

Committed to Sustainability

Refrigerant Management Canada

2009 Annual Report



Refrigerant Management Canada
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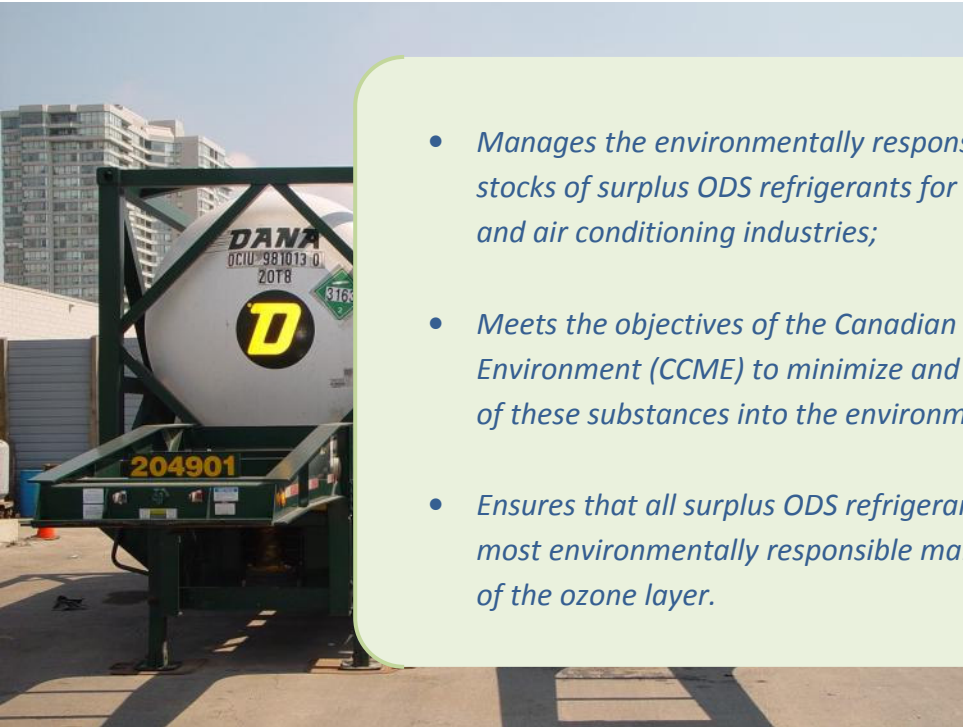


RMC's Mission



The Mission of RMC is to provide an environmentally responsible program in partnership with government and the Canadian public that:

- *Manages the environmentally responsible disposal of Canada's stocks of surplus ODS refrigerants for the Canadian refrigeration and air conditioning industries;*
- *Meets the objectives of the Canadian Council of Ministers of the Environment (CCME) to minimize and avoid the ultimate release of these substances into the environment; and*
- *Ensures that all surplus ODS refrigerants will be managed in the most environmentally responsible manner to minimize depletion of the ozone layer.*



RMC 2008-2009 Board of Directors

Chair

Dennis Larson Refrigerative Supply Ltd., Burnaby, BC

Past Chair

Tom Boutette Boutette & Barnett Trade Distribution Centre, London, ON

Secretary/Treasurer

Louis Pennachetti Arkema Canada Inc., Oakville, ON

President

Warren Heeley HRAI, Mississauga, ON

Directors

Ted Aldcroft Building Owners and Managers Association, Toronto, ON

Mark Boncardo Ineos Fluor Canada Inc., Concord, ON

Robert Flipse Gordon Latham Limited, Vancouver, BC

Pierre Martin Pro Kontrol, Laval, QC

Marie Li-Ying Honeywell Fluorine Products, Mississauga, ON

Beatrice Olivastrì Friends of the Earth Canada, Ottawa, ON

Rob Smith WWG/Totaline, Scarborough, ON

Stuart Smith E.I. du Pont Canada Company, Mississauga, ON

Joseph Simon Premi-Air Heating & Air Conditioning, Toronto, ON

Observers

Martin Sirois Ozone Protection Programs of Environment Canada

Jim Thomas Refrigerant Services Inc.



RMC Participants

The following refrigerant manufacturers, importers and reclaim companies are participants in the RMC program and share in the program's continued success.

Alltemp Products Ltd.

Arkema Canada Inc.

DuPont Canada

Fielding Chemical Technologies

Honeywell Genetron

Ineos Fluor Canada

Linde Canada

Refrigerant Services Inc.



A Message from the Chair

Sustainability” is a term we’ve been hearing a lot these days. Over the past few years, the term has appeared more frequently in mainstream media, corporate language, political agendas, and general public discourse. And organizations are starting to pay attention to sustainability now more than ever before. In fact, according to a recent survey of North American companies conducted by TerraChoice Environmental Marketing, the majority of survey respondents have implemented an organization-wide sustainability policy (56.5%) and of the organizations that have not already done so, 53% plan to implement one in the future. The factors that most influenced these organizations to implement sustainability policies include “interest from senior management” (53%), “complying with regulations” (45%), “employees” (44%), and “enhancing brand image” (43%).¹

At Refrigerant Management Canada (RMC), we’ve built the entire program on the pillars of sustainability. For us, sustainability is not a peripheral issue, nor is it a compliment to our existing services. Sustainability is what we’re all about; it’s our *raison d’être*.



Sustainability, in a broad sense, is about ensuring that our business practices promote environmental conservation and care, meet the needs of people and communities, and contribute to economic returns. We apply this understanding of sustainability to our internal operations, and when speaking to our role in the international community. Our focus continues to be working toward our two primary objectives – achieving environmental preservation and sustainable economic development.

*“For us, sustainability is not a peripheral issue, nor is it a compliment to our existing services. Sustainability is what we’re all about; it’s our *raison d’être*.”*

2009 has marked another successful year for RMC. In our ninth year of operation, we continue to be recognized worldwide as a benchmark for industry-led Extended Producer Responsibility (EPR) programs. Our capacity to collect and destroy ozone depleting refrigerants remains at an industry high. In fact, in 2009 we collected and destroyed 304,505 kg and 297,165 kg of ozone depleting substances (ODS) respectively. Since 2001, RMC has been directly responsible for preventing the release of over 1.5 million kg of ODS into the atmosphere. We continue to lobby the federal government to develop

¹ TerraChoice Environmental Marketing. (2009). *EcoMarkets 2009 Summary Report*. Available from www.terrachoice.com.



regulations for the stewardship of HFCs, which would further increase our capacity to manage industry refrigerants and to potentially reduce greenhouse gas emissions by more than 20 megatonnes.

Our continued success represents the participation and dedication of all our stakeholders – refrigerant manufacturers and wholesalers, collection service providers, contractors, and disposal service providers. Although we have encountered a few regulatory delays, we are dedicated to maintaining our leadership position on the worldwide stage, and remain steadfast in our efforts to continually expand and enhance the program. Much of 2009 has been dedicated to improving the efficiency and safety of operations; lobbying the government to develop regulations for HFCs; exploring an additional approach to funding the program through carbon credits; and strengthening our external communications through an enhanced website, refreshed collateral, and partnerships with trade publications.



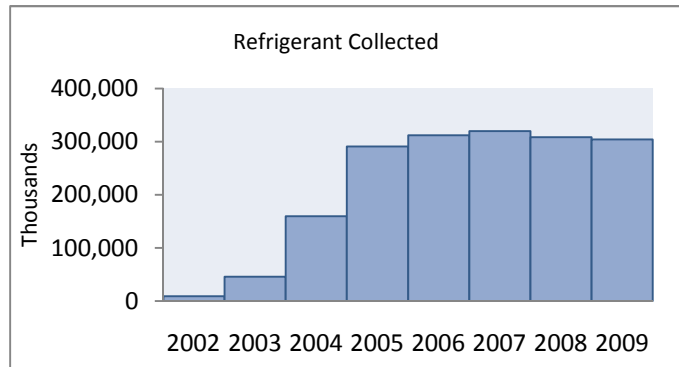
Dennis Larson,
Chair, RMC



Achievements

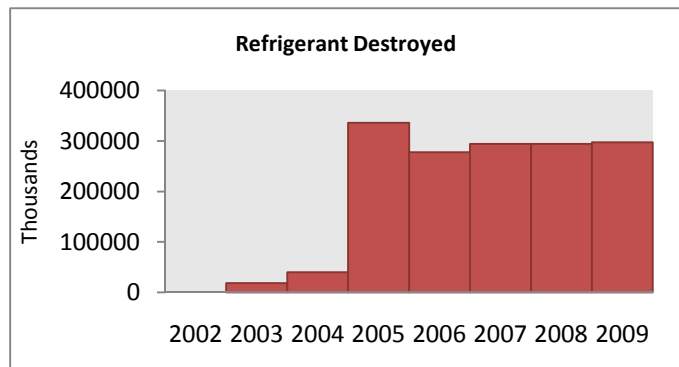
Collection and Disposal of ODS

Since 1985, the international community has taken steps to reduce – and ultimately eliminate – the amount of ozone-depleting substances (ODS) released into the atmosphere. In 1995, Canada and other industrialized countries banned the production and importation of CFCs. Under the Montreal Protocol, the production and consumption of HCFCs will be phased out in industrialized countries over the next three



decades. The challenge for Canada is to eliminate the use of CFCs and eventually HCFCs and to ensure that the current inventory is safely recaptured and disposed of in an environmentally safe way.

RMC is the leading organization of its kind, putting Canada at the forefront of ODS collection and destruction on an international stage. The RMC program began collecting refrigerant in 2001, at which time significant efforts were taken to increase awareness of and participation in the program. Since then, the program's capacity to collect and destroy more ODS refrigerants has increased at a steady rate. For the fiscal year beginning July



1, 2008 and ending June 30, 2009, RMC collected 304,505 kg and destroyed 297,165 kg of ODS refrigerants. Since 2001, the program has collected 1,751,139 kg and destroyed 1,557,478 kg of ODS, surpassing our 2008 goal of destroying 1.5 million kg of ODS refrigerants.

Program Participants found to be in Compliance with the RMC Program's Regulations



The RMC program continues to adhere to strict standards and guidelines for all parts of the process including rigorously conducting annual environmental, technology and financial audits; accurately documenting and tracking the movement of refrigerant from points of collection to destruction; and adhering to strict standards for disposal technologies. Crucial to the program's success is maintaining a transparent process



open to industry and public scrutiny at every stage. Since the inception of the program in 2000, Jacques Whitford has provided the environmental auditing expertise to monitor RMC's Collection Service Providers (CSPs). Once again, the environmental audit reports show that RMC's CSPs continue to be in compliance with the applicable regulations and RMC criteria, with only a few minor, easily corrected exceptions.



Program Development & Challenges

Expansion of the Program to Include the Collection and Destruction of HFCs

In recent years, hydrofluorocarbons (HFCs) have increasingly been used in refrigeration systems as an alternative to CFCs. Unfortunately, although they offer an effective alternative to other ozone depleting refrigerants, HFCs have significant Global Warming Potential (GWP).

“If HFCs become regulated and introduced into the RMC program, the program would have the potential to further reduce greenhouse gas emissions by more than 20 megatonnes.”

The RMC program continued to lobby Environment Canada to regulate HFCs, which would allow us to levy and accept HFCs into the program for their safe collection and destruction. Currently, the HFC market is unregulated, so market incentives for participating in the program are currently lacking. If HFCs become regulated and introduced into the RMC program, the program would have the potential to further reduce greenhouse gas emissions by more than 20 megatonnes.

In February of 2008, HRAI and RMC submitted a “plain language” regulation proposal to Environment Canada outlining the need to regulate HFCs and ensure their proper stewardship. After continued discussions with Environment Canada over the next 15 months, a Notice of Intent was published in Canada Gazette (Part 1) in May of 2009 concerning HFCs and stewardship. HRAI/RMC submitted a response to the Notice of Intent that strongly supports the proposed regulations and advocates for RMC as the program of choice for the refrigeration and air conditioning industry under the proposed regulations. Consultation on the proposed regulations is scheduled to be held by Environment Canada in the fall of 2009.

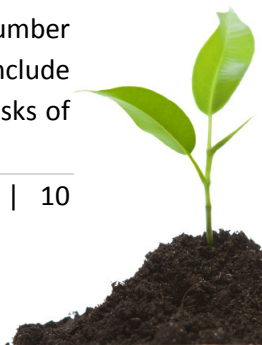
Exploring the Feasibility of Carbon Credits



Being sustainable also means acquiring and maintaining the necessary funds to meet RMC’s mission and finance its operations. A levy was implemented on all virgin and reclaimed HCFC and HCFC blend refrigerants sold for use in the stationary refrigeration and air conditioning industry on January 1, 2001.

This year RMC began exploring a new approach to funding the program; an approach that involves obtaining carbon credits through one or more of the organizations offering this emerging trading regime.

The challenge for RMC is to find a carbon credit program that will issue credits for destruction of ODS. Due to the complexity of the rules for these programs, RMC has entered into discussions with a number of consultants familiar with the carbon credit qualification process. Some issues being pursued include questions of ownership of the refrigerant when it is accepted for destruction, and also the cost risks of



proceeding with the complex process of determining eligibility. Carbon credit organizations such as the Chicago Climate Exchange (CCX), the Voluntary Carbon Standard (VCS) and the Alberta Offset Program are all being considered. Based on the preliminary review of these programs, RMC may have to change some of its current operating systems to meet the carbon credit program requirements.

Health and Safety Precautions

RMC takes every precaution to ensure that the wellbeing of all program participants is protected. RMC actively seeks research assistance to ensure environmental health and safety practices and policies are up to date and reflect current best practices.

In July of 2008, Environmental Health Strategies (EHS) submitted a report to RMC about the corrosive behaviour of recovered refrigerants during handling and transport. Results indicate that acid in the recovered refrigerant is a major contributor to the corrosion issues RMC is experiencing with the ISO tanks used to store recovered refrigerants. EHS's work has confirmed that the rust present in the ISO tanks is primarily from the recovery cylinders and the refrigeration units from which the refrigerant is recovered. EHS made several recommendations on how to reduce the amount of debris entering the ISO tanks and RMC is working with EHS to develop performance specifications for the CSPs to adopt.



Development of the RMC Refrigerant Tracking Database and Wholesaler Training Program

This year, RMC acquired its own server to handle the traffic of the online wholesaler training program and a new refrigerant tracking database. In cooperation with

“RMC takes every precaution to ensure that the wellbeing of all program participants is protected.”

Visdatec, a [business intelligence solutions](#) firm, RMC continued development of the new refrigerant database. The database will streamline the tracking of refrigerants entering the program and provide reports on refrigerants as they move through the system.

The development of the online Wholesaler Training Program is also nearing completion. This training program will provide an excellent tool for wholesaler personnel to ensure they understand how the RMC program works. The training program also includes elements to recognize wholesale companies and their employees who have successfully completed the training. Both the database and the wholesaler training are scheduled to be up and running in the fall of 2009.



Marketing and Outreach

During the 2008/2009 term, RMC developed a comprehensive campaign to effectively communicate the program's structure and ongoing processes; provide the industry with the necessary tools to educate their customers and promote RMC; and build public awareness and pride in Canada's leadership.

RMC partnered with TerraChoice Environmental Marketing on the development of the campaign to RMC wholesalers and contractors, and ensure consistency in branding and messaging. The campaign will span several months, ending with the release of the online Wholesaler Training Program in the fall of 2009.

Refreshed Collateral & Partnerships with Trade Publications

As part of this comprehensive communications campaign, RMC collateral will appear in select trade publications. RMC met with several trade press publishers to discuss marketing goals and objectives and discuss marketing options. The campaign will involve several initiatives to promote the program – distribution of RMC brochures through magazines, advertisement placement, and feature articles.

RMC also redesigned all marketing materials and introduced a new RMC poster and brochure in both English and French. The redesigned marketing pieces will educate industry stakeholders about the program, encourage participation in the program, and build public awareness of RMC's mission and purpose.

A New Website on the Horizon

As part of the new marketing plan, RMC partnered with 9th Sphere, a leading web design firm to update the functionality, aesthetics and effectiveness of our website. The new site's domain will be www.refrigerantmanagement.ca. The new site promises to be much more visually engaging, informative and easily navigable.

The new website is still in development; however, measures are being taken to further improve the design and ensure a smooth transition to the new platform. The "look-and-feel" of the new website will be consistent with our refreshed collateral, further strengthening our image and improving brand recognition.



To improve navigation and ease-of-use, the new website will include a *Members Only* section that will contain operating guidelines, templates for use by wholesalers, and online wholesaler training; an *About Us* section; and, on the homepage, an ODS counter to show the amount of refrigerant waste collected and destroyed.

Outreach Opportunities

Over the last year, RMC participated in a number of events to strengthen industry and other stakeholders' understanding of the program. An important example of this outreach was the Canadian Environmental Conference and Tradeshow (CANECT) at the Metro Toronto Convention Centre on April 20, 2008. RMC president Warren Heeley gave a presentation to CANECT attendants taking the Canadian Environmental Regulation and Compliance workshop. The presentation described how RMC sets standards and codes of practice that improve program performance and ensures compliance with current legislation and regulations.



Looking Ahead

Looking to the year ahead, the proposed HFC stewardship regulation will be a key regulatory focus for RMC. If HFCs are regulated, RMC will be able to secure a sustainable source of revenue for years to come – revenue that will go a long way in supporting RMC’s mission and daily operations. Recognizing the benefits HFC regulation would have on both our environmental and financial sustainability, we will continue our campaign for HFC stewardship regulations. In 2010, we will continue to explore the feasibility of obtaining offset credits for the destruction of ODS and HFC refrigerants. Progress on this matter will also provide answers to the sustainable funding challenge for the program.

In 2009-2010, RMC will move forward with its new communications plan including the release of the new RMC website. This updated website will be much more dynamic and engaging than our current platform in terms of both design and functionality. The website will also feature the Wholesaler Training Program. The “look-and-feel” of the new website will be consistent with our refreshed marketing collateral, further strengthening our image and improving brand recognition. Having established the grounds for partnerships in 2009, we also anticipate a greater advertising and editorial presence in trade publications in 2010.



Lastly, and most importantly, we would like to thank all our stakeholders for their continued support of the RMC program. 2009 marked an important milestone as we surpassed our 1.5 million kg target for total ODS refrigerants destroyed. Without support from our stakeholders, our accomplishments would not be possible. Although 2009 brought regulatory and operating challenges, RMC continues to respond well to such challenges, and moved forward as an environmentally and economically sustainable organization.



Environmental Audit Report



Stantec

Jacques Whitford Stantec Limited
7271 Warden Avenue
Markham ON L3R 5X5
Tel: (905) 474-7700
Fax: (905) 479-9326

ENVIRONMENTAL AUDITORS REPORT 2009

To the members of Refrigerant Management Canada,

Jacques Whitford Stantec Limited (JWSL) was commissioned by Refrigerant Management Canada Inc. (RMC) to conduct independent audits of the RMC Collection Service Providers, known as Fielding Chemical Technologies Inc. located in Mississauga, Ontario, Linde Canada Inc. located in Aurora, Ontario, and Refrigerant Services Inc. located in Dartmouth, Nova Scotia. The Collection Service Providers receive waste chlorofluorocarbon (CFC) and hydrochlorofluorocarbon (HCFC) refrigerant from wholesalers, test and bulk it into approved cylinders, and send the waste CFC/HCFC under the RMC program for final destruction off site.

The scope of each audit included the evaluation of the Collection Service Providers against federal and provincial environmental regulations pertaining to CFC containing refrigerants, and against RMC's Operating and Performance Guidelines for Collection, Transportation & Storage Services, revised April 2009. The site visits for the three audits were conducted in early June 2009. The audit period was from the end of the last RMC audit in 2008 to the last day of the 2009 audit for each site. Jacques Whitford Stantec Limited auditors also commented on environmental good management practices that were relevant to the handling of CFC and HCFC containing refrigerants.

The audit objectives were to:

1. Verify Service Providers' compliance with applicable regulations relevant to the RMC program.
2. Demonstrate to stakeholders of integrity of RMC program.
3. Demonstrate that RMC management that Service Provider operations are consistent with good practice and these operations comply with RMC policies and standards noted in the RMC's Operating and Performance Guidelines for Collection, Transportation and Storage Services, revised April 2009.
4. Enhance RMC protection from potential liabilities by demonstrating due diligence.
5. Determine if audit findings identified in 2008 by Jacques Whitford Limited (now JWSL) have been corrected.

AUDIT OPINION

The activities of all three Collection Service Providers were found to be substantively in compliance with applicable regulatory and RMC criteria, with minor deviations from these requirements.

SUMMARY OF FINDINGS

Fielding Chemical Technologies Inc.

Fielding Chemical Technologies Inc. has fully implemented the RMC program into its operations. Current findings resulted from duration and location of refrigerant storage, releases of refrigerant, timelines for bulking ISO tanks, minor documentation issues, and minor communication oversights. In general, staff at the facility have shown commitment in meeting regulatory and RMC requirements.

Linde Canada Inc.

Linde Canada Inc. has fully implemented the RMC program into its operations. The current findings resulted from minor cylinder filling and testing issues, minor documentation issues and minor communication oversights. In general, staff at the facility have shown commitment in meeting regulatory and RMC requirements.

Refrigerant Services Inc.

Refrigerant Services Inc. has fully implemented the RMC program into its operations. The current finding resulted from an exceedance of ISO container shipping timelines. In general, staff at the facility have shown commitment in meeting regulatory and RMC requirements.

JACQUES WHITFORD STANTEC LIMITED



2009 Audited Financial Statements

**REFRIGERANT
MANAGEMENT CANADA
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009**

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Clarke
Henning
LLP

Chartered Accountants

801 - 10 Bay Street
Toronto, Ontario
Canada M5J 2R8
Tel: 416-364-4421
Fax: 416-367-8032



AUDITORS' REPORT

TO THE MEMBERS OF
REFRIGERANT MANAGEMENT CANADA

We have audited the balance sheet of Refrigerant Management Canada as at June 30, 2009 and the statements of revenues, expenses, and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. In accordance with the Corporations Act (Canada), we report that these principles have been applied on a basis consistent with that of the preceding year.

Clarke Henning LLP

CHARTERED ACCOUNTANTS
Licensed Public Accountants

Toronto, Ontario
July 29, 2009

REFRIGERANT MANAGEMENT CANADA

BALANCE SHEET

AS AT JUNE 30, 2009

	2009	2008
ASSETS		
Current assets		
Cash	\$ 154,045	\$ 221,147
Accounts receivable	1,001,612	1,307,801
	<u>1,155,657</u>	<u>1,528,948</u>
Investments (<i>Schedule</i>)	4,837,545	5,883,339
	<u>5,993,202</u>	<u>7,412,287</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	692,769	797,661
NET ASSETS		
RMC fund (<i>note 3</i>)	5,300,433	6,614,626
	<u>\$ 5,993,202</u>	<u>\$ 7,412,287</u>

Approved on behalf of the Board:

_____, Director _____, Director



REFRIGERANT MANAGEMENT CANADA
STATEMENT OF REVENUES, EXPENSES, AND NET ASSETS
YEAR ENDED JUNE 30, 2009

	2009	2008
Revenues		
Environmental levies	\$ 2,889,843	\$ 3,359,358
Investment income	263,224	366,004
Other income	29,733	25,589
	3,182,800	3,750,951
Administrative expenses		
Management fee (note 5)	186,000	162,000
Contractors' fees	52,002	33,595
Communications	26,028	25,344
Professional fees	8,518	10,087
Office and general	7,523	20,851
Board and committee	7,385	7,012
Insurance	16,154	30,486
	303,610	289,375
Operation expenses		
Collection services	1,979,111	2,189,086
Disposal services	1,974,070	1,820,939
Wholesaler fees	216,230	149,520
Environmental audit fees	23,972	43,110
	4,193,383	4,202,655
	4,496,993	4,492,030
Deficiency of revenues over expenses for the year	(1,314,193)	(741,079)
Net assets, RMC fund - at beginning of year	6,614,626	7,355,705
Net assets, RMC fund - at end of year	\$ 5,300,433	\$ 6,614,626



REFRIGERANT MANAGEMENT CANADA

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2009

	2009	2008
Cash flows from operating activities		
Cash receipts from environmental levies	\$ 3,160,472	\$ 3,396,808
Cash receipts from other income	29,733	25,589
Investment income received	618	35,670
Cash paid for materials and services	<u>(4,566,324)</u>	<u>(4,076,627)</u>
	(1,375,501)	(618,560)
Cash flows from investing activities		
Purchase of investments	(2,980,031)	(3,628,791)
Proceeds from sale of investments	<u>4,288,430</u>	<u>4,156,972</u>
	1,308,399	528,181
Change in cash during the year	(67,102)	(90,379)
Cash - at beginning of year	221,147	311,526
Cash - at end of year	<u>\$ 154,045</u>	<u>\$ 221,147</u>



REFRIGERANT MANAGEMENT CANADA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

1. ORGANIZATION AND PURPOSE

Refrigerant Management Canada is a not for profit organization incorporated without share capital under the laws of Canada. The purpose of the Organization is to provide an environmentally responsible program to dispose Canada's stocks of surplus ODS refrigerants for the Canadian stationary refrigeration and air conditioning industries. The Organization is funded by an environmental levy submitted by refrigerant manufacturers, importers and reclaimers on sales of HCFC refrigerants.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial Assets and Liabilities

Cash and investments are classified as held for trading and are stated at fair value. Accounts receivable are classified as loans and receivables and are measured at amortized cost. Accounts payable are classified as other financial liabilities which are measured at amortized costs.

Revenue Recognition

The Organization recognizes the environmental levies in the period to which they relate. The levy is used to fund current operating expenses and the future costs of transportation, handling, storage and proper disposal of the ODS refrigerants. The levy is reviewed annually to ensure adequate funding is available to fund all operations of the Organization on an ongoing basis.

Investment income is recognized as revenue as earned. Investment income is comprised of interest and realized and unrealized gains and losses related to the investments.

Other revenue is recognized as income as earned.

Foreign Currency Translation

Monetary assets and liabilities are translated at the rate of exchange prevailing at the balance sheet date. Revenues and expenses are translated from foreign currencies at the rate of exchange prevailing on the transaction date. Any resulting gains or losses are included in income for the year.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. RMC FUND

The RMC Fund is to be used to fund future costs associated with the collection and disposal of surplus refrigerants. The ultimate costs of the collection and disposal of these refrigerants is not known. Operating surpluses are transferred to the fund while operating deficits are to be recovered from the fund at the end of each year.



REFRIGERANT MANAGEMENT CANADA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

4. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash, accounts receivable, investments and accounts payable. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Organization is exposed to market risk with respect to its investments. Market risk is the potential loss that the Organization may incur as a result of the changes in the fair value of the investments. The Organization's investment advisor monitors the market risk exposure and reports regularly to the Organization.

The carrying amount of cash, accounts receivable and accounts payable approximates their fair value. The fair value of the investments is based on the current market price of the investments which can fluctuate due to changes in market conditions. The fair value of the investments is reported in the schedule of investments.

5. RELATED PARTY TRANSACTIONS

In the normal course of business, the Organization enters into transactions with a related party. All transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties. The Organization paid a management fee of \$186,000 (\$162,000 in 2008) to Heating, Refrigeration and Air Conditioning Institute of Canada, which controls the Organization in that members of Refrigerant Management Canada are the officers of Heating, Refrigeration and Air Conditioning Institute of Canada.

6. GUARANTEES AND INDEMNITIES

The Organization has indemnified its past, present and future directors, officers and volunteers against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits and actions. The maximum amount of any potential future payment cannot be reasonably estimated; however, there have been no claims against the Organization's liability insurance in the past.

In the normal course of business, the Organization has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in service contracts, lease agreements or sales and purchase contracts. In these agreements, the Organization agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Organization. The maximum amount of any potential liability cannot be reasonably estimated.

7. CAPITAL MANAGEMENT

The Organization considers its net assets to be its capital. The Organization's objective when managing capital is to ensure that it has sufficient resources to provide an environmentally responsible program to dispose Canada's stocks of surplus ODS refrigerants for the Canadian stationary refrigeration and air conditioning industries. The Organization manages and adjusts its capital in response to general economic conditions, the risk characteristics of the underlying assets and working capital requirements.



REFRIGERANT MANAGEMENT CANADA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

8. COMPARATIVE FIGURES

The 2008 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.



REFRIGERANT MANAGEMENT CANADA

SCHEDULE OF INVESTMENTS

YEAR ENDED JUNE 30, 2009

<i>Face Value</i>	<i>Security</i>	<i>Fair Value</i>	
		2009	2008
Bonds/ Treasury Bills			
\$ 309,000	Government of Canada - Treasury 3.962% yield, due October 2, 2008	\$ -	\$ 306,945
323,134	Province of Ontario - Cpn 4.052% yield, due December 1, 2008	-	319,029
375,000	Government of Canada Cpn Bond 2.017% yield, due February 19, 2009	-	637,092
1,446,660	Province of Ontario - Cpn 4.228% yield, due June 2, 2009	-	1,404,514
1,162,832	Province of Ontario - Cpn 4.244% yield, due December 2, 2009	-	1,106,035
517,168	Province of Ontario - Cpn 4.293% yield, due June 2, 2010	514,460	481,836
531,694	Province of Ontario - Cpn 4.398% yield, due December 2, 2010	523,908	485,185
446,781	Government of Canada - Cpn 4.065% yield, due June 1, 2012	-	389,833
909,306	Province of Saskatchewan - Cpn 4.424% yield, due February 4, 2013	821,396	752,870
446,852	Province of British Columbia - Cpn 2.563% yield, due June 18, 2013	396,954	-
451,579	Ontario Hydro - Cpn 2.702% yield, due August 18, 2013	398,009	-
401,045	Ontario Hydro - Cpn 2.916% yield, due February 6, 2014	345,683	-
389,502	Ontario Hydro - Cpn 3.347% yield, due August 6, 2014	327,552	-
507,466	Ontario Hydro Global - Cpn 3.380% yield, due April 15, 2015	410,071	-
894,336	Province of Ontario - Cpn 3.894% yield, due December 2, 2015	699,459	-
		4,437,492	5,883,339
Cash at brokers		400,053	-
		\$ 4,837,545	\$ 5,883,339





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