



Agriculture and Food

Rural Utilities Division
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January 8, 2007

TO ALL RURAL GAS DISTRIBUTORS

Dear Sir/Madam:

2006 YEAR END GRANTS

Now with fiscal year end for most rural gas distributors approaching, I would like to take this opportunity to remind you of some of the eligibility requirements for finalizing your 2006 construction grants.

1. Audited Financial Statements
2. Project Cost Breakdown (copy attached)
3. Approval of 2006 As-Built Drawings
4. Copies of Auditors Working Papers (see attached)
5. Unit Cost Spread-Sheet (if self construction used)
6. Name, Location (legal description), type & contract price of each new service constructed in 2006.
7. Goods and Services Tax (GST). GST must be excluded from all cost components reported to us.

Once the above requirements have been met, I will be available on a first come - first served basis, to complete the Department's construction cost audit, and assist with the subsequent preparation of the distributors' year end grant application.

If you should have any questions with respect to any of the above requirements, please do not hesitate to contact me at 427-1934.

Yours truly,

Gary Lazaruk
Business Analyst

Attachments

cc Rural Gas Auditors

AUDITORS WORKING PAPERS REQUESTED

1. Schedules of additions to system cost
2. Schedule of material/inventory used in construction
3. Schedule of year end accounts payable
4. Adjusting Journal Entries
5. Working Trial Balances
6. Management Letter to Distributor

DISTRIBUTOR _____

YEAR END AUDIT _____, 20

	Rural	Urban	N/G	Upgrading	TOTAL
Contractor					
Materials					
Overhead @ 20%					
Labor Unit Rate					
Overhead @ 10%					
Crop Damages					
URW Fees					
Q/A Fees					
TOTAL					

Third Party (Specials):