

# Investments

## Fall 2017 Investments

Summary of Fall 2017:

This semester our team has been successful in the research and initial development of an accounting tool intended to aid AguaClara at Cornell, APP, and the individual communities in efficiently gathering, reporting, and summarizing financial data integral to the successful execution of plant operations and potential to receive impact investments. Our experimentation with the tool using real data from the plants in Honduras has led to the conclusion that this tool will most likely be suitable for our needs. Our next steps include getting feedback on the tool and hopefully sending members from the team down to Honduras to help implement it.

In addition we have compiled a list of potential impact investors that we feel value similar social impact to AguaClara and fit our financial needs for the construction of future plants. We look forward to securing our next location large enough to be funded by an investment rather than a grant and putting together financial materials to present to potential investors to secure that funding.

The questions the investments team addressed during the fall 2017 semester were:

1. Can we create a database of potential investors (lenders), including a profile of each investor (inc. types of projects financed, investment criteria, board members)?
2. Which professionals can we connect with to aid in the development of our team?
3. Can we effectively build a computerized accounting tool to be used by the community board to facilitate financial management and reporting?
4. Can AguaClara be in a position by the end of this calendar year to formally approach possible investors to provide financing for a specific water project in Honduras?

## Fall 2017 Team Highlights

### Meeting with Namrita Kapur 8/30/17

We met with Namrita Kapur who is currently Managing Director of the Environmental Defense Fund's+Business, a United States-based nonprofit environmental advocacy group. Namrita utilizes her background in strategy, finance, and international development to design and execute initiatives for leveraging capital markets in the United States and abroad. Prior to joining EDF, Namrita played an integral role in establishing the strategy and developing the infrastructure of Root Capital, a social investment fund pioneering finance in rural communities in the developing world. Thus the Investment Team met with her to understand the foundation of a strong business model. From this meeting emerged several questions that we look forward to exploring in the upcoming semester:

1. What is the opportunity cost for investors?
2. What is the risk appetite of investors?
3. How do we measure impact?
4. What can we do to make a higher tariff more palatable?

### Meeting with John Foote 9/25/17

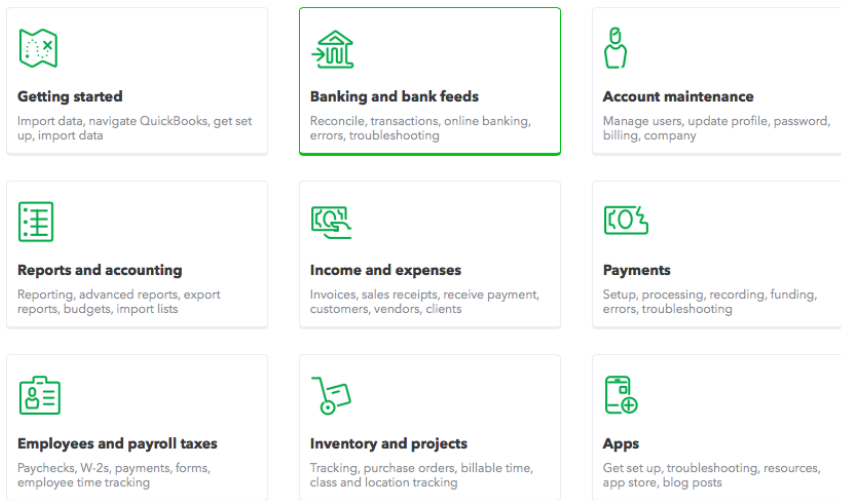
John Foote is a Cornell alumnus and professor at the School of Human Ecology. As a civil engineer by training, he has had extensive experience with infrastructure financing with a focus municipal projects. John gave our team advice about how to approach the accounting tool and gave us feedback on our investor database. His general feedback was that our database was detailed and comprehensive through we should work on developing a more stringent set of criteria to evaluate the likelihood of cooperation among the different organizations. He also said to find an easy to use accounting tool that has Spanish support and a robust billing feature, as the tool will primarily be used to create invoices.

### Investor Database

This semester, we created a list of potential organizations that might be interested in working with AguaClara. We investigated each organization through looking up the type of financing offered by each organization, the amount usually awarded for each project, the application process to apply for funding, and the likelihood that each organization will be willing to work with AguaClara.

### Accounting Tool (QuickBooks):

- QuickBooks features to be used in AguaClara's accounting tool:
  - Inventory
  - Payments
  - Reporting



- Will be used to manage:
  - Invoices and billing records
  - Accounts receivable
  - Fund balances
    - Construction fund
    - Revenue fund
    - Debt service fund
    - Maintenance reserve fund
  - Income statement



**Accounting Tool Preliminary Research:** The investments team researched several accounting softwares in addition to Quickbooks, and selected Quickbooks to use as the basis for the accounting tool. The other softwares researched were:

1. Accufund
  - Designed for government or municipal projects
  - Many of the features in place in this system are designed for the ease of reconciling problems that towns and cities face, rather than an organization like AguaClara
    - AguaClara needs a simplistic report
    - More accounting knowledge would be necessary to utilize this tool - would need to be taught to plant operators
    - Not as user-friendly as QuickBooks
2. ZipBooks
  - Uses cloud based accounting platform
  - Could be an effective way to cut cost costs
  - Drawbacks:
    - System is cloud based
    - Not applicable in places with unreliable wifi
    - No Spanish language support
    - Unclear who has ownership over data
3. FreshBooks
  - Similar to QuickBooks

-Uses cloud based accounting platform

4. UltraTax Accounting CS

- Unclear whether it is was translatable to Spanish
- Many functions are more complicated than the simple tools
- Unclear whether it's customizable

## Spring 2016 Investments

1. Can we identify and contact interested investors that will introduce AguaClara technology in target communities?
2. Can we develop investment models that are feasible to communities and attractive to investors?
3. Can we create a model that conveys AguaClara's mission and impact proposition to prospective investors?

## Fall 2016 Investments

The AguaClara Investments team is working on creating a model that will be used for contacting investors.

### Members





Nicolette Ocasio

Jenny Chan

Jonathan Tsang

Aditi Athavale

### Documents

	Challenges	Tasks	Symposium	Final Presentation	Final Report
Fall '16					
Spring '17					
Fall '17			