

**CALIFORNIA ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT  
COMMISSION**

**Energy Efficiency Master Trust  
Revenue Bond Series 2003A and 2005A**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED JUNE 30, 2014**

**CALIFORNIA ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION  
Energy Efficiency Master Trust Revenue Bond Series 2003A and 2005A**

**JUNE 30, 2014**

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## INDEPENDENT AUDITOR'S REPORT

**To the California Energy Resources  
Conservation and Development Commission  
Sacramento, California**

We have audited the accompanying financial statements of the Energy Efficiency Master Trust Revenue Bond, Series 2003A and Series 2005A of the California Energy Resources Conservation and Development Commission (the Energy Commission), as of and for the year ended June 30, 2014, and the related notes to the financial statements, as listed in the table of contents.

### *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 audit in accordance with auditing standards generally accepted in the United States of America. 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.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Energy Efficiency Master Revenue Trust Revenue Bond, Series 2003A and Series 2005 A, as of June 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Additional Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Energy Efficiency Master Revenue Trust Revenue Bond, Series 2003A and Series 2005A's basic financial statements. The Combining Schedule of Net Position and the Combining Schedule of Revenues, Expenses and Changes in Net Position are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Schedule of Net Position and the Combining Schedule of Revenues, Expenses and Changes in Net Position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Net Position and the Combining Schedule of Revenues, Expenses and Changes in Net Position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Emphasis-of-Matter Regarding Note 1***

As described in Note 1 to the financial statements, these financial statements are intended to present only those funds and accounts that are attributable to the transactions of the Energy Efficiency Master Revenue Trust Revenue Bond, Series 2003A and Series 2005 A. They do not purport to, and do not present fairly the financial position of the Energy Commission as of June 30, 2014, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Gilbert Associates, Inc.*

**GILBERT ASSOCIATES, INC.  
Sacramento, California**

**October 8, 2014**

**CALIFORNIA ENERGY RESOURCES**  
**CONSERVATION AND DEVELOPMENT COMMISSION**  
Energy Efficiency Master Trust Revenue Bond Series 2003A and 2005A

**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

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**CURRENT ASSETS:**

Cash and equivalents-restricted	\$ 28,132,524
Accrued interest receivable	287,098
Due from the California Energy Commission	2,357,816
Pledged loans receivable	2,182,416
Non-pledged loans receivable	<u>5,160,772</u>
Total current assets	<u>38,120,626</u>

**NON-CURRENT ASSETS:**

Cash and equivalents-restricted	2,093,500
Pledged loans receivable	4,849,192
Non-pledged loans receivable	<u>38,392,751</u>
Total non-current assets	<u>45,335,443</u>
Total assets	<u>83,456,069</u>

**CURRENT LIABILITIES:**

Accrued interest payable	125,895
Revenue bonds payable	2,487,085
Due to other local government agencies	<u>1,461,877</u>
Total current liabilities	4,074,857

**NON-CURRENT LIABILITIES:**

Revenue bonds payable	<u>6,064,606</u>
Total liabilities	<u>10,139,463</u>

**NET POSITION - RESTRICTED** \$ 73,316,606

**CALIFORNIA ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION  
Energy Efficiency Master Trust Revenue Bond Series 2003A and 2005A**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014**

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**OPERATING REVENUES:**

Investment interest	\$ 194,977
Interest on loans	<u>1,930,657</u>
Total operating revenue	<u>2,125,634</u>

**OPERATING EXPENSES:**

Interest expense	237,078
Administrative expenses	<u>95,359</u>
Total operating expenses	<u>332,437</u>

Operating income 1,793,197

Contribution from the California Energy Commission for program loans 1,911,015

Distribution to California Energy Commission from Master Accounts (2,456,252)

**INCREASE IN NET POSITION** 1,247,960

**RESTRICTED NET POSITION, beginning of year** 72,068,646

**RESTRICTED NET POSITION, end of year** \$ 73,316,606

**CALIFORNIA ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION  
Energy Efficiency Master Trust Revenue Bond Series 2003A and 2005A**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Cash from investments and loans interest	\$ 1,925,612
Cash from loan repayments	8,543,401
Disbursement made for non-pledged loans	(7,483,224)
Payment of interest expenses	(528,852)
Due to Other Funds	1,434,377
Payment of administrative expenses	<u>(95,359)</u>
Net cash provided by operating activities	<u>3,795,955</u>

**CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Retirement of revenue bonds	(3,065,000)
Distribution to the California Energy Commission from Master Accounts	(2,456,252)
Contribution from the California Energy Commission for program loans	<u>1,911,015</u>
Net cash used by capital and related financing activities	<u>(3,610,237)</u>

**NET INCREASE IN CASH AND EQUIVALENTS** 185,718

**CASH AND EQUIVALENTS, beginning of year** 30,040,306

**CASH AND EQUIVALENTS, end of year** \$ 30,226,024

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED  
BY OPERATING ACTIVITIES:**

Operating income	\$ 1,793,197
Adjustments to reconcile net cash provided by operating activities:	
Amortization of bond premium	(242,344)
Change in assets and liabilities:	
Accrued interest receivable	(200,022)
Loans receivable	1,060,177
Accounts payable	1,434,377
Accrued interest payable	<u>(49,430)</u>
Total adjustments	<u>2,002,758</u>
Net cash provided by operating activities	<u>\$ 3,795,955</u>

**CALIFORNIA ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION  
Energy Efficiency Master Trust Revenue Bond Series 2003A and 2005A**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. GENERAL INFORMATION**

The Energy Efficiency Master Trust Revenue Bond (Revenue Bonds) consists of the Series 2003A (Bond Series 2003A) and the Series 2005A (Bond Series 2005A). The Bond Series 2003A was issued by the California Consumer Power and Conservation Financing Authority (the Authority) pursuant to a bond indenture dated as of April 1, 2003. The Bond Series 2005A was issued by the California Infrastructure and Economic Development Bank (I-Bank) pursuant to a bond indenture dated as of May 1, 2005. The Revenue Bonds were issued in order to provide funds to finance the costs of the design, acquisition, installation and implementation of energy conservation projects authorized under the Energy Conservation Assistance Act and to pay costs associated with the issuance of the bonds.

The funding for the Authority was eliminated in late 2004 and its obligations were assumed by other State agencies. On October 24, 2004, the Authority assigned to I-Bank its rights and responsibilities with respect to the Bond Series 2003A.

Eligible borrowers under the Revenue Bonds include public entities consisting of public schools, hospitals, public care institutions, and units of local government under a loan program (the Program) administered by the California Energy Resources Conservation and Development Commission (the Energy Commission). The Revenue Bonds are secured by a pledge of future loan repayments to be made by borrowers of certain program loans under the Energy Commission's existing loan programs (2003A and 2005A Collateral Loans).

**B. ACCOUNTING PRINCIPLES**

The accounts of the Revenue Bonds are maintained in accordance with the principles of fund accounting under standards issued by the Governmental Accounting Standards Board (GASB). Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established in accordance with their nature and purpose. The multiple accounts for the Revenue Bonds are maintained separately to control and manage funds for particular purposes and to demonstrate the Energy Commission is properly using specific proceeds.

These financial statements present only those funds and accounts attributable to the transactions of the Energy Efficiency Master Trust Revenue Bonds and not the I-Bank, the Energy Commission or the State of California. The Management's Discussion and Analysis can be found in the June 30, 2014 audited financial statements of the State of California.

The activities of the Revenue Bonds are being accounted for as an enterprise activity and, accordingly, the accrual basis of accounting is being used. This basis of accounting recognizes revenues when earned and expenses at the time liabilities are incurred.

**CALIFORNIA ENERGY RESOURCES  
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**NOTES TO THE FINANCIAL STATEMENTS  
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The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All activities of an enterprise fund are presented using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of the fund are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position also present increases (revenues) and decreases (expenses) in total net position. The Statement of Cash Flows provides information about how the Revenue Bonds finance and meet the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Revenue Bonds consist of interest earned on loans and investments. Operating expenses for the Revenue Bonds include the costs of bond interest expenses and administrative expenses. Administrative expenses include calculated arbitrage rebate expenses.

**C. CASH FLOW PRESENTATION**

The statement of cash flows is provided in accordance with the provision of GASB Statement No. 9 (GASB 9), "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting," and GASB Statement No. 34 (GASB 34), "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." In accordance with GASB 9 and GASB 34, the direct method was used to report net cash flows from operating and financing activities.

**D. CASH AND EQUIVALENTS**

The Energy Commission considers all highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant amount of risk of change in value to be cash equivalents. Cash and equivalents consist of temporary investments in money market accounts held with the fiscal agent, investments in the Surplus Money Investment Fund (SMIF) held in the State of California treasury system, and a guaranteed investment certificate.

**E. RECEIVABLES**

Interest receivable represents unpaid interest earned on investments and loans. Pledged and non-pledged loans receivable represents the principal balance of loans outstanding. Interest on the loans begins to accrue during the construction period on the date the funds are drawn. The first loan repayment is due between six to eighteen months after the project is completed in order to allow energy savings from the project to occur.

There is no provision for uncollectible accounts as repayments are current, and management believes all loans will be repaid according to the loan terms. See Note 3 for further disclosure on the loans.

**CALIFORNIA ENERGY RESOURCES  
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Energy Efficiency Master Trust Revenue Bond Series 2003A and 2005A**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**F. BOND PREMIUMS AND ISSUANCE COSTS**

Bond premiums are amortized using the straight-line method over the term of the bonds.

**G. BONDS PAYABLE**

Bonds payable are not subject to optional redemption prior to maturity. The bonds payable are not obligations of the State of California or I-Bank, and the taxing power of the State of California or I-Bank is not pledged for their payments. The obligation to make such payments is a limited obligation of the Energy Commission, payable solely from the Revenue Bonds collateral pledged by the Energy Commission.

**H. CLASSIFICATION OF NET POSITION**

Restricted net position of the Revenue Bonds represent amounts restricted due to external restrictions imposed by creditors, laws or regulations of the government, and restrictions imposed by law through constitutional provisions or enabling legislation, or for programs established by the Energy Commission.

**I. INVESTMENT INCOME**

Investment income is considered operating revenue because the Revenue Bonds were created for the purpose of financing energy efficient projects (the Bonds' principal activity). A portion of this financing comes from investment earnings.

**J. TAX EXEMPTION**

In the opinion of bond counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming compliance with certain covenants in the bond indenture, the secured loan agreement, the master trust agreement and other documents pertaining to the Revenue Bonds and requirements of the Internal Revenue Code of 1986, as amended, regarding the use, expenditure and investment of proceeds of the Revenue Bonds and the timely payment of certain investment earnings to the United States, interest on the Bonds is not includable in the gross income of the owners of the Revenue Bonds for federal income tax purposes. Further, interest on the Revenue Bonds is exempt from personal income taxes imposed by the State of California.

**K. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CALIFORNIA ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION  
Energy Efficiency Master Trust Revenue Bond Series 2003A and 2005A**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**2. CASH AND EQUIVALENTS**

Cash and equivalents consisted of the following at June 30, 2014:

Cash and equivalents	
Money market	\$ 3,774,005
Deposits in SMIF	22,630,000
Cash in State Treasury	1,728,519
Investments in fixed income issues	<u>2,093,500</u>
 Total	 <u>\$ 30,226,024</u>

The cash and equivalents are legally restricted for future loan disbursements from unspent revenue bond proceeds and for debt services.

Deposits in Surplus Money Investment Fund (SMIF)

The Authority has invested a portion of excess cash funds in the SMIF. All of the resources of SMIF are invested through the Pooled Money Investment Account (PMIA). The PMIA investment program is designated by the Pooled Money Investment Board and is administered by the Office of the State Treasurer. Investments in the SMIF are stated at fair value.

Additional disclosure details required by GASB Statement No. 3, GASB Technical Bulletin 94-1, GASB Statement No. 40, and GASB Statement No. 53 regarding cash deposits, investments, and derivatives, can be found in the June 30, 2014, Comprehensive Annual Financial Report of the State of California.

Investment in Fixed Income Issues

The Trustee has entered into repurchase agreements with the Royal Bank of Canada (RBC) relating to the Revenue Bonds. Bond Series 2003A has its liquidity reserve funds invested in qualified securities that terminated on March 1, 2014 for its Debt Service Reserve Account. The Bond Series 2005A has its liquidity reserve funds invested in qualified securities that terminate March 1, 2019 for its Debt Service Reserve Account. Under these agreements, the Debt Service Reserve Funds are guaranteed an annual rate of return of 4.06% and 4.282%, respectively, on qualified securities. The Revenue Bonds could be exposed to risk if the counterparties to the agreements are unable to meet the terms of the agreements. The Energy Commission anticipates that the counterparties will be able to satisfy their obligations under the agreements. As of June 30, 2014, the repurchase agreement has a rating of AA- from Standard & Poor's and Aa3 from Moody's.

The bond indentures place no limits on the amount that may be invested in any one issuer. However, to reduce the exposure to a single creditor, the repurchase agreement with RBC limits the funds invested in direct obligations of the United State of America, any bond or notes issued or guaranteed by the Government National Mortgage Association, any bond or note issued or guaranteed by the Federal National Mortgage Association, any bond or note issued or guaranteed by the Federal Home Loan Mortgage Corporation and cash.

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**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**3. LOANS RECEIVABLE**

Loans are made to eligible program participants including public or not-for-profit schools and hospitals, public care institutions and units of local government. The program provides funds to finance the complete project, including feasibility study, engineering, design and equipment costs, as long as the energy savings for the project are sufficient to repay the loan, including principal and interest, within 11 years. For loans entered into after January 1, 2003, the maximum repayment period is 15 years. Loans are financed by revenue bond proceeds and loan repayments. There are two types of loan receivables, non-pledged and pledged.

Non-Pledged Loan Receivables

Non-pledged loan receivables are loans that are not pledged for repayment of the Revenue Bonds. During May 2005, \$16,017,159 of these loans from the Bond Series 2003 (2005A Collateral Loans) were pledged for the repayment of the Energy Efficiency Master Trust Revenue Bonds Series 2005A (Bond Series 2005A). Additional borrowings on the 2005A Collateral Loans subsequent to May 2005 are also pledged as additional collateral under the terms of the secured loan agreement. Non-pledged loans receivables reflected on the Statement of Net Position are not pledged as collateral for the repayment of the Revenue Bonds.

Non-pledged loan activity consisted of the following during the year ended June 30, 2014:

Beginning balance	\$ 43,089,410
Additional borrowings	7,483,224
Repayment of loans	<u>(7,019,111)</u>
Ending balance	<u>\$ 43,553,523</u>
Current non-pledged loans	\$ 5,160,772
Noncurrent non-pledged loans	<u>38,392,751</u>
Total	<u>\$ 43,553,523</u>

Pledged Loan Receivables

Pledged loans receivable consist of the Revenue Bonds' Collateral Loans which were pledged under the Secured Loan Agreement by the California Energy Commission. The total amount authorized under the 2003A Collateral Loans was \$31,930,405. Additional borrowings by program participants under existing Revenue Bonds' Collateral Loans subsequent to the issuance of the Revenue Bonds are also pledged as additional collateral under the terms of the secured loan agreement.

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**NOTES TO THE FINANCIAL STATEMENTS  
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Pledged loan activity consisted of the following during the year ended June 30, 2014:

Beginning balance	\$ 10,913,714
Repayment of loans	<u>(3,882,106)</u>
Ending balance	<u>\$ 7,031,608</u>
Current pledged loans	\$ 2,182,416
Noncurrent pledged loans	<u>4,849,192</u>
Total	<u>\$ 7,031,608</u>

**4. BONDS PAYABLE**

The Revenue Bonds were issued to provide loans to eligible borrowers to finance the costs of the design, acquisition, installation and implementation of energy conservation projects authorized under the Energy Conservation Assistance Act for eligible public entities and to pay costs associated with the issuance of the bonds.

The Revenue Bonds are special limited obligations of the I-Bank payable solely from revenues and receipts derived from payments by the Energy Commission under Secured Loan Agreements for both series and amounts in certain accounts held in the custody of the Trustee under each series' Indenture and Master Trust Agreement. Program loans include both Collateral and future loans from the bond proceeds.

The Revenue Bonds do not constitute an indebtedness or liability of the State of California or of any political subdivision thereof, other than the limited obligation of the I-Bank, or a pledge of the full faith and credit the State of California or of any political subdivision. Neither the I-Bank nor the Energy Commission has the power to pledge the credit or taxing power of the State of California.

Bonds payable consisted of the following on June 30, 2014:

2005 Series A Energy Efficiency Master Trust Revenue Bonds, bearing 2.5% to 5.0% interest payable semi-annually, final maturity March 1, 2019	\$ 7,795,000
Add: unamortized premium	<u>756,691</u>
Total bonds payable	<u>\$ 8,551,691</u>
Current bonds payable	\$ 2,487,085
Noncurrent bonds payable	<u>6,064,606</u>
Total bonds payable	<u>\$ 8,551,691</u>

**CALIFORNIA ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION  
Energy Efficiency Master Trust Revenue Bond Series 2003A and 2005A**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

The following is a schedule of the debt services requirement as of June 30, 2014:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015	\$ 2,325,000	\$ 379,750	\$ 2,704,750
2016	1,830,000	263,500	2,093,500
2017	1,405,000	172,000	1,577,000
2018	1,235,000	101,750	1,336,750
2019	<u>1,000,000</u>	<u>40,000</u>	<u>1,040,000</u>
Total	<u>\$ 7,795,000</u>	<u>\$ 957,000</u>	<u>\$ 8,752,000</u>

Bond activity for the year ended June 30, 2014 was as follows:

	<u>Balance June 30, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2014</u>
Series 2003A Energy Efficiency Master Trust Revenue bonds	\$ 415,000		\$ 415,000	
Series 2005A Energy Efficiency Master Trust Revenue bonds	10,445,000		2,650,000	\$ 7,795,000
Unamortized premium	<u>999,035</u>		<u>242,344</u>	<u>756,691</u>
Total	<u>\$ 11,859,035</u>	<u>\$</u>	<u>\$ 3,307,344</u>	<u>\$ 8,551,691</u>

**5. TRANSACTIONS WITH THE CALIFORNIA ENERGY COMMISSION**

Pursuant to the Master Trust Agreement for both Bond Series 2003A and Bond Series 2005A, any amounts remaining in the Master Administrative Expense and Surplus Account after each bond payment date and all administrative expenses payments have been made, or set aside for such purpose, may be distributed to the Energy Commission. For the year ended June 30, 2014, \$2,456,252 was distributed to the Energy Commission from the Master Accounts. The Energy Commission deposited \$1,911,015 of the distributed amount into the Program Loan Account of the Bond Series 2003A.

## **SUPPLEMENTARY INFORMATION**

**CALIFORNIA ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION  
Energy Efficiency Master Trust Revenue Bond Series 2003A and 2005A**

**COMBINING SCHEDULE OF NET POSITION  
JUNE 30, 2014**

	<u>Series 2003 A</u>	<u>Series 2005 A</u>	<u>Master Trust Accounts</u>	<u>Combined Balance</u>
<b>CURRENT ASSETS:</b>				
Cash and equivalents-restricted	\$ 24,498,725	\$ 3,148,503	\$ 485,296	\$ 28,132,524
Accrued interest receivable	14,725	272,361	12	287,098
Due from the California Energy Commission	2,357,816			2,357,816
Pledged loans receivable	227,374	1,955,042		2,182,416
Non-pledged loans receivable	<u>2,154,822</u>	<u>3,005,950</u>		<u>5,160,772</u>
Total current assets	<u>29,253,462</u>	<u>8,381,856</u>	<u>485,308</u>	<u>38,120,626</u>
<b>NON-CURRENT ASSETS:</b>				
Cash and equivalents-restricted		2,093,500		2,093,500
Pledged loans receivable	11	4,849,181		4,849,192
Non-pledged loans receivable	<u>21,112,533</u>	<u>17,280,218</u>		<u>38,392,751</u>
Total non-current assets	<u>21,112,544</u>	<u>24,222,899</u>		<u>45,335,443</u>
Total assets	<u>50,366,006</u>	<u>32,604,755</u>	<u>485,308</u>	<u>83,456,069</u>
<b>CURRENT LIABILITIES:</b>				
Accrued interest payable		125,895		125,895
Revenue bonds payable		2,487,085		2,487,085
Due to other local government agencies	<u>1,432,127</u>		<u>29,750</u>	<u>1,461,877</u>
Total current liabilities	<u>1,432,127</u>	<u>2,612,980</u>	<u>29,750</u>	<u>4,074,857</u>
<b>NON-CURRENT LIABILITIES:</b>				
Revenue bonds payable		<u>6,064,606</u>		<u>6,064,606</u>
Total liabilities	<u>1,432,127</u>	<u>8,677,586</u>	<u>29,750</u>	<u>10,139,463</u>
<b>NET POSITION - RESTRICTED</b>	<u>\$ 48,933,879</u>	<u>\$ 23,927,169</u>	<u>\$ 455,558</u>	<u>\$ 73,316,606</u>

**CALIFORNIA ENERGY RESOURCES**  
**CONSERVATION AND DEVELOPMENT COMMISSION**  
**Energy Efficiency Master Trust Revenue Bond Series 2003A and 2005A**

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**JUNE 30, 2014**

	<u>Series 2003 A</u>	<u>Series 2005 A</u>	<u>Master Trust Accounts</u>	<u>Combined Balance</u>
<b>OPERATING REVENUES:</b>				
Investment interest	\$ 64,093	\$ 130,671	\$ 213	\$ 194,977
Interest on loans	<u>663,586</u>	<u>1,267,071</u>	<u>          </u>	<u>1,930,657</u>
Total operating revenue	<u>727,679</u>	<u>1,397,742</u>	<u>213</u>	<u>2,125,634</u>
<b>OPERATING EXPENSES:</b>				
Interest expense	(69,161)	306,239	<u>          </u>	237,078
Administrative expenses	<u>          </u>	<u>          </u>	<u>95,359</u>	<u>95,359</u>
Total operating expenses	<u>(69,161)</u>	<u>306,239</u>	<u>95,359</u>	<u>332,437</u>
Interfund transfers	<u>5,527,849</u>	<u>(8,152,359)</u>	<u>2,624,510</u>	<u>          </u>
Operating income (loss)	6,324,689	(7,060,856)	2,529,364	1,793,197
Contributions from California Energy Commission for program loans	1,911,015	<u>          </u>	<u>          </u>	1,911,015
Distribution to California Energy Commission	<u>          </u>	<u>          </u>	<u>(2,456,252)</u>	<u>(2,456,252)</u>
Net increase (decrease) in net position	8,235,704	(7,060,856)	73,112	1,247,960
Restricted net position, beginning of year	<u>40,698,175</u>	<u>30,988,025</u>	<u>382,446</u>	<u>72,068,646</u>
Restricted net position, end of year	<u>\$ 48,933,879</u>	<u>\$ 23,927,169</u>	<u>\$ 455,558</u>	<u>\$ 73,316,606</u>