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should consolidate certain types of legal entities. ASU No. 2015-02 is effective for annual periods ending after December 15, 2015, and for annual periods and interim periods thereafter with early adoption permitted. Management does not believe that the adoption of ASU No. 2015-02 will have a material effect on our financial Statements.

In April 2015, the FASB issued ASU 2015-03, *Interest-Imputation of Interest*, which requires debt issuance costs to be presented as a direct deduction from the carrying amount of the related liability. The new standard is effective for annual periods beginning after December 31, 2015. Early adoption is permitted. Management does not believe that the adoption of this guidance will have a material impact on our financial statements.

3. Property and equipment

Property and equipment consists of the following (in thousands):

	As of December 31,	
	2014	2013
Land	\$ 2,739	\$ 713
Solar energy systems	306,203	184,387
Total property and equipment, at cost	\$ 308,942	\$ 185,100
Less accumulated depreciation	(15,804)	(8,530)
Total property and equipment in service, net	\$ 293,138	\$ 176,570
Construction in progress - solar energy systems	92,941	33,447
Total property and equipment, net	\$ 386,079	\$ 210,017

Depreciation expense was \$6,924 and \$4,672 for the years ended December 31, 2014 and 2013, respectively.

4. Asset retirement obligations and other liabilities

Activity in asset retirement obligations for the years ended December 31, 2014 and 2013 is as follows (in thousands):

	As of December 31,	
	2014	2013
Balance at the beginning of the year	\$ 2,553	\$ 992
Additional obligation	2,930	1,733
Accretion expense	243	113
Effect of exchange rate changes on asset retirement obligations	(677)	(285)
Balance at the end of the year	\$ 5,049	\$ 2,553

Other liabilities of \$31,781 and \$37,498 as of December 31, 2014 and 2013, respectively, consist of the non-current portion of a payable to a contractor due December 2016 and bearing interest at 13%.

5. Debt

Debt consists of the following (in thousands):

	As of December 31, 2014			As of December 31, 2013		
	Total Principal	Current	Long-Term	Total Principal	Current	Long-Term
Term debt	\$ 374,111	\$30,042	\$ 344,069	\$ 145,420	\$29,495	\$ 115,925
Bridge Facility	150,000	1,500	148,500	—	—	—
Total	\$ 524,111	\$31,542	\$ 492,569	\$ 145,420	\$29,495	\$ 115,925

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