

Required Supplementary Information
Deferred Maintenance

Deferred Maintenance (Amounts in Thousands)

NSF performs condition assessment surveys in accordance with FASAB Standards No. 6 and No. 14 for capitalized property, plant and equipment to determine if any maintenance is needed to keep an asset in an acceptable condition or restore an asset to a specific level of performance. NSF considers deferred maintenance to be any maintenance that is not performed on schedule, unless it is determined from the condition of the asset that scheduled maintenance does not have to be performed. Deferred maintenance also includes any other type of maintenance that, if not performed, would render the PP&E non-operational. Circumstances such as non-availability of parts or funding are considered reasons for deferring maintenance.

NSF considered whether any scheduled maintenance necessary to keep fixed assets and capital equipment of the agency in an acceptable condition was deferred at the end of the period for FY 2007 and FY 2006. Assets deemed to be in excellent, good, or fair condition are considered to be in acceptable condition. Assets in poor condition are in unacceptable condition and the deferred maintenance required to get them to an acceptable condition are reported. NSF determines the condition of an asset in accordance with standards comparable to those used in the private industry. Due to the environment and remote location of Antarctica, all deferred maintenance on assets in poor condition is considered critical in order to maintain operational status.

At September 30, 2007, NSF determined that scheduled maintenance on 17 items of Antarctic capital equipment in poor condition was not completed and was deferred or delayed for a future period. The largest dollar amount of deferred maintenance for any single item in poor condition approximated \$34. The items included light and heavy mobile equipment. All of the equipment is considered critical to NSF operations and is estimated to require \$106 in maintenance.

At September 30, 2006, NSF determined that scheduled maintenance on 9 items of Antarctic equipment in poor condition was not completed and was deferred or delayed for a future period. The largest dollar amount of deferred maintenance for any single item in poor condition approximated \$60. The items included light and heavy mobile equipment. All of the equipment is considered critical to NSF operations and estimated to require \$82 in maintenance.