

# Refrigerant Management Canada



2008 Annual Report



## OUR 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 OD refrigerant for the Canadian refrigeration and air conditioning industries;
- Meets the objective 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 OD refrigerants are managed in an environmentally responsible manner to minimize depletion of the ozone layer.



## BOARD OF DIRECTORS

### RMC Officers

#### Chairman

Dennis Larson  
Refrigerative Supply Ltd.  
Burnaby, BC

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Boutette and Barnett Trade Distribution  
London, ON

#### President

Warren Heeley  
HRAI  
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Building Owners and Managers Association

Mark Boncardo  
Ineos Fluor Canada

Rob Flipse  
Gordon Latham Ltd

Pierre Martin  
Pro Kontrol

Marie Li-Ying  
Honeywell Fluorine Products

Beatrice Olivastri  
Friends of the Earth

Rob Smith  
WWG/Totaline

Stuart Smith  
DuPont

Joseph Simon  
Premi-Air Heating & Air Conditioning

### Observers

Martin Sirois  
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**

**Arkema Canada Inc.**

**DuPont Canada**

**Fielding Chemical Technologies**

**Honeywell Fluorine Products**

**Ineos Fluor Canada Inc.**

**Linde Canada Inc.**

**Refrigerant Services Inc.**

# A YEAR OF EXPANSION AND ACCOUNTABILITY



## INTRODUCTION

2008 has been another successful year for the Refrigerant Management Canada (RMC) program. RMC continues to be recognized around the world as an industry-led Extended Producer Responsibility (EPR) program worthy of emulation and consultation. The success of the RMC program would not be possible without the strong support and dedication of all our stakeholders – including refrigerant manufacturers and wholesalers, collection service

providers, contractors, and disposal service providers.

2008 marks our seventh year of successfully collecting ozone-depleting (OD) refrigerants. Thanks to our stakeholders, we now have the capacity and experience to collect and destroy more OD refrigerants annually than we could in our first three years combined. This fact has further propelled the RMC program onto centre-stage; around the world, RMC is being watched – and replicated.

We're dedicated to maintaining our environmental leadership position. Our focus continues to be working toward our two primary objectives – achieving environmental preservation and sustainable economic development. To achieve these important goals, we remain steadfast in our efforts to continually expand and enhance the program. Specifically, much of 2008 was spent working on these three projects: harmonizing our marketing and communications materials, expanding our networks and ensuring program transparency.

The last twelve months have been defined by hard work, several achievements, and some unexpected regulatory challenges. On the whole, the RMC program rose above these challenges and continues to progress forward.

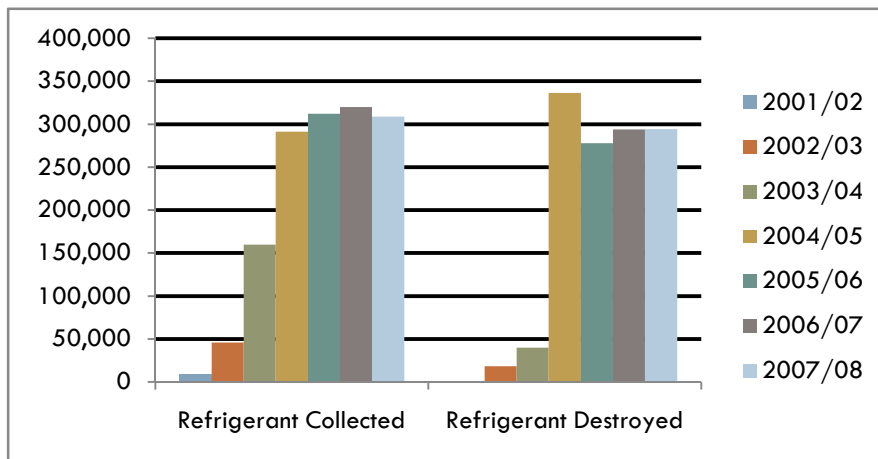
## ACHIEVEMENTS

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

Crucial to the continued success of RMC is maintaining program transparency and regularly auditing program participants to ensure compliance with the program. Since the inception of the program in 2000 RMC has relied on the environmental auditing expertise of Jacques Whitford to audit the program's Collection Service Providers (CSPs). This year, the CSPs were once again found to be substantively in compliance with the applicable regulations and RMC criteria with only a few minor exceptions – all of which were rectified in a timely fashion. The main actionable items resulting from the audits include correcting some minor documentation and communications oversights, and meeting timelines for shipping and composition testing on refrigerant. (A summary of the audit reports will follow later in this annual report). All of the CSPs were cooperative and accommodating throughout the audit process which is further testimony to the great teamwork and cooperation that exemplifies this leading program.

For the first time this year, RMC commissioned Clarke Henning LLP to perform audits of the program levy remitters. These audits are not yet complete but we are pleased to report that so far, all of the levy remitters are cooperating extremely well and initial audit results look positive.

### Collection and Disposal of OD Refrigerants Running at Peak Capacity



The RMC program began collecting refrigerant in 2001. At this time, significant efforts were made to increase the participation and awareness of the program and to increase the program's capacity to collect and destroy more OD refrigerants. These efforts were ultimately fruitful as the amount of

refrigerant processed by the program steadily increased and in our first three years of operation, we successfully collected 214,526 kilograms of OD refrigerants and destroyed 58,116 kilograms. The program continued to grow to the point where the annual capacity to collect and destroy OD refrigerants is now around 310,000 kilograms and 295,000 kilograms respectively. These figures greatly exceed the amount of refrigerants processed in the first three years of operation combined. Significant annual increases in the amount of refrigerants processed

by the program should no longer be expected as the program is now running at capacity. The amount of refrigerants processed on an annual basis will be determined in part by external factors such as weather, fuel prices and technological advances. This year, for example, the amount of refrigerants collected by the program fell 3.5% from 2007 levels (from 320,000 to 309,000 kilograms) while the volume of destroyed refrigerant remained the same (294,000 kilograms). Due to cooler and wetter weather in the spring and summer of 2008, the demand for refrigerants decreased which helps account for the slight decrease in the amount of OD refrigerants collected by the RMC program. The fact that the amount of refrigerant collected by the program decreased slightly should not be a cause for concern. In fact, annual fluctuations are normal and should be expected, especially as the program is running at maximum capacity.

## PROGRAM DEVELOPMENT AND EXPANSION

### Marketing and Outreach

Maintaining our world-wide leadership position and further growing the program required that we take a fresh approach with our marketing and communications materials. In an effort to improve our presence and visibility, over the past twenty-four months, we have worked closely with a leading environmental marketing and consulting agency – TerraChoice Environmental Marketing – to help us refresh and refocus our marketing materials and our corporate identity. Some of the highlights from this work are presented next.

#### Redevelopment of the RMC website

RMC's website is currently located at [www.hrai.com/rmc](http://www.hrai.com/rmc). We have partnered with a leading web design firm – 9th Sphere – as well as TerraChoice Environmental Marketing to update the functionality, aesthetics and effectiveness of our website using resonant web 2 .0 technologies. Visitors to the new site, which is not yet live, will immediately notice the flash introductory page as well as the regular updates and postings to the site. These improvements will enhance the appearance and functionality of the site, making RMC's web-presence much more visitor-friendly and interesting. RMC's web address will be changing to [www.refrigerantmanagement.ca](http://www.refrigerantmanagement.ca). All of our stakeholders will be made aware of the change at the appropriate time.



#### Refreshing and Redesigning RMC Marketing Materials

ACART Communications, a firm with a strong background in graphic design, branding and advertising, was selected by RMC and TerraChoice to redesign RMC's marketing materials, such as posters and brochures, to more effectively engage stakeholders and communicate the value of the RMC program and the value of participating in the program.



To enhance our communications with our stakeholders, we have worked extensively with TerraChoice to refresh our wholesaler welcome and promotional packages. These packages, primarily developed in 2008, are expected to be ready for distribution once the website and other promotional materials have been completed. The rationale behind refreshing these packages is to ensure consistent, informational and effective communications for all program participants as well as assisting our wholesalers to attract contractors to the program.

## Networking

It is clear that the RMC program is working well at home but we are never content to rest on our laurels as more work can be done to improve the program in Canada and to assist other programs of a similar nature around the world. To this end, we have made great strides in expanding our network and international identity. Through networking with other programs and organizations around the world, we spent much of 2008 sharing our knowledge with others and gaining valuable insights from others that are important for our continued development and success. Specifically, we exchanged ideas and best practices pertaining to program transparency, developing revenue-generating streams and enhancing education, with countries like Poland, the Netherlands and Australia.

### Program Development

RMC was approached by Earth Tech to connect them with two collection service providers in order to gain a better understanding of the processes associated with transferring refrigerant from an ISO tank to a storage vessel.

RMC also met with a parallel program called Refrigerant Reclaim Australia (RRA) for two days to discuss procedures and best practices and to give one of their administrators a tour of a collection service provider's facilities. RRA also worked with us to investigate the feasibility of shipping some surplus OD refrigerant to Canada for disposal. While we are currently operating at maximum capacity and cannot, therefore, accept refrigerant from overseas for destruction, we were certainly honoured by RRA's interest in working with us.



Additionally, we reached out to the Chicago Climate Exchange (CCX) to discuss the feasibility of obtaining tradable carbon financial instruments (CFI) for the destruction of OD refrigerants. If we succeed, this will mean

that we will be able to earn revenue for the program from the sale of offsets earned through participation in the program while joining a binding integrated trading system to reduce emissions of greenhouse gases worldwide.

## Industry Outreach

In an effort to engage with other members of the extended producer responsibility (EPR) program 'community', we attended Canada's 5th National EPR Workshop held in Fredericton, New Brunswick in February, 2008. Several speakers discussed the importance of establishing benchmarks and targets to measure success as well as having a clear mission statement and regularly conducting program audits. These important features of an EPR program have been implemented by RMC for several years now and we are, once again, proud of our leadership position.



Warren Heeley, President of RMC, was a featured speaker at the Manitoba Earth Day and Climate Forum. The forum brought together representatives from around Canada to discuss ozone and climate change issues – arguably two of today's most important environmental issues.

RMC attended several industry conferences over the past twelve months, such as the HRAI Refrigeration Product Section Meetings and the CMX/CIPHEX Trade Show, Canada's national trade show for the HVACR industry which brought together over 13,000 of our peers.

## Emergency Response Planning

Certainly one component of a successful EPR program such as ours is preparing – and implementing – a comprehensive emergency plan and procedures. In an effort to always follow best practices, RMC commissioned Conestoga-Rovers and Associates (CRA) to prepare an emergency response plan for the program and implement relevant procedures. CRA spent the better part of 2008 working on this plan and, pending slight revisions by RMC, the plan should be in place in the first half of 2009.



The purpose of this emergency response plan and procedures is to detail the appropriate actions to be taken by an affected facility and support organizations in the event of an emergency. Finalizing this emergency response plan is one of the concluding steps of our journey toward becoming one of the world's best and most accountable, fully-prepared and transparent EPR programs.

## CHALLENGES

2008 was marked not only by successes but also by some unexpected challenges – all of which the RMC program responded to well.

### Weather-related Challenges

Cooler, damper weather in the spring and summer months reduced the amount of refrigerants used and, therefore, collected by the RMC program. As climate continues to change, we expect to see fluctuations in the amount of refrigerants used and ultimately collected and destroyed by the RMC program.

### Equipment-related Challenges

Rust buildup, causing the degradation of several ISO tanks used for storing OD refrigerants before destruction was discovered in 2008. RMC commissioned Environmental Health Strategies (EHS) to investigate and report on this matter. As a result of EHS' recommendations, RMC is in the process of implementing a preventative maintenance plan that will help mitigate future problems associated with faulty valves, gaskets and rust build-up.

### Regulatory Challenges

Recent amendments to the Montreal Protocol – the international treaty designed to protect the ozone layer and the main reason behind the initial implementation of the RMC program – have caused us to explore additional revenue streams. Specifically, the Montreal Protocol originally called for HCFC consumption to be reduced to 65% by 2010. However, in 2007, the signing parties agreed to further reduce HCFC consumption by an additional 10%. This decision to reduce consumption of HCFCs is a major win for the environment and Environment Canada is looking at how this will be implemented. However, with regards to RMC's annual revenue stream, if this change is implemented in Canada it means the program is facing annual revenue reductions of \$450,000 – revenue that was to be used, in part, to fund the collection & destruction of the remaining HCFCs. The RMC program is lobbying Environment Canada to regulate Hydrofluorocarbons (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 there are no market incentives for anyone to participate in the program. Should HFCs become regulated and introduced into the RMC program, the program would have the potential to reduce greenhouse gas emissions by 20.1 megatonnes and OD emissions by 2000 Ozone Depletion Potential (ODP) tonnes. We presented our case to Environment Canada in February of 2008, and expect to hear back from them shortly on this matter.

## LOOKING AHEAD



The next twelve months look very promising on many fronts for the RMC program. Specifically, we will be launching our new brand – this includes our updated poster, brochure, welcome packages, promotion packages, and our new website and communications materials.

Additionally, RMC eagerly anticipates Environment Canada's response to the need for HFC regulations. The regulation of HFCs would supply RMC with a significant additional source of

revenue for many years to come.

RMC expects to implement a comprehensive emergency preparedness plan in 2009. Such a plan would further contribute to the program's leadership position.

Finally, we would like to thank all of our stakeholders for their commitment to the RMC program over the past year. As a result of your support, cooperation and teamwork, we expect to pass the 1.5 million kilogram mark of destroyed OD refrigerants. After taking six years to collect and destroy our one millionth kilogram of harmful OD refrigerant, we expect to meet this 1.5 million kilogram target just a short year and a half later – this timeline is further testimony to all of your hard work and commitment to the program.

# ENVIRONMENTAL AUDIT REPORT



**Jacques  
Whitford**  
Environmental  
Engineering  
Scientific  
Management  
Consultants

72/1 Warden Avenue  
Markham ON  
Canada L3R 9X5  
Bus 905 474 7700  
Fax 905 478 8326

www.jacqueswhitford.com

## ENVIRONMENTAL AUDITORS REPORT: 2008

*To the members of Refrigerant Management Canada:*

Jacques Whitford Limited was commissioned by Refrigerant Management Canada Inc. (RMC) to conduct independent audits of the RMC Collection Service Providers, known as Fielding Chemical Technologies Inc. (Fielding) located in Mississauga, Ontario, Linde Canada Inc. (Linde) located in Aurora, Ontario, and Refrigerant Services Inc. (RSI) 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, April 29, 2008. The site visits for the three audits were conducted in late May and early June 2008. The audit period was from the end of the last RMC audit in 2007 to the last day of the 2008 audit for each site. Jacques Whitford 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 to 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, April 29, 2008.
4. Enhance RMC protection from potential liabilities by demonstrating due diligence.
5. Determine if audit findings identified in 2007 by Jacques Whitford 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

Fielding Chemical Technologies has fully implemented the RMC program into its operations. Current findings resulted from duration of refrigerant storage, releases of refrigerant, composition testing on refrigerant within the allotted time frame, minor documentation issues, and minor communications 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 documentation issues and minor communications 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 LIMITED

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Whitford**  
An Environment  
of Exceptional  
Solutions

# FINANCIAL STATEMENTS

**REFRIGERANT  
MANAGEMENT CANADA  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008**

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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, 2008 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, 2008 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 31, 2008

**REFRIGERANT MANAGEMENT CANADA****BALANCE SHEET****AS AT JUNE 30, 2008**

	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 221,147	\$ 311,526
Accounts receivable	1,307,801	1,358,781
	<u>1,528,948</u>	<u>1,670,307</u>
Investments ( <i>Schedule</i> )		
At fair value ( <i>note 2</i> )	5,883,339	-
At amortized cost (fair value - \$6,067,655)	-	6,184,067
	<u>5,883,339</u>	<u>6,184,067</u>
	<u><u>7,412,287</u></u>	<u><u>7,854,374</u></u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	797,661	382,257
<b>NET ASSETS</b>		
RMC fund ( <i>note 4</i> )	6,614,626	7,472,117
	<u>\$ 7,412,287</u>	<u>\$ 7,854,374</u>

Approved on behalf of the Board:

\_\_\_\_\_, Director      \_\_\_\_\_, Director

**REFRIGERANT MANAGEMENT CANADA**  
**STATEMENT OF REVENUES, EXPENSES, AND NET ASSETS**  
**YEAR ENDED JUNE 30, 2008**

	2008	2007
<b>Revenues</b>		
Environmental levies	\$ 3,359,358	\$ 3,592,501
Investment income	379,534	260,497
Other income	25,589	-
Foreign exchange loss	(13,530)	-
	<b>3,750,951</b>	<b>3,852,998</b>
<b>Administrative expenses</b>		
Management fee (note 6)	162,000	156,000
Contractors' fees	33,595	3,500
Communications	25,344	26,017
Professional fees	10,087	10,534
Office and general	20,851	18,273
Board and committee	7,012	10,736
Insurance	30,486	30,486
	<b>289,375</b>	<b>255,546</b>
<b>Operation expenses</b>		
Collection services	2,189,086	1,830,746
Disposal services	1,818,437	1,294,893
Wholesaler fees	149,520	128,056
Support materials	2,502	2,109
Environmental audit fees	43,110	34,357
	<b>4,202,655</b>	<b>3,290,161</b>
	<b>4,492,030</b>	<b>3,545,707</b>
Excess (deficiency) of revenues over expenses for the year	(741,079)	307,291
<b>Net assets, RMC fund - at beginning of year</b>		
As previously reported	7,472,117	7,164,826
Change in accounting policy (note 2)	(116,412)	-
	<b>7,355,705</b>	<b>7,164,826</b>
<b>Net assets, RMC fund - at end of year</b>	<b>\$ 6,614,626</b>	<b>\$ 7,472,117</b>

**REFRIGERANT MANAGEMENT CANADA****STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2008**

	<b>2008</b>	<b>2007</b>
Cash flows from operating activities		
Cash receipts from environmental levies	\$ 3,422,397	\$ 3,747,777
Investment income received	35,670	94,482
Cash paid for materials and services	(4,076,627)	(3,718,183)
	<u>(618,560)</u>	<u>124,076</u>
Cash flows from investing activities		
Purchase of investments	(3,628,791)	(599,975)
Proceeds from sale of investments	4,156,972	601,840
	<u>528,181</u>	<u>1,865</u>
Change in cash during the year	<u>(90,379)</u>	<u>125,941</u>
Cash - at beginning of year	311,526	185,585
Cash - at end of year	<u>\$ 221,147</u>	<u>\$ 311,526</u>

**REFRIGERANT MANAGEMENT CANADA****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2008**

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**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. CHANGE IN ACCOUNTING POLICY**

On July 1, 2007 the Organization adopted the provisions of CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement and Section 3861, Financial Instruments - Disclosure and Presentation. Section 3855 addresses when financial instruments should be recognized and how they should be measured. Section 3861 provides standards for how financial instruments should be classified on the financial statements and the disclosure requirements.

As a result of adopting these new standards prospectively, the Organization recorded a non-cash decrease of \$116,415 in its opening investments and net assets.

Investments are recorded at fair value as described in note 3. Previously, the investments were recorded at amortized cost plus accrued interest.

**3. SIGNIFICANT ACCOUNTING POLICIES***Investments*

Investments are classified as held for trading and are recorded at fair value. Unrealized holding gains and losses related to held for trading investments are included in investment income. The quoted market price of investments is used to estimate fair value.

*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.

**REFRIGERANT MANAGEMENT CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2008**

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*3. SIGNIFICANT ACCOUNTING POLICIES (continued)*

*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.

*4. 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.

*5. 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 to the Organization.

The carrying amount of cash, accounts receivable and accounts payable approximates their fair value due to the short term maturities of these items. 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.

*6. 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 \$162,000 (\$156,000 in 2007) to Heating, Refrigeration and Air Conditioning Institute of Canada, which controls the Organization by way of a common board of directors.

**REFRIGERANT MANAGEMENT CANADA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2008**

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*7. 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.

## REFRIGERANT MANAGEMENT CANADA

## SCHEDULE OF INVESTMENTS

YEAR ENDED JUNE 30, 2008

<i>Face Value</i>	<i>Security</i>	2008		2007
		<i>Fair Value</i>	<i>Fair Value</i>	<i>Amortized Cost</i>
<b>Bonds/ Treasury Bills</b>				
\$ 1,224,020	Province of British Columbia - Cpn 4.098% yield, due September 5, 2007	\$ -	\$ 1,214,269	\$ 1,215,795
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	302,112	305,621
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	1,322,827	1,344,059
1,162,832	Province of Ontario - Cpn 4.244% yield, due December 2, 2009	1,106,035	1,038,389	1,059,496
517,168	Province of Ontario - Cpn 4.293% yield, due Jun 2, 2010	481,836	450,994	461,130
531,694	Province of Ontario - Cpn 4.398% yield, due December 2, 2010	485,185	452,940	463,500
446,781	Government of Canada - Cpn 4.065% yield, due June 1, 2012	389,833	588,841	610,998
909,306	Province of Saskatchewan - Cpn 4.424% yield, due February 4, 2013	752,870	697,283	723,468
		\$ 5,883,339	\$ 6,067,655	\$ 6,184,067



[WWW.HRAI.CA/RMC](http://WWW.HRAI.CA/RMC)