemed at a future date because of a lock-up period.

The Fund, as a practical expedient, measures the fair value of its investment in private investment funds using the net asset value of the respective private investment funds. Classification within the fair value hierarchy is measured by the Fund's ability to redeem its investment with the private investment funds at the net asset value at December 31, 2014.

The following is a summary of the inputs used to value the Fund's investment as of December 31, 2014:

	Level 1	Level 2	Level 3
Investments	$ -	$ -	$ 113,029,813

The following is a summary of the inputs used to value the Fund's investment as of December 31, 2013:

	Level 1	Level 2	Level 3
Investments	$ -	$ -	$ 103,223,094

The following table includes a roll-forward of the amounts for the years ended December 31, 2014 and 2013 for investments classified within Level 3. The classification of an investment within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement.

Balance at December 31, 2012	$ 88,344,045
Purchases	8,772,122
Distributions	(10,969,900)
Gains	
Realized	425,573
Unrealized	16,651,254
Balance at December 31, 2013	$ 103,223,094
Purchases	6,004,848
Distributions	(17,467,424)
Gains	
Realized	1,229,587
Unrealized	20,039,710
Balance at December 31, 2014	$ 113,029,813

All net realized and unrealized gains in the table above are reflected in the accompanying statements of operations. The fair values assigned to the investments where no market quotation exists are based upon available information and may not necessarily represent the amount that ultimately will be realized. Such estimated amounts depend on future circumstances. These estimated amounts will not be realized until the individual investments are liquidated.

Note 4 - Line of Credit

On October 22, 2012, the Fund entered into a line of credit agreement with a financial institution for $20,000,000 with a maturity date of October 2017. Interest is calculated at the 90 day Libor rate plus 3.1% with interest payments due quarterly. As of December 31, 2014, the interest rate was 3.36%. The line of credit will be reduced by $1,000,000 each quarter beginning on December 31, 2014, with the outstanding balance being due at maturity. Utah Capital Investment Corporation is the guarantor of the debt and the debt is secured by the investments of the Fund. At December 31, 2014 and 2013 there was $11,230,808 and $8,881,916 outstanding on the line of credit.

Note 5 - Notes Payable

On October 22, 2012, the Fund entered into an agreement with a financial institution for a note payable of $80,000,000 with a maturity date of October 2017. The Fund is required to have an interest reserve of $13,000,000. The note bears interest at 3.9% annually and the Fund is required to make quarterly interest payments. The remaining amount of $66,760,000 is due at maturity. Utah Capital Investment Corporation is the guarantor of the debt and the debt is secured by the investments of the Fund.

On October 22, 2012, the Fund entered into an additional note payable with a financial institution for $30,000,000 with a maturity date of October 2017. Interest is calculated at the 90 day Libor rate plus 2.95% with interest payments due quarterly. As of December 31, 2014, the interest rate was 3.21%. Principal payments of $2,000,000 are required quarterly starting June 2014, and the remaining balance will be due at maturity. Utah Capital Investment Corporation is the guarantor of the debt and the debt is secured by the investments of the Fund. Below is a summary of the required principal payments.

Years ending December 31,	
2015	8,000,000
2016	8,000,000
2017	6,645,000
	$ 22,645,000

Note 6 - Financial Highlights

The following financial highlights are being presented in accordance with the provisions of ASC 946, Financial Services – Investment Companies, which provides guidance on reporting for investment companies.

These financial highlights may not be indicative of the future performance of the Fund.

	2014	2013
Net internal rate of return	2.40%	-0.32%

Net internal rate of return is a measure of the Fund's investment performance that is equal to the internal rate of return (IRR) after operating costs and carried interest have been accounted for.

	2014	2013
Operating expense ratio	299.32%	46.21%

ASC 946 requires that investment companies calculate the operating expense ratio as a percentage of average member's equity (deficit). Operating costs are inclusive of management fees, professional fees, other expenses, and interest expense. Unlike traditional investment companies, which are financed largely by equity, Utah Fund of Funds, LLC is financed wholly by debt facilities. The result has been a negative member's equity balance that has become positive with investment performance increases. Consequently, because investment performance has increased (and negative equity balances decrease) the Fund's operating expense ratio has increased even when expenses have remained steady.

Operating expenses are comprised of interest expense / loan fees, management fees paid to UCIC, professional fees and other expenses. Interest expense and loan fees include interest and other fees paid to lenders to the Utah Fund of Funds, LLC. Management fees paid to UCIC include UCIC staff salaries and benefits, costs to manage the investment portfolio, and costs related to driving Utah economic development. Professional fees include compensation paid to the Fund allocation manager required by legislation, and legal and accounting fees. Other expenses include taxes, bank account fees, and software.

	2014	2013
Net investment income/(loss) ratio	299.32%	46.21%

ASC 946 requires that investment companies calculate the net investment income ratio defined as net investment income divided by average members equity (deficit). Unlike traditional investment companies who are financed largely by equity, Utah Fund of Funds, LLC is financed wholly by debt facilities. Consequently, the Fund's investment income is equal to its operating expense. Net investment income does not include realized or unrealized gains (losses) from portfolio fund investments.

Note 7 - Commitments and Contingencies

In the normal course of business, the Corporation can become party to various claims, actions, and complaints. There are currently no claims, actions or complaints outstanding.

As of December 31, 2014 the Fund has uncalled capital commitments of $14,614,784. These capital calls are determined by the underlying fund managers and can be made at any time.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Utah Fund of Funds, LLC
Cottonwood Heights, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Utah Fund of Funds LLC (the Fund), which comprise the balance sheet, and schedule of investments as of December 31, 2014, and the related statement of operations, statement of members' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon August 31, 2015.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) to determine the 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 Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Salt Lake City, Utah
August 31, 2015

EideBailly

CPAs & BUSINESS ADVISORS

August 31, 2015

To the Utah Capital Investment Board and Management
Utah Fund of Funds, LLC
Cottonwood Heights, Utah

We have audited the financial statements of Utah Fund of Funds, LLC for the years ended December 31, 2014 and 2013 in accordance with *Government Auditing Standards*. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 24, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Utah Fund of Funds, LLC are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> *Valuation of Level 3 Investment* - Management's estimate of the level 3 investment is based on inputs that are both significant to the fair value measurement and unobservable, including inputs that are not derived from market data or cannot be corroborated by market data.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 31, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and Management of Utah Fund of Funds, LLC, and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Eide Bailly LLP

Salt Lake City, Utah

Financial Statements
December 31, 2014 and 2013

Utah Fund of Funds II, LLC

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 8

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Utah Fund of Funds II, LLC
Cottonwood Heights, Utah

Report on the Financial Statements
We have audited the accompanying financial statements of Utah Fund of Fund II (the Fund), which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations, statements of members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

5 Triad Center, Ste. 600 | Salt Lake City, UT 84180-1106 | T 801.532.2200 | F 801.532.7944 | EOE

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Utah Fund of Funds II, LLC as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued a report dated August 31, 2015 on our consideration of Utah Fund of Funds II, LLC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Utah Fund of Funds II, LLC's internal over financial reporting and compliance.

Eide Bailly LLP

Salt Lake City, Utah
August 31, 2015

Utah Fund of Funds II, LLC
Balance Sheets
December 31, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash	$ 1,147	$ 19
	$ 1,147	$ 19
Liabilities		
Current Liabilities		
Payable to Utah Fund of Funds, LLC	$ 1,147	$ 19
Total liabilities	1,147	19
Member's Equity	-	-
	$ 1,147	$ 19

Utah Fund of Funds II, LLC

Statements of Operations and Member's Equity

Years Ended December 31, 2014 and 2013

	2014	2013
Revenue	$ 372	$ 1,610
Expenses		
Bank charges	372	497
Legal and professional fees	-	834
Office expenses	-	279
Total expenses	372	1,610
Net Income	-	-
Member's Equity, Beginning of Year	-	-
Member's Equity, End of Year	$ -	$ -

See Notes to Financial Statements

Utah Fund of Funds II, LLC
Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Activities		
Net income	$ -	$ -
Changes in liabilities		
Payable to Utah Fund of Funds, LLC	1,128	(1,610)
Net Cash used for Operating Activities	1,128	(1,610)
Net Change in Cash	1,128	(1,610)
Cash, Beginning of Year	19	1,629
Cash, End of Year	$ 1,147	$ 19

Note 1 - Basis of Presentation and Summary of Significant Accounting Policies

Business Activity

Utah Fund of Funds II, LLC (the Fund) is a limited liability company organized under the laws of the State of Utah. The Fund was organized in May 2008, but remained dormant until November 2009. The Fund is scheduled to terminate only upon the occurrence of an "Event of Dissolution," as specified in the Amended and Restated Limited Liability Company Agreement (the Agreement).

The Fund is a financing vehicle used by Utah Fund of Funds, LLC (UFOF) to make additional funds available for investing.

The Managing Member is Utah Capital Investment Corporation (a Utah quasi-public nonprofit corporation) (the Managing Member). The Managing Member was created upon the enactment of the Utah Venture Capital Enhancement Act to establish and provide management services to the Fund.

The accounting policies of the Fund conform to accounting principles generally accepted in the United States of America (GAAP). The following policies are considered to be significant.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

Concentrations of Credit Risk

The Fund's financial instruments that are exposed to concentrations of credit risk consist primarily of cash deposits.

The Fund maintains its cash deposits at financial institutions. At times such deposits may exceed federally insured limits. The Fund has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Cash and Cash Equivalents

Cash and Cash equivalents include all cash balances and highly liquid investments with original maturities of less than three months.

Allocation of Profits and Losses

The Agreement provides for profits and losses to be allocated by the Managing Member after financial obligations are met.

Income Taxes

As a limited liability company, the Fund's taxable income or loss is includable in the taxable income of the individual members and, accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements. No income tax returns are currently under examination. Consistent with federal tax law statute of limitations, the Fund's US federal tax returns for the years ended December 31, 2011 through December 31, 2013 remain open for examination.

Subsequent Events

Management has evaluated all events subsequent to the balance sheet date of December 31, 2014, through August 31, 2015, which is the date these financial statements were available to be issued.

Note 2 - Related Party Transactions

As of December 31, 2014 and 2013, the Fund had a payable totaling $1,147 and $19, respectively, due to UFOF.

Note 3 - Commitments and Contingencies

In the normal course of business, the Corporation can become party to various claims, actions, and complaints. There are currently no claims, actions or complaints outstanding.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Utah Fund of Funds II, LLC
Cottonwood Heights, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Utah Fund of Funds II, LLC (the Fund), which comprise the balance sheet as of December 31, 2014, and the related statement of operations and member's equity, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon August 31, 2015.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Salt Lake City, Utah
August 31, 2015

EideBailly
CPAs & BUSINESS ADVISORS

August 31, 2015

To the Utah Capital Investment Board and Management
Utah Fund of Funds, LLC
Cottonwood Heights, Utah

We have audited the financial statements of Utah Fund of Funds, LLC (the Organization) for the year ended December 31, 2014, and have issued our report thereon dated August 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 24, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Utah Fund of Funds, LLC are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We did not identify any significant estimates.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not identify any misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 31, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and Management of Utah Fund of Funds II and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Eide Bailly LLP

Salt Lake City, Utah