



Report Highlights

Department of Natural Resources

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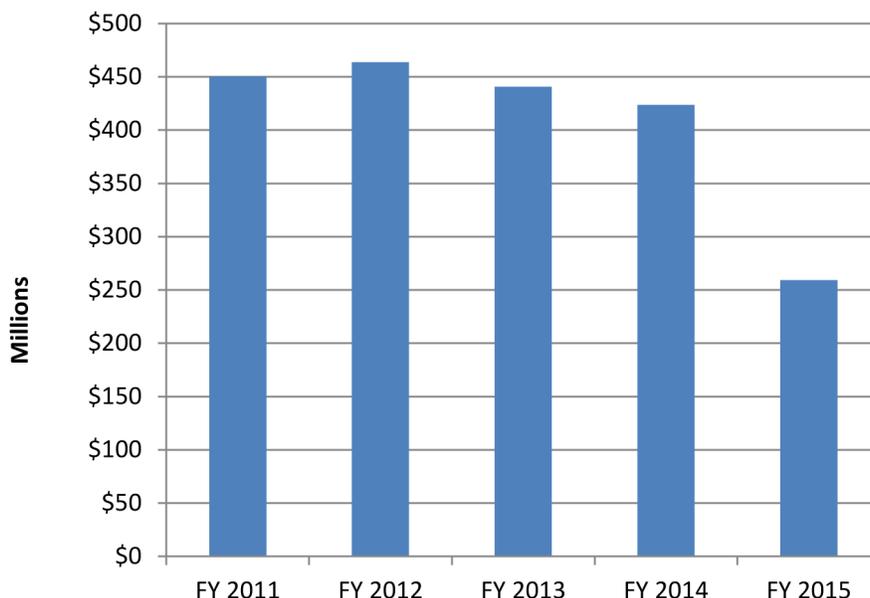
Why We Conducted This Audit

We performed certain procedures at the Department of Natural Resources (DNR) as a part of the audit of the state of Louisiana's Comprehensive Annual Financial Report and to evaluate its accountability over public funds for the period July 1, 2014, through June 30, 2015.

What We Found

- Financial information relating to state mineral royalty revenues and receivables collected by the Office of Mineral Resources was materially correct.
- Internal control related to royalty revenues provides reasonable accountability over public funds for the period examined.
- We prepared an analysis of royalty revenues over the last five fiscal years. Fluctuations in royalty revenues are primarily attributed to changes in oil and gas prices and production levels, as well as natural disaster occurrences, such as hurricanes and oil spills. In fiscal year 2012, the average price per barrel of crude oil received by oil companies peaked at \$113.51 per barrel, and the average for fiscal year 2015 has declined to \$72.82. The trend is expected to continue as the average price per barrel from July 2015 through November 2015 is \$47.87 per barrel. The current price per barrel (as of November 23, 2015) is \$43.98, and the Revenue Estimating Conference recently projected the oil price forecast at \$48.02 per barrel for fiscal year 2016.

Royalty Revenues, by Fiscal Year (FY)



Source: FY 2011-2015 DNR Annual Fiscal Reports, as adjusted

View the full report at www.lla.la.gov.