



United States Department of Agriculture

Forest Service Fiscal Year 2013 Agency Financial Report



Forest Service

March 2014

The Forest Service, U.S. Department of Agriculture (USDA), has chosen to produce an Agency Financial Report (AFR) for fiscal year 2013. This AFR was produced in accordance with the Office of Management and Budget (OMB) Circular A-136 Financial Reporting Requirements. The AFR provides—

- An overview of the Forest Service’s financial and performance results in the Management’s Discussion and Analysis (MD&A);
- The Financial Section, comprised of the audited financial statements and notes, the independent auditors’ report, and the USDA Office of Inspector General’s (OIG) transmittal letter;
- The Required Supplementary Stewardship Information (RSSI);
- The Required Supplementary Information (RSI); and
- Other Information (OI), such as Management Challenges, Management’s Assurances, and recovery audit results for erroneous and improper payments, in accordance with the Improper Payments Information Act (IPIA).

In addition to the AFR, the Forest Service included its FY 2013 Annual Performance Report (APR) and FY 2015 performance plan with its Congressional Budget Justification in February 2014. All of these documents are available on the Forest Service Web site at <http://www.fs.fed.us>.

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Our Mission

Sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations.



Message From the Chief

As Chief of the Forest Service, I am proud to update the public and Congress with the Forest Service's fiscal year (FY) 2013 Agency Financial Report (AFR).

Effective financial and programmatic management in the Forest Service is integral to the social, ecological, and economic sustainability of our Nation's resources, so I am particularly proud to report our 12th consecutive unqualified audit opinion. This opinion indicates that an external auditor found the Forest Service's financial statements to be true and fair. The audit also reported no material weaknesses.



The Forest Service mission—to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations—demonstrates our commitment to ensuring that our Nation's forests and grasslands sustainably provide clean air and water, habitat for native fish and wildlife, opportunities for outdoor recreation, erosion control and soil renewal, and more. These same lands provide drinking water to about 3,400 communities for nearly 60 million citizens.

In FY 2013, the Forest Service took an “all-lands” approach, working with our State, tribal, and private partners to implement and facilitate restoration efforts on the Nation's forests and grasslands through our programs, tools, frameworks, and innovative research. Our restoration efforts focused on high-priority watersheds and areas ravaged by wildfire, bark beetle infestation, and drought—all exacerbated by climate change—to improve and maintain the resiliency of forest ecosystems, watersheds, and forest-dependent communities.

Recognizing that diversity of thought is the foundation of every successful organization, the Forest Service increased efforts to create and support collaboration, resulting in more meaningful engagement with communities. The agency also invested in its future by providing jobs, training, and community support in urban and underserved communities, in traditional resourced-based communities, and for veterans. We have made steady progress to become a fully inclusive organization with a more supportive work environment.

The greatest risk and challenge for the agency continues to be wildfire, specifically in the wildland urban interface, where human development borders on national forests or grasslands. It was in areas such as these that the Nation's firefighting community witnessed a devastating loss of life in FY 2013. We expanded our ability to learn from this tragic loss of life with the completion of a second level of safety engagements in our Safety Learning Journey. We honor those lost to wildfire by ensuring lessons learned are incorporated into our decisionmaking as we continue our Safety Learning Journey in FY 2014. It is these efforts that keep the Forest Service on course to become a zero-fatality organization.

Additionally, in those communities at greatest risks from wildfire, the Forest Service provided jobs for removing hazardous fuels and exceeded our goal for fuels treatments. We provided technical advice to over 7,000 communities in the development of their community wildfire protection plans. Forest Service crews in Colorado assisted search-and-rescue efforts in watersheds clogged with debris and mud from the unprecedented rains falling on hillsides scorched from wildfire. Although the agency dealt with a tough fire season in FY 2013, we continued a phenomenal record of suppressing 98 percent of our fires during initial attack.

I am proud of this AFR and of all Forest Service employees, partners, and volunteers who contributed to the progress made in FY 2013. Looking forward, the Forest Service remains committed to upholding the trust of the American people through our stewardship of the Nation's resources and through our efforts to continue improving our financial and performance accountability.

The Forest Service's Annual Performance Report—along with the FY 2015 Budget Justification—will provide a comprehensive assessment of the agency's programmatic performance for FY 2013.

A handwritten signature in black ink that reads "Thomas L. Tidwell". The signature is written in a cursive, flowing style.

THOMAS L. TIDWELL

Chief of the Forest Service