

## **Executive Summary**

The objective of the Project Team and the focus of our analysis is to create a forecasting model intended to enable The Metropolitan Water Reclamation District of Greater Chicago (MWRDGC) to make more accurate predictions for its revenue and expenditure streams. Specifically, MWRDGC has assigned us, the Project Team, to examine and evaluate trends for the following revenues: property tax levies and user charges from industries and tax exempt users. In addition, we have researched trends for the following expenditure sources: employee health care, electricity, and chemicals.

Overall, our analysis results were produced using two different statistical tools: regression analysis and exponential smoothing. The regression analysis model was utilized to investigate the District's past revenue and expenditure trends and the degree to which each market variable(s) affects each. To predict future trends for each revenue and expenditure stream, we performed exponential smoothing. Both models were executed in excel spreadsheets [*Refer to Appendix A and B*]. Finally, we proposed recommendations aimed at structuring the District's revenue and expenditure data in a more organized and detailed fashion in order to improve the forecasting process.