
Table of Contents**Cash and cash equivalents**

Cash and cash equivalents comprise of all cash balances.

Restricted cash

Restricted cash consists of cash on deposit in financial institutions that are restricted from use in operations pursuant to requirements of certain debt agreements. These funds are reserved for current debt service payments in accordance with the restrictions in the debt agreements.

Accounts receivable

Accounts receivable are reported on the combined balance sheet at the invoiced amounts adjusted for any write-offs and the allowance for doubtful accounts. Management establishes an allowance for doubtful accounts to adjust the receivables to amounts considered to be ultimately collectible. The allowance is based on a variety of factors, including the length of time receivables are past due, significant one-time events, the financial health of customers, and historical experience.

Property, plant and equipment

Property, plant and equipment consists of solar energy systems and is stated at cost less accumulated depreciation. Expenditures for major additions and improvements are capitalized, and maintenance and repairs are charged to expense as incurred. When property, plant and equipment is retired or otherwise disposed of, the cost and accumulated depreciation is removed from the accounts, and any resulting gain or loss is included in the results of operations for the respective period. Depreciation of property, plant and equipment is recognized using the straight-line method over the estimated useful lives of the solar energy systems of thirty years.

Borrowings

Borrowings consist of long-term debt facilities entered into by the Operating Entities. The loans are recorded at amortized cost.

Impairment of long-lived assets

Long-lived assets that are held and used are reviewed for impairment whenever events or changes in circumstances indicate carrying values may not be recoverable. Whenever an impairment indicator exists of the total future estimate of undiscounted cash flows expected from an asset being less than its carrying value an impairment calculation is performed. If such an impairment indicator exists, an impairment charge is measured as the difference between an asset's carrying amount and fair value with the difference recorded in operating costs and expenses in the statement of operations and comprehensive income. Fair values are determined by a variety of valuation methods including appraisals, sales prices of similar assets, and present value techniques. There were no impairments recognized during the year ended December 31, 2014 and 2013.

Deferred financing costs

Deferred financing costs consist of debt issuance costs and commitment fees incurred by the Operating Entities and are directly attributable to the long-term debt facilities.

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