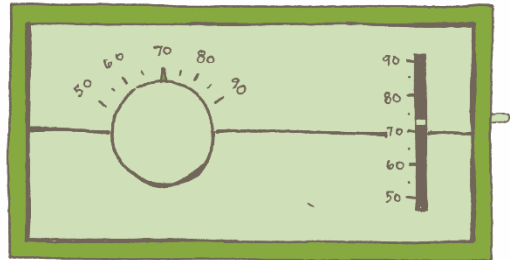
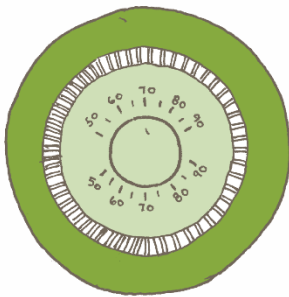


CELEBRATING 20 YEARS OF PROTECTING THE ENVIRONMENT (1998 – 2018)



Thermostat Recycling™
CORPORATION

Recycle every mercury thermostat, every time.

Thermostat Recycling Corporation Board Members, Paying Dues Members and Employees (at close of 2017)

THERMOSTAT RECYCLING CORPORATION BOARD MEMBERS

Dan O'Donnell (Chairman)
Honeywell International

John Sartain (Vice-Chairman)
Emerson Technologies (White Rodgers)

Rob Munin (Treasurer)
Lux Products Corporation

THERMOSTAT RECYCLING CORPORATION DUES PAYING MEMBERS

| | | |
|--------------------------|---------------------------|---------------------------|
| Bard Manufacturing | Burnham Holdings | Carrier Corporation |
| ecobee Inc. | Empire Comfort Systems | General Electric |
| ITT | Lear Siegler | Lennox International Inc. |
| Nest Labs | Nortek Global HVAC, LLC | Rheem Manufacturing |
| Johnson Controls Inc. | TPI Corporation | Trane Residential Systems |
| White-Rodgers (Emerson) | Valliant | W.W. Grainger |
| Chromalox | Climate Master, Inc. | Crane Company |
| Goodman Global | Honeywell International | Hunter Fan Company |
| Lux Products Corporation | Marley-Wylain Company | McQuay |
| Schneider Electric | Sears Holding Corporation | Taco Comfort Solutions |
| Uponor | | |

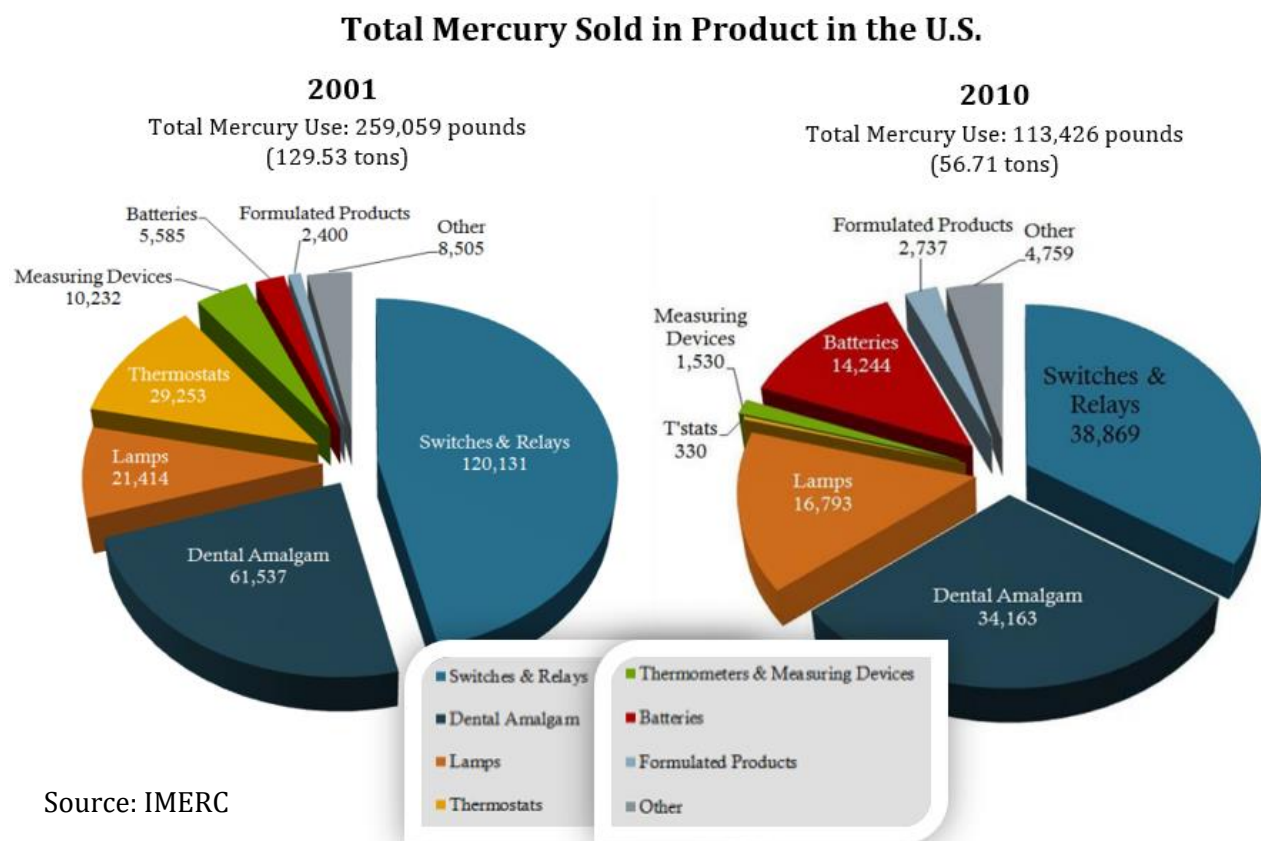
THERMOSTAT RECYCLING CORPORATION EMPLOYEES

Ryan Kiscaden
Executive Director

Danielle Myers
Operations and Compliance Manager (Recently Promoted)

THE MERCURY'S FALLING AFTER 20 YEARS

Mercury from products put into the waste stream is declining. Recently, this public health issue has been best highlighted with the revision of guidelines of certain fish consumption. The Environmental Protection Agency (EPA) along with the Food and Drug Administration (FDA) have loosened these guidelines with the implication being that the source of mercury contamination from these sources has decreased. The fish consumption guideline changes may indirectly reflect the findings of the Interstate Mercury Education and Reduction Clearinghouse (IMERC). In 2010, IMERC provided data on the use of mercury sold in products in the U.S. The graphs illustrated devices such as switches/relays, dental amalgam, lamps, batteries and thermostats. The juxtaposition of these two pie charts compared 2001 to 2010. As highlighted in the thermostat slice, there was a noticeable change in mercury in thermostats during this time period as a percentage of the overall pie. In fact, IMERC published that by 2007, mercury use in the production of thermostats was basically nonexistent¹. According to IMERC's fact sheet, "There are non-mercury alternatives that may be suitable for replacing mercury thermostats. Programmable thermostats can save energy and money, by enabling users to automatically adjust the temperature or turn off the heat or air conditioning depending on the time of day." Logically, any decline in thermostat collections can be explained with these overarching constraints.



¹ <http://www.newmoa.org/prevention/mercury/imerc/factsheets/thermostats.cfm>

Looking specifically at the TRC collection data, there has been an irrefutable downward trend in thermostats (on the average) inside the program's recycling containers. What's more is the program's national collections peaked by 2014. At that time, the program would have been in operation at least seven years from last production (2007) of mercury containing thermostats. Or at the beginning of the decline of mercury thermostat production which would have been 10 years (2004). Thus, the further TRC moves from the range of mercury thermostat production (2004-2007), the less the program can reasonably expect to collect since these collected products are fungible. This past year's mercury thermostat collections do, in fact, demonstrate a decline (-2% less than 2016 nationally)². Despite the obvious softening of collections, TRC has recycled more than 2.1 million thermostats, diverting more than 10 tons of mercury from the ecosystem across 48 contiguous states, all within these twenty short years of operation. This is quite an incredible feat.

Amidst the resulting decline in collections, how does the program collect devices that were once widespread in use, do not have a downstream recycled commodity market, and are not uniformly tracked following purchase and installation? The only answer is that you focus on deploying precious resources at targeting the best opportunities within the most promising sectors. You use data, hunches, or metrics. You choose to focus on where there have been consistent numbers inside of the recycling containers and you lean on the stakeholders that make the program a success. In 20 years of operation, we have learned that stakeholders such as the regulatory community, our paying members, the collection points, and vendors hold the keys to our success as an organization. Without them, we do not have a successful recycling program, nor does the environment. Utility driven thermostat replacement programs, the installing HVAC industry, and the waste recycling sector consistently demonstrate that they can stimulate these devices for recycling and are willing actors. To pursue other channels has proven to be inefficient and ineffective. We plan to stay vigilant in the face of the changing thermostat product adoption cycles and the evolving market forces. The reality is that these focuses are not dissimilar to where the program started twenty years ago. These core values of TRC will not and have not changed. No longer is mercury rising and we are proud to willingly have participated in its decline.



A handwritten signature in black ink, appearing to read 'Ryan L Kiscaden'.

Ryan L Kiscaden
Executive Director, Thermostat Recycling Corporation

² Graphs illustrating these two points are available in the 2017 State Specific Collections and Evaluation section of the annual report, see table of contents for page number.

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NATIONAL

2017 ACCOUNTING OF THE PROGRAM EXPENSES

Listed in the table below is TRC's 2017 program expenses compared to 2016. 2017 program expenses are unaudited and are for management purposes only. Prior to submittal of this annual report, the expenses were reviewed by Halt, Buzas & Powell, LTD. A copy of TRC's 2016 IRS Form 990 appears in the appendix.

| Program Component | 2016 | 2017 | % Change |
|---|------------------|------------------|------------|
| Direct Expense for Marketing & Outreach | 1,254,329 | 1,531,703 | 22% |
| Incentive/Promotional Payments | 44,460 | 47,633 | 7% |
| Legal | 30,952 | 219,878 | 610% |
| New Collection Containers | 13,473 | 1,614 | -88% |
| Recycling Costs | 308,899 | 583,829 | 89% |
| Travel | 79,259 | 58,332 | -26% |
| TRC Staff and Administration | 548,137 | 453,693 | -17% |
| Total (expenses) | 2,279,509 | 2,896,682 | 27% |

The program's expenses increased by 27% in comparison to 2016. It is important to report that the program has seen an increase in expenses while the collection rate of thermostats has decreased. The increase in expenses doesn't match the thermostats collected rate (+/- 29%). The recycling program continues to become more expensive to acquire each incremental new thermostat.

New Collection Containers: 2017 marked a year in which the program did not need to order new recycling containers. The noticeable change in ordering bins is tied to the fact locations are returning bins which no longer see thermostats, the re-use of these bins, and the small pail option for collection points. This is in spite of the fact we sent over 500 new, green recycling containers.

Recycling Costs: As expected from last year's annual report, the costs to process thermostats increased by 89%. These costs are directly related to switching the processing facility to Veolia.

Clarification on classes for costs: TRC uses an accounting process in QuickBooks which allows the organization to code expenses to both account code and class. Classes set up for allocation include individual states, a "mandatory" classification, and a "national" classification.

These classifications allow TRC to attribute costs in an appropriate manner. For example, many times marketing activities are best done at the "mandatory" classification for economies of scale. If TRC engages a marketing activity geared towards multiple states (i.e.

a direct mail piece) then TRC will use this category to allocate costs to the “Mandatory” category. As a comparison, we’ve arranged our costs to show the costs of the “Mandatory” classification, “National” classification, and total 2017 expenses. TRC did not allocate any of these costs against state programs.

| Program Component | Mandatory (\$'s) | National (\$'s) | Total Expenses (\$'s) |
|---|------------------|------------------|-----------------------|
| Direct Expense for Marketing & Outreach | 97,095 | 436,624 | 1,573,878 |
| Incentive/Promotional Payments | - | - | 5,458 |
| Legal | 4,228 | 74,966 | 219,878 |
| New Collection Containers | - | 1,614 | 1,614 |
| Recycling Costs | - | 274,518 | 583,829 |
| Travel | 3,219 | 34,550 | 58,332 |
| TRC Staff and Administration | 62,683 | 309,556 | 453,693 |
| Total (expenses) | 167,224 | 1,131,829 | 2,896,682 |

2017 EDUCATION AND OUTREACH

INTERNAL EMPLOYEE PROMOTION

Effective January 2018, Danielle Myers was promoted to Operations and Compliance Manager. She joined TRC in December 2016 as Executive Administrative Assistant & Office Manager. In her new position, she will be responsible for administrative and operations functions, while managing the processing facility's performance, reporting on issues and maintaining regulatory compliance. She holds a Bachelor of Science degree in Leadership, Ethics, and Organizational Sustainability from the prestigious Haub School of Business at Saint Joseph's University. She has been involved in the sustainability industry since 2013.

DIRECT MARKETING (EMAIL, MAIL, OTHER COMMUNICATIONS)

New Member Recruitment

In April of 2017, TRC wrote a press release announcing the newest members that had joined TRC to remain compliant with the Minnesota S.F. No. 2192. TRC mailed a letter along with the press release to 32 non-compliant companies inviting them to join the TRC if they are out of compliance, pertaining to the Minnesota state law requiring all thermostat manufacturers to be responsible for the costs of collecting and managing replaced mercury thermostats.

Current Collection Locations

Collection Containers - From Big Bins to Small Pails.

In 2017, TRC took a proactive step in mandatory states switching some collection locations' containers from a large bin to a small pail [Figure 1.0]. The criteria for the switch-out are locations who have sent their bin in for processing since the beginning of 2016 that contained 6 or less thermostats. These locations can choose to continue using the green bin, but our hope is that we can increase the return rate of our containers with this small pail offering. In theory, the container would fill up quicker and encourage the location to send back sooner. Prior to the strategy being deployed, TRC spoke with the regulatory agencies within California, Maine, and Vermont for a pre-approval of this concept. It was met with fanfare.

Figure 1.0



In 2017, TRC shipped 334 small pails to collection points around the country. These entities either requested the new container when they signed up to participate in the program or were switched out with the campaign mentioned prior.

The large, green bins which have been the staple of the program, continued to place throughout the country. Often times these new bin orders coincide with accounts that open new stores, move or lose their existing containers. Because the containers are re-used, we anticipate that the request for new containers will continue to decrease as the program operates. In 2017, TRC shipped 509 new green bins. In comparison, the program shipped 635 new bins in 2016.

Collection Location Outbound Phone Calls

These calls have been branded internally as the “*Miss You Call*” process. These calls promote collection container returns and in 2017, these calls were handled more efficiently. TRC reallocated resources for *miss you calls* to collection sites, in mandatory states, that have not returned stock-filled bins in over a year. This valuable tactic for bin retrieval normally took between five to twelve hours of an internal TRC employee’s time each month. During the course of each call, a TRC representative would offer to schedule a next-day FedEx pick-up for forgotten bins and have it shipped to Veolia for processing.

Now, these calls are outsourced to the Regus Property Management representatives and Intelligent Office. By outsourcing the work, TRC has amplified its call time to 25 hours a month, and increased the number of bins returned.

The accumulation of these changes has netted the program an increase of 563 calls over 2016. In total, the program called 2,373 current collection locations in 2017.

Collection Location Postcards

Over 13,000 postcards were sent this year to collection locations that haven't shipped a bin in the past year, a 50% increase from 2016.

New for 2017, TRC emailed locations three weeks after receiving a postcard to encourage them to directly ship the container. This email campaign was sent to 2,799 locations.

Collection Location Site Visits

1,698 site visits were completed in California, Connecticut, Illinois, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont. The purpose of site visits is to inform the location of their requirements in participation, what the statute requires of them, shipment of the recycling container, and to answer any questions they may have. Often times, valuable intel is gathered during the site visit which is used to enhance TRC's outreach and other tactics.

Merchandising in-store displays

In 2014, TRC developed branded merchandise displays for its recycling containers. The purpose of the displays is to enhance the visibility and accessibility of the program to contractors at HVAC wholesale locations. Throughout 2017, TRC distributed free branded cardboard displays to HVAC wholesale distributor collection locations to showcase the TRC container. The program continues to discuss and offer these displays to requesting locations. Most of the new requests have diminished but we continue to fulfill replacement needs.

HVAC Industry

The HVAC industry is arguably still the best, most productive and most engaged channel for recycling mercury containing thermostats. We consider this industry to be the manufacturers, wholesale distributors, and contractors which are intimately involved with the recovery of mercury thermostats.

BMOP Competition Announcement

In April, TRC announced the start of the 2017 Big Man on Planet (BMOP) Competition in a mailing to 1,034 HVAC wholesale locations.

TRC Contributed to the HVAC Industry Statement and Recommendations in Flood Zones

This educational informative piece was authored by the Air Conditioning Contractors of America (ACCA), Air Conditioning, Heating, and Refrigeration Institute (AHRI) and Heating, Air-Conditioning, Refrigeration Distributors International (HARDI). TRC contributed

specific content on recycling mercury thermostats. The piece acted as a mailing in Texas and Florida after flooding due to hurricanes [Figure 1.1]. In addition to this piece, Industry experts representing the heating, ventilation, and air conditioning (HVAC) industry released a statement and guidelines regarding flood zones, air conditioning equipment, and hot water heaters. The statement was sent to national publications such as the Washington Post and Good Morning America.

Figure 1.1



HARDI wholesale branch location clean-out mailings.

TRC mailed over 1,000 direct letters to wholesale distributors in mandatory states to remind them to write off old mercury thermostat stock and recycle the new in box products. Many thermostats manufactured prior to 2007 contained mercury and the sale of these devices have been banned by many states. Most distributors had written-off stranded inventory of mercury thermostats, but it was possible that these units were yet to be disposed of and may remain at either branch or central distribution locations. TRC provided materials such as a template of an internal memo to help facilitate this process.

We also reminded them that any mercury thermostats returned from the branches would count towards the Big Man on Planet Competition.

HVAC Educators Training

TRC contracted with an HVAC/R icon, Warren Lupson on helping TRC reach into the next generation of HVAC/R technicians. During the calendar year of 2017, Warren presented information on the recycling program to:

- Alabama Council of Air Conditioning Educators (ACARE) on July 20-21st. The Alabama CARE, hosted by Alabama Power, has a turnout of almost 100% of the state approved school instructors. There were 31 instructors from schools that teach HVAC/R, 8 from the different Alabama Power (Southern Co) HVACR training Centers, 4 wholesalers and some Alabama school officials. From the presentation, there were commitments from 31 instructors that they will put up the TRC posters in their classrooms.

Utility Industry

In 2017, TRC refined its approach on how to engage the utility sector. After a few years of networking, work within the industry and research, it had become apparent to TRC that this sector had three very distinct pathways to pursue. They were the utility companies themselves, the installer/implementer, and community action agencies. Each of these audiences have distinct messaging requirements and informational needs. With these learnings, TRC took the following actions:

1. Purchased research on energy efficiency projects geared towards thermostat replacements and rebates/incentives
2. Attended the Building Owners Management Association national trade show
3. Attended the NJ based PSEG networking event in Newark, NJ which pulled in the Mid-Atlantic utilities companies such as PA and NY based utilities
4. On 6/23, sent an informational email to known utility implementers on the program
5. On 5/23, sent informational email on thermostat recycling to the DOE weatherization program
6. Directly marketed to 392 community action agencies and NGO's which included technical requirements through the NREL. These requirements were directed toward the Standard Work Specifications through the federal DOE and can be located at <https://sws.nrel.gov/spec/531041>.
7. Attended AESP (Association of Energy Services Professionals) and NEUAC and exhibited at NARUC (National Association Regulatory Utility Commissioners) conferences

Household Hazardous Waste (HHW) Industry

Not unlike the utility industry, TRC spent time with the waste-related sector. These attempts were to gain new collection locations, form better relationships with the audience and raise overall awareness of the TRC program. Because of these learnings, TRC took the following actions:

- TRC staff joined the National North American Hazardous Materials Management Association monthly planning committee.
 - Sent a letter to the Energy Recovery Council (ERC) to form a better relationship with its members. ERC is a national trade organization that represents the waste-to-energy industry and communities that own waste-to-energy facilities. Current ERC members own and operate a vast majority of the 77-modern waste-to-energy facilities that operate nationwide, safely disposing of municipal solid waste, while at the same time generating renewable electricity using state-of-the-art technology. ERC's members include Covanta, Wheelabrator and other waste to energy plants. The direct communication hopes to open communication of collaborating and diverting mercury prior to waste-to-energy activities.
 - TRC staff attended and presented at the Association of New Jersey Household Hazardous Waste Coordinators meeting.
 - TRC agreed to formally send to Earth 911 a location list of TRC collection points to promote on its website nearby collection locations.
 - Scoured google alerts for new HHW facilities openings or events to target phone call or email outreach to encourage them to use program. Alerts included articles titled:
 - "Households drop off tens of thousands of pounds of hazardous waste for Delmar safe disposal/recycling"
 - "'Catch-all' recycling event Saturday at fairgrounds"
 - "Hazardous home wastes collected on Oct. 7"
 - Wheelabrator mailing to plants. With TRC's existing relationship with a similar waste-to-energy (WTE) giant Covanta TRC reached to Wheelabrator locations in the northeast corridor, offering to provide them with our recycling containers. A total of ten plants were communicated to - two in Connecticut, three in Massachusetts, one in New Hampshire, three in New York, and one in Pennsylvania.
-

ADVERTISING

Trademarked Logo

In the summer, TRC submitted paperwork to offer trademark protections on its two versions of its logo. The trademark would cement Thermostat Recycling Corporation's business operations and also the branding associated with its logo. In early August TRC received confirmation that the U.S. Trademark Office has received its applications to register its trademarks, and assigned the filing dates and serial numbers. Although the logo was not redesigned, the trademarking process is great way to prove credibility to the organization. [Figure 1.2] demonstrates the application serial numbers submitted.

Figure 1.2



New Creative

TRC, in conjunction with its advertising agency, designed new marketing creative. The creative advertising was developed around recognition of the wallpaper behind a mercury thermostat and the messaging of “protecting your family” from the dangers of improperly disposed of mercury thermostats. [Figure 1.3]

Figure 1.3



TRC also redesigned both its large trade show booth and tabletop display for the 2018 trade show schedule. [Figure 1.4]

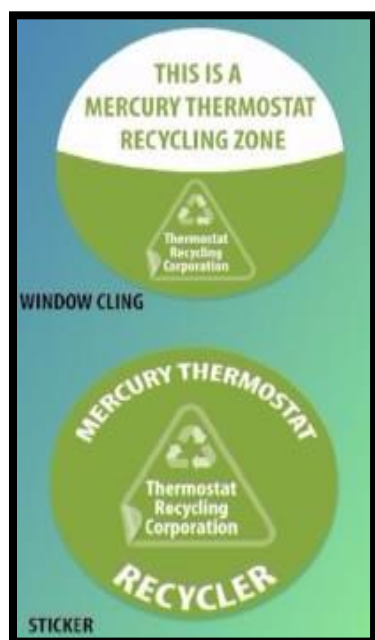
Figure 1.4



Print Advertising

In the summer, TRC redesigned its window clings and stickers. These pieces are included in each new collection container shipment, effectively updating the old materials. [Figure 1.5]

Figure 1.5



Spanish Translations of Marketing Collateral

TRC's marketing collateral was converted to be available in Spanish, as well as English on our website. Items such as posters and brochures were updated in hopes of reaching audiences we haven't in the past. [Figure 1.6]

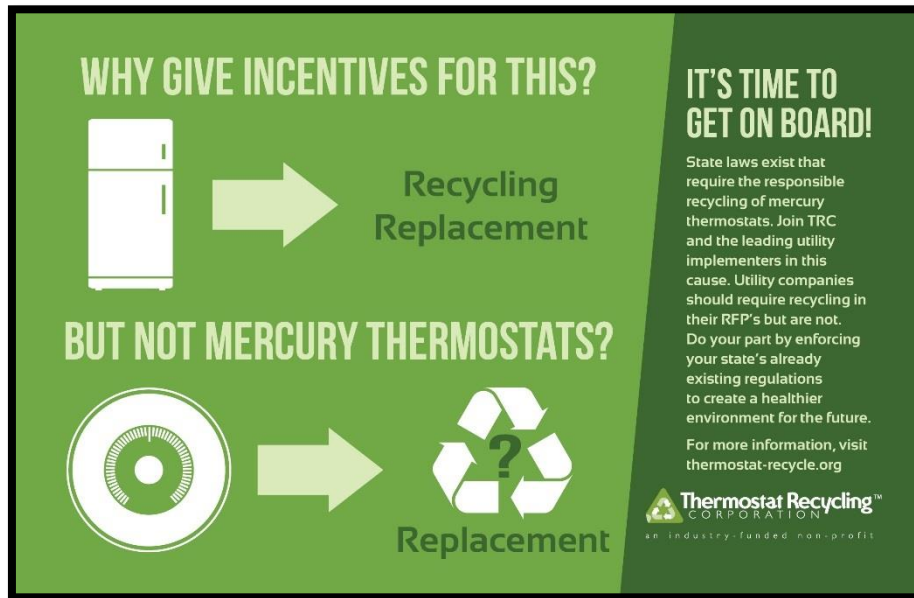
Figure 1.6



National Association Regulatory Utility Commissioners (NARUC) Sponsorship

In addition to attending seminars and exhibiting, TRC was a sponsor of NARUC's 129th Annual Meeting and Education Conference held in Baltimore. TRC's intent was to spread awareness the recycling program and coordinate efforts which would lead to utility companies being required to include the recycling of mercury thermostats in their request for proposals. [Figure 1.7]

Figure 1.7



NEUAC Conference Program Book: June 26th-June 28th Conference [Figure 1.8]

- Field Served: NEUAC is a broad-based coalition of diverse organizations with a mission to increase awareness and understanding of the needs of low-income and moderate-income energy policy; and provide information, data and technical assistance in the creation and development of fuel funds and statewide fuel fund networks.
- Full page, 4C Ad 8 1/2" x 11"
- Tote bag insert - 700 pieces

Figure 1.8



Lodging Engineer Digital Magazine: National Association of Hotel & Lodging Engineers

- Field Served: Official trade publication of NAHLE. The magazine provides valuable information and insightful coverage of all aspects of hotel engineering. Topics include: federal and state regulations, operations, energy and water management, building systems, human resources, building envelope and grounds, new technology, project management, maintenance, renovations, sustainability and personal development.
- Full page, 4C 7/14" x 10"
- Summer Issue
- Total Impressions Delivered: 23,211

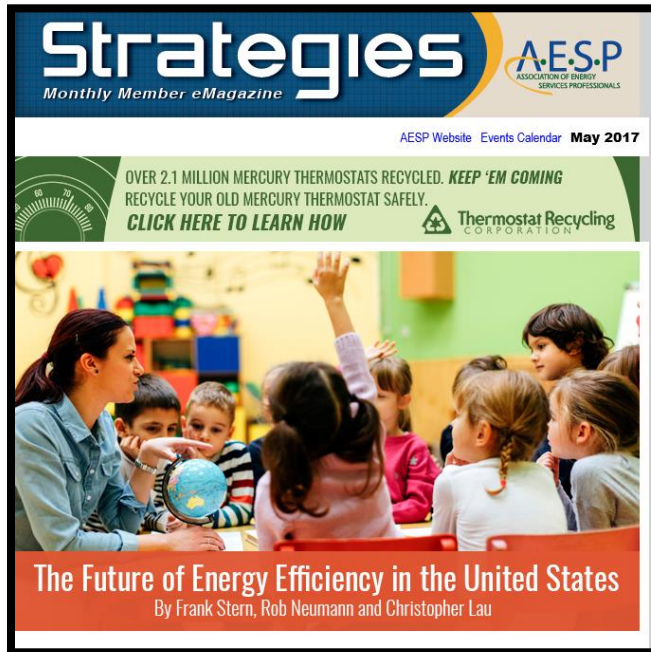
Digital Advertising

The digital advertising was a combination of digital video, display, and Google AdWords. These ran on YouTube (video) and in website ad networks that are grouped by category like "Green Living" or "Working Man." These ad networks are made up of any number of dozens of sites that appeal to a particular type of person, the environmentalist or the contractor, for instance.

AESP Newsletter [Figure 1.9]

- Field Served: Readers are involved in the energy efficiency, demand response and demand side management industries.
- Deployment: 8,000
- Used earned points for initial sponsorship and ran 3 paid sponsorships - Masthead Banner
- Total Impressions Delivered: 30,306

Figure 1.9



AHRI Weekly Digest E-Newsletter

- Top Banner Ad 468 x 60
- 1,706 deployed weekly on Monday to heating and commercial refrigeration manufacturers
- Total Impressions Delivered: 13,644

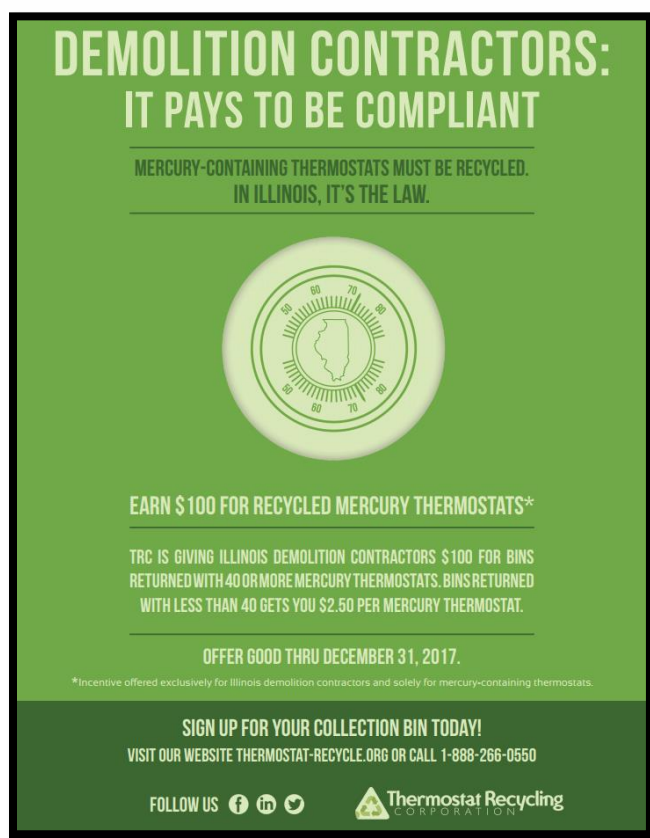
NAHMMMA News Watch E-Newsletter

- Box Banner Ad 300 x 250
- 1,811 deployed every other week on Thursdays to Municipal hazardous waste professionals
- Total Impressions Delivered: 5,606

National Demolition Association E-Newsletter [Figure 1.10]

- Box Banner Ad 300 x 250
- 1,629 deployed weekly on Monday to demolition professionals
- Total Impressions Delivered: 6,491

Figure 1.10



Google AdWords

In 2017, Google AdWords were optimized via paid search. TRC bid on keyword terms and phrases in order to have our paid placement appear at the top of search result pages on Google.

Social Media

In 2017, TRC took a more active role creating and sharing content via its LinkedIn, Twitter, and Facebook pages. The engagement helped raise awareness of the program and enhanced important relationships throughout TRC target audiences. Some examples include:

BMOP Contest Facebook Promotion [Figure 1.11]

- 1,553 reached
- 627 engagements

Figure 1.11



Earth Month Social Media Blitz

In honor of April's Earth Month, TRC developed a general public awareness ad that was distributed to all TRC members through representatives on the newly-formed marketing committee. Many members posted the graphic on their own social media outlets to help broadcast the TRC message. Additionally, TRC posted a [blog](#) on its website in support of the ad and issued a press release to media in the Philadelphia region in hopes of garnering additional attention. [Figure 1.12]

Figure 1.12



America Recycles Day

November 15 was America Recycles Day. TRC took part in the Keep America Beautiful initiative by raising awareness about the value and benefits of reducing, reusing and recycling via social media, as well as supporting our collection partners in their efforts.

Executive Director Authored Blogs

On TRC's website and the TRC LinkedIn account, the Executive Director authored four unique blog posts on topics ranging from best practices for trade shows, TRC's data learnings, and recycling.

Earned Media

- TRC's member, Burnham Holdings ran an article authored by TRC entitled, "How to Profit with Mercury Thermostat Recycling".

Press Releases

- On March 02, 2017, TRC released the "TRC Names Franklin Energy Services Illinois' Collection Partner of the Month".
- On April 20, 2017, TRC released the "Thermostat Recycling Corporation (TRC) Announces Addition of First Non-Mercury Thermostat Manufacturers to Its Membership".
- On May 31, 2017, TRC released the "TRC Major Announcement: Big Man on Planet Competition Registration Deadline Moved to June 31st".

- On Jul 13, 2017, TRC released the “MAJOR ANNOUNCEMENT: TRC Changes Eligibility for 2017 BMOP Competition and Announces Two New Contest Categories”.
- On Aug 23, 2017, TRC released the “Chittenden County, VT., Leads Nation's Household Hazardous Waste Sector in Recycling Mercury Thermostats”.
- On Oct 19, 2017, TRC released the “Thermostat Recycling Corporation and Wheelabrator Technologies Team Up to Recycle Mercury Thermostats in Massachusetts”.
- On Dec 05, 2017, TRC released the “TRC Announces 2017 Big Man on Planet Competition Winners”.

TRC Website

TRC has maintained a website for several years. In 2017, updated two specific features on its website.

1. TRC sign up form enhancement.

With the revelation of the new pail offering for collection sites, TRC updated it's sign up form to consolidate incoming container orders. The form consolidates location types and integrates all the information requests onto one form. There now is a one-page form for small pails and a large green bin order form. These changes streamline the process for locations ordering containers. The website was a direct beneficiary of this change by allowing for the new location to understand the sign-up easier.

2. Logic for displaying collection locations.

In the past, the database informed the zip code finder which locations to display. The logic for displaying available locations which collect mercury thermostats was very complicated and cumbersome. In 2017, we reduced the complexity by allowing our database to create a static check mark option for displaying on the website. This enhancement was a direct result of locations which were concerned about displaying to the public, HHW's which had complicated location management, and HVAC contractors which did or did not want to be displayed.

2017 Trade Shows, Conferences, And Presentations

TRC staff attended, exhibited, sponsored and/or presented at the following national events:

| Date | Event | Location | Description |
|------------------|---|----------------|--|
| January | | | |
| 30th -1st | Air-Conditioning, Heating, and Refrigeration Institute Expo | Las Vegas, NV | TRC staff attended and exhibited at the largest HVAC Expo in the world. |
| February | | | |
| 1st-2nd | Efficiency Vermont | Burlington, VT | TRC attended the event and networked with VT current and prospective collection locations. |

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| | | | |
|--------------------|---|-----------------------|--|
| 13th - 16th | Association of Energy Service Professionals (AESP) | Orlando, FL | AESP is the premier organization for professionals in the energy efficiency industry. Over 300 industry professionals attend the event including utility professionals and industry advisors/implementers. |
| March | | | |
| 19th | ECOS (Environmental Council of States) Webinar Presentation | Internet/Computer | TRC presented to interested parties an update on the collection program. |
| 19th-22nd | Home Performance Coalition | Nashville, TN | TRC attended the conference and joined over one thousand residential energy efficiency professionals for networking. |
| 20th-22nd | IE3: Indoor Environment & Energy Expo | Nashville, TN | This expo is the largest marketplace for the indoor environmental and energy services contracting industry. TRC staff exhibited and promoted the program to attending HVAC contractors. |
| 27th | Mass Recycle Event | Framingham, MA | TRC exhibited at Recycling & Organics Conference & Trade Show, the biggest annual recycling and organics conference in the Commonwealth of Massachusetts. |
| April | | | |
| 6th | Association of NJ Household Hazardous Waste Coordinators | Ocean County, NJ | TRC presented to the members of the ANJHHWC on the recycling program. |
| 24th-25th | Maine Resource Recovery Association | Rockport, ME | TRC sponsored this conference where experts and service providers from across the spectrum of the recycling and solid waste industry come to address current topics in materials management. |
| 25th | Plumbing, Heating, Cooling Contractors (PHCC) Expo | Pleasanton, CA | TRC exhibited at this expo attended by contractors. |
| May | | | |
| 21st-25th | Eastern Energy Expo (OESP) | Hershey, PA | TRC attended the trade show that offers the latest products and services for the petroleum marketing and HVAC industry. |
| 23rd | Heating, Air-conditioning and Refrigeration Distributors International (HARDI) fly-in | Washington, DC | TRC meet with representatives alongside HVAC industry professionals to affect policy and make a difference. |
| June | | | |
| 15th | AESP Mid-Atlantic Seminar | Newark, NJ | TRC attended the local seminar for energy efficiency professionals. |
| 24th-27th | Building Owners and Managers Association International (BOMA) | Nashville, TN | TRC attended this commercial real estate conference focused on innovative solutions and cost-cutting strategies. |
| 26th-28th | National Energy & Utility Affordability Coalition (NEUAC) | Ft. Lauderdale, FL | TRC attended the conference where over six hundred leaders within the energy assistance community gather to share solutions. |
| July | | | |
| 19th | Local Rotary | Montgomery County, PA | TRC presented to the local rotary club on our recycling program. |
| 25th-26th | Product Stewardship Institute (PSI) Forum | Boston, MA | TRC presented at the forum where they discuss current product stewardship trends in the U.S. |

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| | | | |
|--------------------|--|------------------|--|
| 26th-28th | Professional Recyclers of Pennsylvania (PROP) Conference | Valley Forge, PA | TRC presented a session on mercury thermostats at the event where you can connect with solid waste and recycling professionals from throughout Pennsylvania and surrounding states. |
| August | | | |
| 9th-11th | Missouri Recycling Association Conference | Osage Beach, MO | TRC's board member, John Sartain, presented on the mercury thermostat recycling program. |
| 12th - 15th | American Society of Association Executives (ASAE) Conference | Toronto, Canada | TRC's executives attended the annual meeting where thousands of association professionals and industry partners gather to exchange time, resources, strategies, solutions, and more. |
| 14th-17th | North American Hazardous Materials Management Association (NAHMA) | Clearwater, FL | TRC exhibited at the national conference that brings together hazardous waste professionals, buyers, and industry leaders from municipal collection programs throughout the US. |
| 17th | APR Supply Show | Hershey, PA | TRC exhibited at the APR buying show. |
| 20th-23rd | California Resource Recovery Association (CRRRA) Conference | San Diego, CA | TRC attended the conference about recycling and sustainable materials management in California. |
| 30th | Product Stewardship Meeting | Washington, DC | TRC's Executive Director met with other EPR Executives, such as Cal2Recycle and PaintCare, to discuss best practices and joined efforts. |
| September | | | |
| 17th-19th | HARDI (Sales and Marketing) | Philadelphia, PA | TRC attended and exhibited at the conference where HVAC leaders learn about leveraging emerging. |
| October | | | |
| 4th-6th | Plumbing, Heating, Cooling Contractors (PHCC) Expo | Milwaukee, WI | TRC attended this expo along with many HVAC contractors. |
| 25th- 27th | National Multifamily Housing Council Expo | Las Vegas, NV | TRC attended this expo with leaders in the apartment industry. |
| 26th-27th | Keystone Energy Efficiency Alliance (KEEA) Conference | Hershey, PA | TRC attended the conference that is dedicated to promoting the energy efficiency and renewable energy industries in Pennsylvania. |
| November | | | |
| 2nd | Institute of Heating and Air Conditioning Industries (IHACI) Annual Trade Show | Pasadena, CA | TRC exhibited at this show attended by many experts in the HVAC industry. |
| 2nd | AESP - Strategies for Delivering Marketing Excellence Conference | Philadelphia, PA | TRC attended a training in regards to marketing with the utility sector. |
| 12th - 15th | National Association of Regulatory Utility Commissioners Annual Conference | Baltimore, MD | TRC exhibited at the conference where members gather to set policy, share best practices, and discuss crucial industry issues. |
| 15th | Product Stewardship Meeting | Washington, DC | TRC's Executive Director met with other EPR Executives, such as Cal2Recycle and PaintCare, to discuss best practices and joined efforts. |
| 21st | Keep Philadelphia Beautiful Meeting | Philadelphia, PA | TRC staff met with KPB's Executive Director to discuss areas of opportunity. |

| December | | | |
|-----------|--|---------------|---|
| 2nd - 5th | Heating, Air-conditioning and Refrigeration Distributors International (HARDI) Annual Conference | Las Vegas, NV | TRC staff again exhibited at this event and presented its annual "Big Man on the Planet Award." |

2017 Promotional Items

TRC distributed a little over 500 can koozies while exhibiting at various expositions throughout 2017. [Figure 1.13]

Figure 1.13



OTHER ENGAGEMENT

Product Stewardship Institute (PSI)

TRC worked in collaboration with PSI throughout the year of 2017 by being a panelist on two webinars, contributing the TRC name to outreach efforts in which PSI was awarded through the USDA, and by speaking at the PSI bi-annual Forum held in Boston, MA. TRC staff Ryan Kiscaden, Danielle Myers, and Tom Murray shared their expertise for these various presentation platforms.

Environmental Protection Agency (EPA) expert, Tom Murray, represented TRC as a presenter for the Product Stewardships Institute's (PSI) April 19th webinar. Murray, specifically, gave a historical overview about mercury and underscored the heightened role

of industries, such as combustion coal, contributing to environmental contamination. Murray also detailed how TRC works in conjunction with statewide regulatory programs throughout the U.S., and explained that mercury-containing thermostats is an issue with an end in sight.

Ryan Kiscaden presented at the PSI's bi-annual forum (July) on the subject of mercury thermostat collections present and future. At this event, he introduced the concepts of which mercury thermostats largely are collected from (boiler systems in cold, very-cold climate zones) and his vision for the future collection program's focus.

Danielle Myers administered the webinar in which industry and government entities shared ways to improve outreach and education to increase recycling and decrease waste. From print media (such as flyers and brochures) to web-based media (such as social platforms, video, and infographics), outreach and education the webinar detailed proven ways at increasing thermostat collection.

TRC lent its name to PSI grant proposal "Reducing the Impact of HHW on Water Resources in Low-income, Rural Communities" directed to the USDA and also contributed thought leadership time on best ways to approach rural communities. PSI's grant attempted to place recycling containers with the following areas:

1. Alutiiq Tribe of Old Harbor, AK
2. Del Norte County, CA
3. Inyo County, CA
4. Lassen County, CA
5. Mendocino County, CA
6. Hazard, KY
7. Town of Lincoln (in Penobscot County), ME
8. Town of Hartwick, NY
9. Malheur County, OR
10. Walden, VT
11. Chelsea, VT
12. Woodbury, VT
13. Quilcene, WA
14. Brinnon, WA
15. Klickitat County, WA

At the end of 2017, TRC signed a letter of support for PSI to apply for similar USDA grants. The letter dated December 18, 2017 detailed the support of the Product Stewardship Institute's application for funding through the (USDA) Rural Utilities Services' fiscal year 2018 Solid Waste Management Program.

PROMOTIONAL CAMPAIGNS

Big Man on Planet Competition

HARDI members, comprising more than 1,000 distributor locations nationwide, competed against one another for top honors. In 2017, TRC had 102 Wholesale Members participate in the competition (compared to 24 the year before), who collected a whopping 370.95 lbs. of mercury during May 1st through October 31st. Winners were announced at HARDI's annual conference, December 2nd – 5th, in Las Vegas.

The 2017 BMOP Award winners were as follows:

TOP PRIZE WINNERS

- Most amount of mercury recycled overall (157.16 pounds) – Johnstone Supply, National
- Highest average amount of mercury recycled (12.3566 pounds) – Tower Equipment, Connecticut
- Highest participation rate for distributors with over 10 locations (92%) – Johnson Supply, Texas and Louisiana [Figure 1.14]

Figure 1.14



TOP 3 BRANCHES FOR RECYCLING

- Tower Equipment - Stratford, Connecticut (12.3566 lbs.)
- Johnstone Supply - Appleton, Wisconsin (6.6588 lbs.)
- Johnstone Supply - Columbus, Ohio (4.774 lbs.)

MVP AWARD

- Aireco Supply Co. (11 lbs. of mercury across 22 locations)

ROCK STAR AWARD

- Aireco Supply Co.
- APR Supply Co.
- Auer Steel & Heating Supply
- Corken Steel Products Co.
- Crescent Parts & Equipment Co.
- Duncan Supply Co.
- Ferguson Enterprises
- Gustave A. Larson
- GW Berkheimer Co.
- Harry Alter Co.
- Johnson Controls UPG Parts Store
- Johnson Supply
- Tower Equipment
- US Air Conditioning Distributors

* Note - Johnstone Supply an industry specific catalogue featured TRC's BMOP Campaign at no-charge to TRC. [Figure 1.15]

Figure 1.15



2018 PROGRAM MODIFICATIONS

Thermostat Recycling Corporation's 2018 Goals

TRC has continued to set high level annual goals for the organization. These goals assist in decision making and prioritization of activities. For the calendar year of 2018 TRC plans to focus on:

1. Continuing to fulfill state statutory requirements, agreements and other arrangements for regulatory compliance.
2. Targeting mercury thermostat collections at (3) key industries; Utilities, waste-related sector, and HVAC. Other key audiences vary by state and requirements.
3. Finishing business intelligence upgrades to systematizing operations and data reporting.
4. Elevating the TRC staff by investing in skills, experiences and continuing educational opportunities.
5. Maintaining and building relationships with key stakeholders (regulatory, members, collection points, and vendors)

In addition to these goals, TRC set specific tasks which we plan to focus on. Completion of these tasks aids in the overall organization's goals.

1. Finalize new database. These enhancements to our database include:
 - Tracking small bins
 - Tracking clear vs. green liners
 - Consolidating all CRM's into one package
 - Importation of all historical data
 - Overlaying collections to climate zone
2. Develop and finalize utility industry specific marketing collateral.

This industry will require three specific pieces of collateral. The pieces will be geared towards the utilities themselves, the installers/implementers, and the community action agencies. The collateral will be valuable leave behind materials for upcoming trade shows and direct marketing initiatives.

3. Look for opportunities to switch collection points to small pails.

The staple green recycling container will remain an option for all collection locations. This container has been a part of the organization's branding, its mechanism for compliance, and is the largest container available in meeting DOT shipping regulations for universal

waste. However, a smaller recycling container can help resolve rural collection issues and provide an additional, perhaps desirable collection mechanism for others.

4. Audit our processing facility every other year.

TRC gained great operating efficiencies by walking the processing floor and looking for ways to improve the program's performance. The processing center was audited in 2017 and we plan to audit in 2019.

5. Attend 2018 events such as trade shows and conferences.

Arguably, one of the best avenues for TRC. Continuing to grow relationships while displaying our wares, networking, and attending conferences continues to be a great investment for the program. Below is a list of events which TRC likely will attend or exhibit at.

| Date | Show | Location |
|-----------------|---|----------------------|
| January | | |
| 22nd-24th | AHR Expo | Chicago, IL |
| February | | |
| 7th -9th | MEEA | Chicago, IL |
| 7th-8th | Efficiency Vermont | South Burlington, VT |
| 12th-14th | IE3 Show (ACCA) | Washington, DC |
| 13th-14th | Home Performance Contractors - New York | Saratoga Springs, NY |
| 19th-22nd | Association for Energy Services Professionals | New Orleans, LA |
| March | | |
| 5th - 7th | SWANA-Palooza | Denver, CO |
| 10th | Plumbing, Heating Cooling Contractors of MA | Marlboro, MA |
| 26th | Mass Recycle Trade Show | Framingham, MA |
| 26th-28th | HVAC Excellence Educators Conference | Las Vegas, NV |
| April | | |
| 23rd-26th | Home Performance Contractors - National | Philadelphia, PA |
| May | | |
| 8th-9th | BuildingsNY | New York, NY |
| 20th-23rd | NY FEDERATION | Sagamore, NY |

| | Conference | |
|-------------------------------------|--|-----------------|
| 22-23 | HARDI Fly-In | Washington, DC |
| June | | |
| 25th-27th | NEUAC Conference | Phoenix, AZ |
| July | | |
| 25th-27th | Professional Recyclers of Pennsylvania | Harrisburg, PA |
| August | | |
| 27th-31th | NAHMMA - National | Portland, ME |
| September | | |
| 25 th – 28 th | E Source Forum | Denver, CO |
| October | | |
| 9th - 11th | E-Scrap Conference | New Orleans, LA |
| 25th-26th | KEEA Conference | Harrisburg, PA |
| November | | |
| TBD | NERC Conference | Hartford, CT |
| TBD | IHACI Annual Trade Show | Pasadena, CA |
| December | | |
| 1st - 4th | HARDI Annual Conference | Austin, TX |

- Attend and integrate learnings from other EPR products after Executive Director in-person meetings.

TRC attends an in-person meeting in which other EPR products (paint, batteries, mattresses) also directly participate in. This meeting occurs throughout the year. TRC has derived great share-able best practices by attending these meetings and always learns something new to implement into its recycling program.

- Announce the organization's 20TH anniversary of operation.

Twenty years went by very fast. We are proud to have operated for 20 years. We plan to release this news via a press release, social media and possibly earned media. The celebration is official on October 24th but we plan to acknowledge all year.

- Build a hypothesis library.

Throughout the year, great ideas on how to modify the program are raised. A hypothesis library will allow TRC to track these ideas, develop and test them. We view this as the best curator for new innovations at the organization. It is possible items which are brainstormed using this process will be developed and fully implemented in 2018 or developed for future years.

- Target smart home automation installers with outreach and awareness.

The burgeoning marketing for IoT (internet of things) connected devices is a fast-growing market. There are many new players such as Amazon, Best Buy and Cable TV providers that are getting into the installation and sales of these new smart products. It is undetermined which entities will be installing these products.

10. Practice the internal TRC Sustainability policy.

TRC has created a sustainability policy and guidelines that support TRC as an environmental nonprofit. Some of the initiatives are:

- Using 2-sided and grayscale defaults for all office printers
- Using recycled paper 100% of the time for printing internal documents
- 100% of all marketing material printed on recycled products

11. Update the TRC website.

The project will be to enhance the searchability through Google for TRC's website. In turn, by strengthening the SEO of the website, should allow for an increase of the digital Google AdWords spend by the terms we buy to be efficient. In addition to SEO enhancement, the website will undergo a content re-organization which will tailor itself to the user's experience on the website. In theory, it should be more user-friendly.

12. Roll-out editorial releases.

| EDITORIAL CALENDAR 2018 | |
|------------------------------------|---|
| Tactic | Description |
| Blogs | at least 1x/Month |
| January | Philadelphia Power; Danielle Myers Promotion |
| February | Chicago's Mercury Bean |
| March | Strategies Blog (tied to article) |
| April | Extension of EPR (Voluntary) |
| May | Myth Busters About Recycling Mercury Thermostats |
| June | Smart thermostat proliferation |
| July | Creation of Recycling Your Thermostat Day |
| August | Utility Best Practice (Maybe Release) Using CT & NY as examples |
| September | Is It Really California Dreaming When Recycling Thermostats |
| October | 20th Anniversary: Blog & Op-Ed |
| November | Thermostats, Collections and Kids |
| December | Tribute Blog: A Look Back at the Winners of the BMOP & Current Winner |
| Press Releases/Earned Media | at least 1x/Month |

| | |
|---------------------------------|--|
| January | Collection Partner of the Month sent to industry pubs & IL contacts |
| February | Danielle Myers Promoted to Manager |
| March | Smart thermostat proliferation |
| April | Who is leading for first quarter returns; 40 Under 40 Award |
| May | The Consumer Paradox: Why Replacing Thermostats Doesn't Work With Consumers |
| June | Creation of Recycling Your Thermostat Day |
| July | BMOP; Who is leading for second quarter returns |
| August | The Golden State Initiative: Why It Works in California |
| September | Recycling Mercury Thermostats: Industry Spending More for Fewer Collections |
| October | The Cold Weather Jump Start: Replace Your Thermostat Before Kicking on the Furnace, 20th Anniversary |
| November | Thermostats, Collections and Kids |
| December | Top 10 Collection Sites - Mandatory vs Non-Mandatory; Winner BMOP |
| January Through December | Earned Media -- Monthly Efforts |

MONTANA

2017 COLLECTIONS AND EVALUATION

SECTION 0: Program Overview

The following analytical report details the annual program performance for mercury thermostat collection in the state of Montana in 2017. A few program highlights for 2017 are included below:

- In 2017 the program **collected 1.17 lb of mercury** in Montana. Since 2008, the mercury collected in Montana has increased by an annual average of 19% per year. During the same time period, total mercury collected nationally increased by 4% per year.
- The program collected **173 whole thermostats in 2017**, a 63% decrease from 2016 and a 60% decrease from a decade ago. However, the increase in number of thermostats collected annually in Montana was an average of 27% since 2004.
- **The number of whole thermostats collected per bin in 2017 was 25 thermostats.** This is less than the 14-year state average of 68 thermostats per bin.
- The Montana counties that returned the most thermostats in 2017 were **Yellowstone County (129 thermostats), and Missoula County (34 thermostats).**
- In 2017, **25% of partner locations returned at least one bin** compared to a national average of 32%.
- In 2017, **33 ‘Miss You’ calls were conducted in Montana** but there was no statistically significant relationship between calls conducted and bins returned.
- In addition to the 173 whole thermostats returned, 1 loose switch was collected, bringing the total number of “thermostat equivalents” returned in 2017 to 174, a decrease of 64% from 2016.

SECTION 1: Program Analytics

Section 1 of this report examines the annual performance of the thermostat collection recycling program in terms of bins, thermostats, and mercury collected as well as the year-over-year progression of the program.

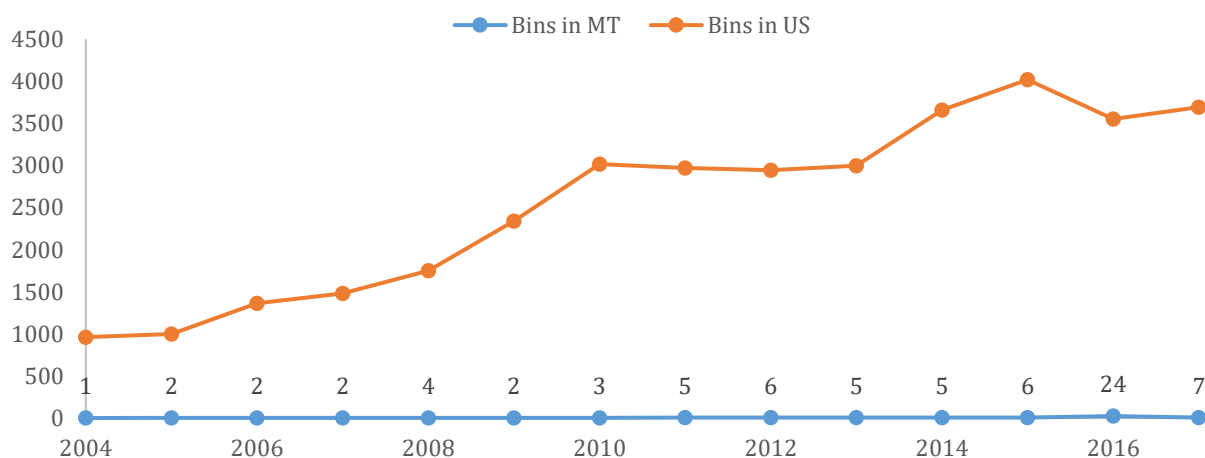
On average, the program has **collected 2.1 lb of mercury and 263 whole thermostats per year** since 2004. In 2017 the program **collected 1.2 lb of mercury from 173 whole thermostats and 1 loose switch**. Figure 1.1 displays the total number of bins, thermostats, and quantity of mercury collected in the state since the beginning of the program.

FIGURE 1.1: PROGRAM PERFORMANCE OVER TIME

| Year | Number Bins | Number Stats | Lb. Mercury |
|----------------|-------------|--------------|-------------|
| 2004 | 1 | 84 | 0.6 |
| 2005 | 2 | 167 | 1.4 |
| 2006 | 2 | 187 | 1.4 |
| 2007 | 2 | 174 | 1.3 |
| 2008 | 4 | 435 | 3.2 |
| 2009 | 2 | 124 | 1.3 |
| 2010 | 3 | 277 | 2.0 |
| 2011 | 5 | 274 | 3.5 |
| 2012 | 6 | 424 | 3.2 |
| 2013 | 5 | 399 | 3.1 |
| 2014 | 5 | 270 | 2.4 |
| 2015 | 6 | 229 | 1.6 |
| 2016 | 24 | 468 | 3.3 |
| 2017 | 7 | 173 | 1.2 |
| <i>Average</i> | <i>5</i> | <i>263</i> | <i>2.1</i> |
| <i>Total</i> | <i>74</i> | <i>3,685</i> | <i>29.4</i> |

Figure 1.2 displays the number of bins collected in the state over time as well as the total number of bins collected nationally over the same period. The figure shows the number of bins collected annually ranged from 1 to 6 bins from the start of the program in 2004 to 2015. In 2016, bin returns jumped from 6 in 2015 to 24 bins and has fallen to 7 bins in 2017.

FIGURE 1.2: BINS COLLECTED OVER TIME IN THE STATE AND NATIONALLY



Since 2008, the average of annual increases in mercury collected is 19% in Montana. During the same period, the quantity of mercury collected nationally increased by an average of 4% per year. **In 2017, the quantity of mercury collected decreased by 65% from 2016.** Figure 1.3 displays the quantity of mercury collected in the state over time as well as the annual percent increase (or decrease) in the state and the U.S..

FIGURE 1.3: QUANTITY OF MERCURY COLLECTED IN PROGRAM AND ANNUAL CHANGES IN THE STATE AND U.S.

| Year | Total Lb. Hg | % Change State | % Change U.S. |
|---------------------------|--------------|----------------|---------------|
| 2004 | 0.6 | N/A | 17% |
| 2005 | 1.4 | 142% | 11% |
| 2006 | 1.4 | 4% | 32% |
| 2007 | 1.3 | -7% | 2% |
| 2008 | 3.2 | 145% | 16% |
| 2009 | 1.3 | -60% | 16% |
| 2010 | 2.0 | 50% | 26% |
| 2011 | 3.5 | 77% | 4% |
| 2012 | 3.2 | -9% | -5% |
| 2013 | 3.1 | -2% | -5% |
| 2014 | 2.4 | -21% | 13% |
| 2015 | 1.6 | -35% | -1% |
| 2016 | 3.3 | 109% | -15% |
| 2017 | 1.2 | -65% | -7% |
| <i>Average Since 2008</i> | 2.5 | 19% | 4% |

The state of Montana collected 173 thermostats in 2017. This was a **63% decrease over 2016 and a 60% decrease from a decade ago**. The average of annual increases in thermostats collected in Montana is **24% since 2008**. Yearly increases in the U.S. averaged 4% over the same period. Figure 1.4 displays the total number of thermostats collected in the state and nationally, and Figure 1.5 displays the underlying data as well as annual percent change.

FIGURE 1.4: NUMBER OF WHOLE THERMOSTATS COLLECTED OVER TIME IN THE STATE AND NATIONALLY

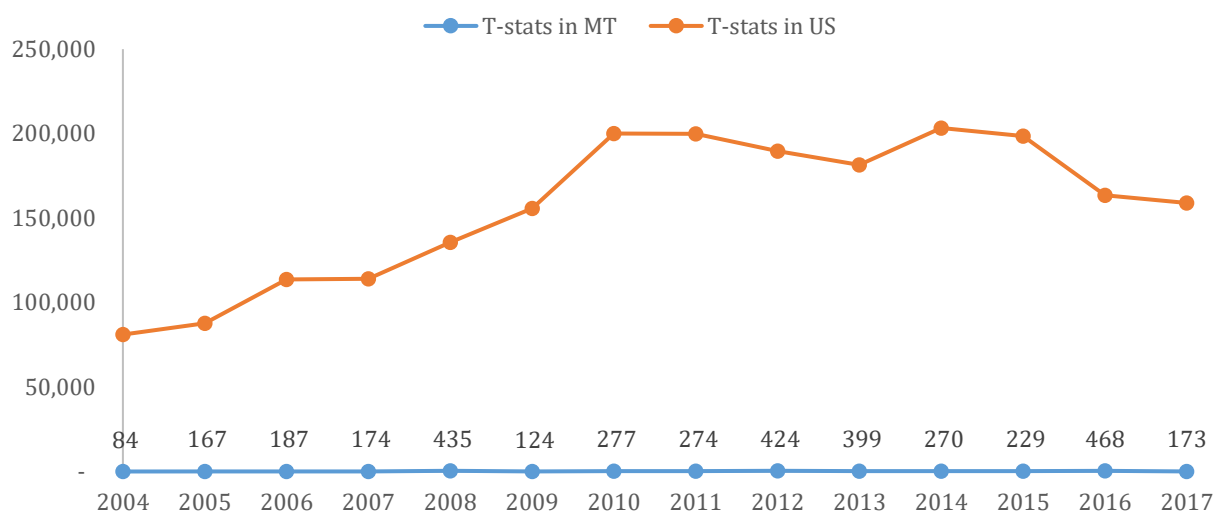
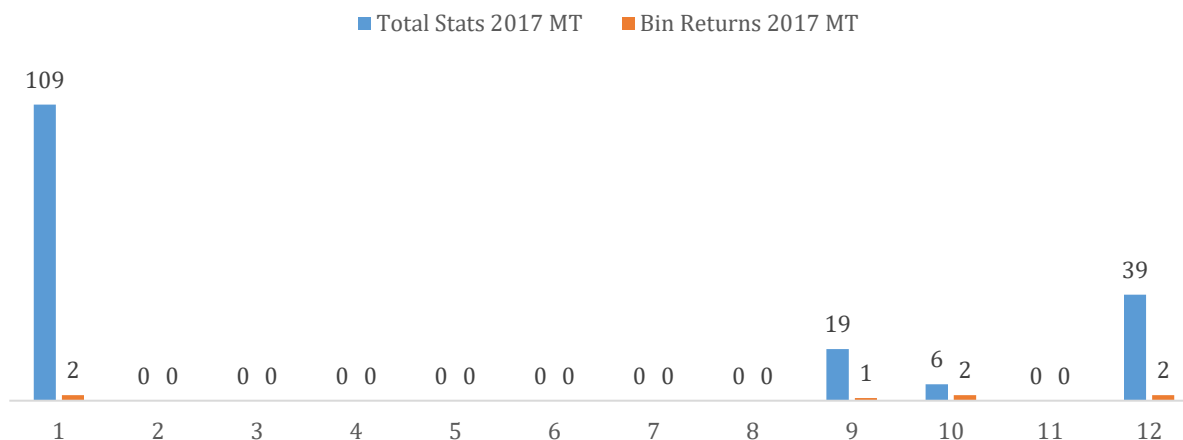


FIGURE 1.5: WHOLE THERMOSTATS COLLECTED IN MONTANA AND U.S. OVER TIME

| Year | T-stats in MT | T-stats in U.S. | % Change State | % Change U.S. |
|---------------------------|---------------|-----------------|----------------|---------------|
| 2004 | 84 | 81,115 | - | - |
| 2005 | 167 | 87,754 | 99% | 8% |
| 2006 | 187 | 113,658 | 12% | 30% |
| 2007 | 174 | 114,158 | -7% | 0% |
| 2008 | 435 | 135,646 | 150% | 19% |
| 2009 | 124 | 155,731 | -71% | 15% |
| 2010 | 277 | 200,064 | 123% | 28% |
| 2011 | 274 | 199,918 | -1% | 0% |
| 2012 | 424 | 189,619 | 55% | -5% |
| 2013 | 399 | 181,600 | -6% | -4% |
| 2014 | 270 | 203,346 | -32% | 12% |
| 2015 | 229 | 198,603 | -15% | -2% |
| 2016 | 468 | 163,606 | 104% | -18% |
| 2017 | 173 | 159,046 | -63% | -3% |
| <i>Average Since 2008</i> | <i>307</i> | <i>178,718</i> | <i>24%</i> | <i>4%</i> |

Figure 1.6 displays the monthly distribution of bins and thermostats collected in the state in 2017. The most number of thermostats were returned in **January (109 thermostats) and December (39 thermostats)**. Two bins were returned in January, October, December and one bin was returned in September.

FIGURE 1.6: WHOLE THERMOSTATS AND BINS COLLECTED PER MONTH IN 2017

The highest number of thermostats per bin returned occurred in **January (55 thermostats per bin)** and **December (20 thermostats per bin)**. Figure 1.7 shows the average number of thermostats per bin per month for the year.

FIGURE 1.7: AVERAGE THERMOSTATS PER BIN RETURNED PER MONTH

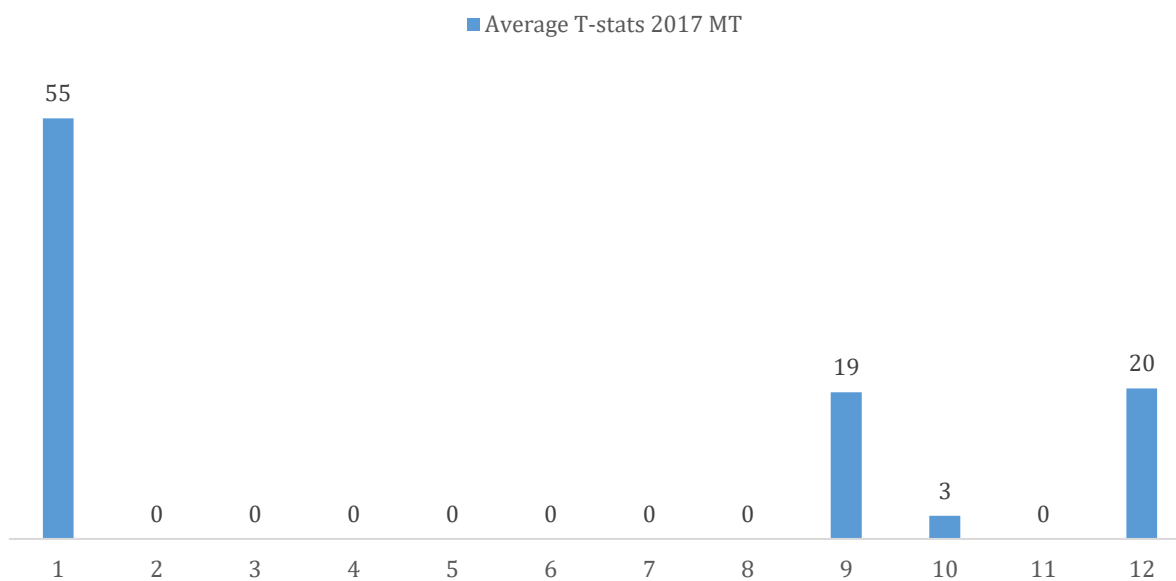


Figure 1.8 displays the average number of thermostats returned per bin in the state and nationally since the beginning of the state program. Nationally, the number of thermostats per bin has been decreasing annually since 2000. In Montana a similar pattern is observed, apart from 2008, 2010, and 2013 during which thermostats per bin spiked upward. The number of thermostats per bin in 2017 (**25 thermostats per bin avg.**) was the second lowest on record but up from the lowest in 2016 (20 thermostats per bin avg.).

FIGURE 1.8: AVERAGE NUMBER OF THERMOSTATS PER BIN OVER TIME IN THE STATE AND NATIONALLY

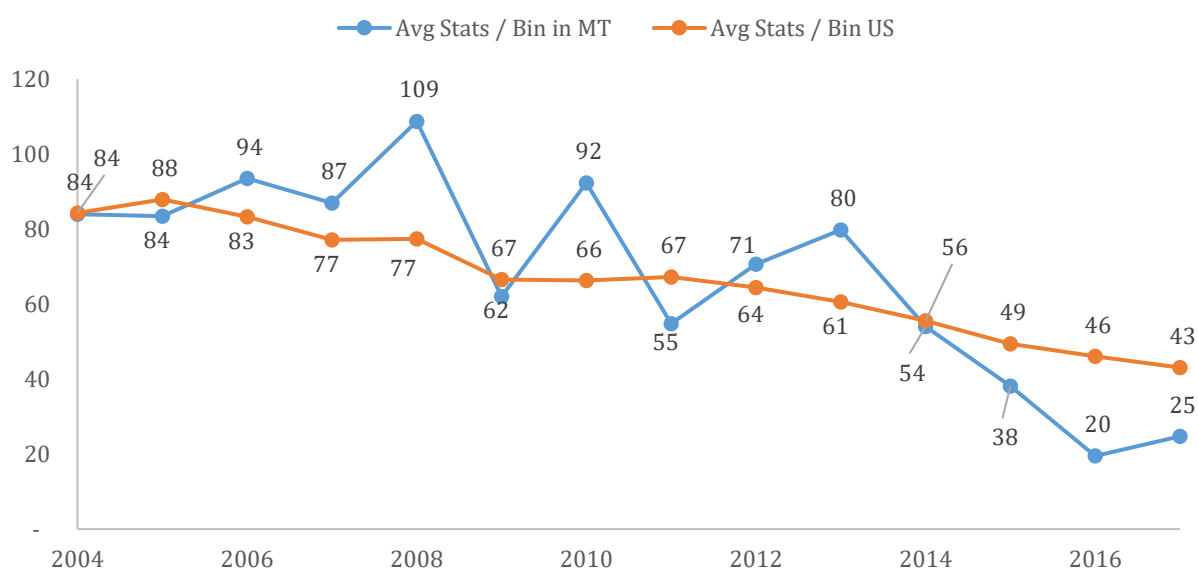
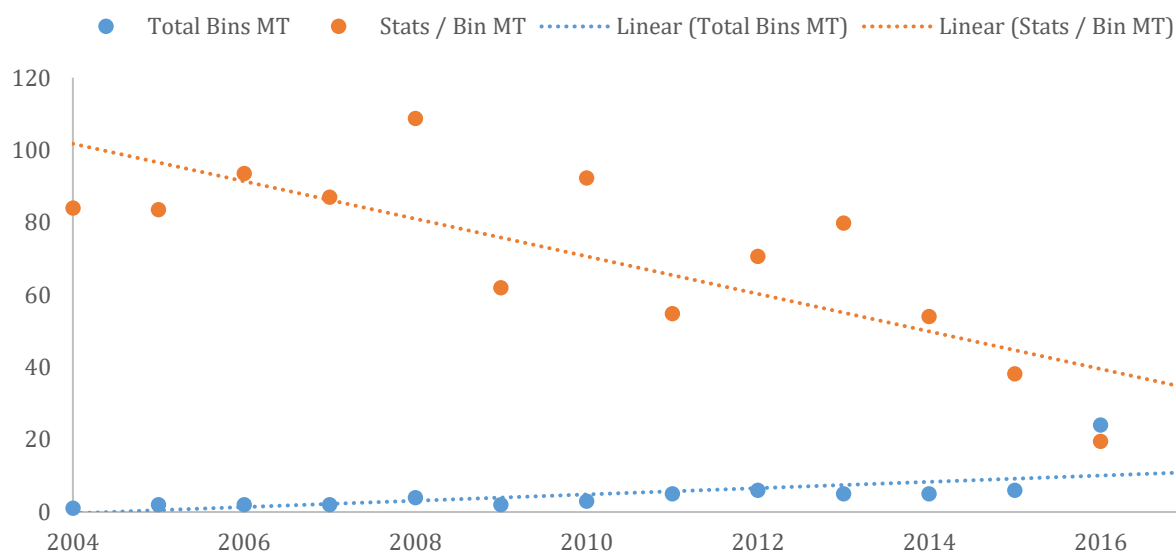


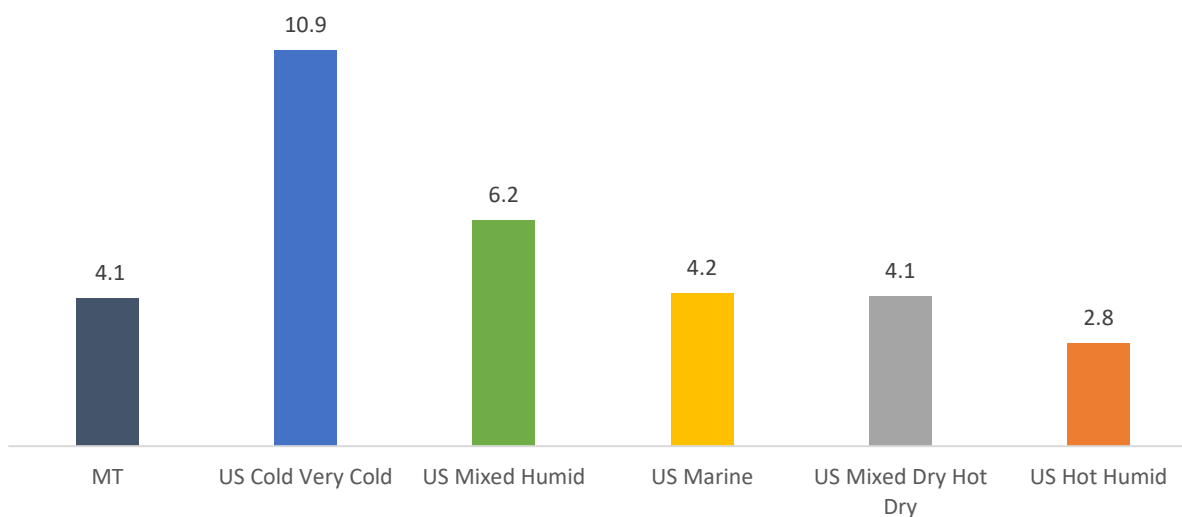
Figure 1.9 plots the total bins returned over time along with the average number of thermostats per bin over the same time period to see whether or not there is a relationship between the two. In general, the number of bins returned in Montana ranged from 1 to 6 bins from 2004 to 2015. In 2016, a large jump occurred with 24 bins returned but fell to 7 bins returned in 2017. At the same time, there is a slight negative trend in thermostats per bin over time with high variability. The results indicate a weak correlation between number of thermostats per bin and number of bins returned and the correlation only becomes evident when including the 2016 data points.

FIGURE 1.9: TOTAL BINS AND AVERAGE NUMBER OF THERMOSTATS PER BIN OVER TIME



A climate zone analysis on number of thermostats returned per 10,000 residents was conducted. These zones were defined using the criteria from the U.S. Department of Energy Building America Program. These criteria are coded by county. The entire state of MT is in the cold very cold climate zone. Figure 1.10 shows that the state returned 4.1 thermostats per 10,000 residents which is well below the national average in the cold very cold zone of 10.9 thermostats per 10,000 residents. Nationally, the cold very cold zone returned significantly more thermostats than the next highest zone, the mixed humid zone (6.2 thermostats per 10,000 residents).

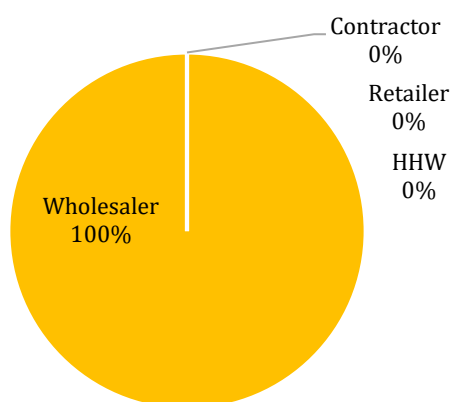
FIGURE 1.10: THERMOSTATS RETURNED PER 10,000 RESIDENTS BY CLIMATE ZONE



SECTION 2: Channel Partner Analysis

Section 2 of the report examines the partner locations in more detail. All of the thermostats collected in the state were through **wholesalers (100%)** in 2017. Figure 2.1 shows the distribution of thermostats collected by location type in 2017.

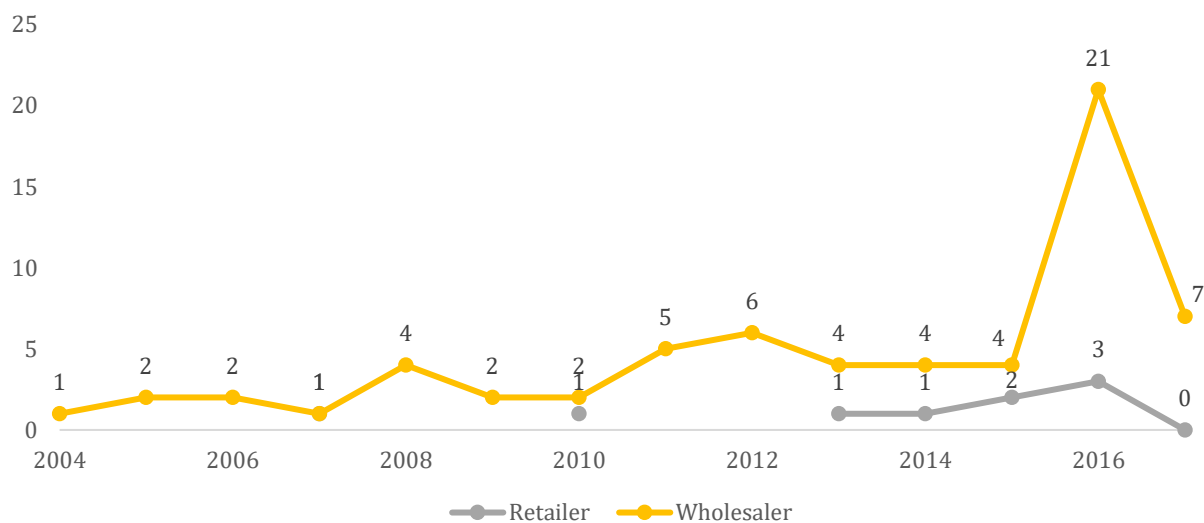
FIGURE 2.1: THERMOSTATS COLLECTED BY LOCATION TYPE IN 2017



The number of bins returned by wholesalers ranged from 1 to 6 bins from the start of the program until 2015. In 2016 the number of bins returned by wholesalers jumped to a record high of 21 bins but fell to 7 bins in 2017. Retailers in the state of Montana returned no bins in 2017.

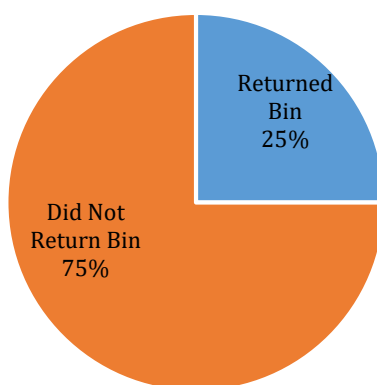
Figure 2.2 displays the change in the number of bins returned by thermostat collection type over time in the state.

FIGURE 2.2: THERMOSTAT BINS RETURNED BY LOCATION TYPE OVER TIME



In 2017, **25% of locations with a bin in the state of Montana returned at least one bin for recycling.** The distribution is displayed in Figure 2.3.

FIGURE 2.3: PERCENTAGE OF STORES RETURNING A BIN IN 2017



An analysis of top performing counties revealed that **Yellowstone County (129 thermostats)**, and **Missoula County (34 thermostats)** returned the greatest number of thermostats. Cascade County and Lewis and Clark County both returned 1 bin with 5 thermostats. Figure 2.4 displays the number of bins and thermostats returned by county in 2017.

FIGURE 2.4: BINS AND TOTAL THERMOSTATS RETURNED IN 2017 BY COUNTY

| County Name | Total T-stats | Total Bins |
|-----------------|---------------|------------|
| Yellowstone | 129 | 4 |
| Missoula | 34 | 1 |
| Cascade | 5 | 1 |
| Lewis and Clark | 5 | 1 |

TRC partner locations **Johnstone Supply (104 thermostats)** and **Gensco, Inc. (53 thermostats)** were the top two performing partners in Montana. Three additional partners returned between one and five thermostats each. Figure 2.5 displays the top performing partners in terms of total thermostats returned in 2017.

FIGURE 2.5: TOP PERFORMING TRC PARTNERS IN THE STATE

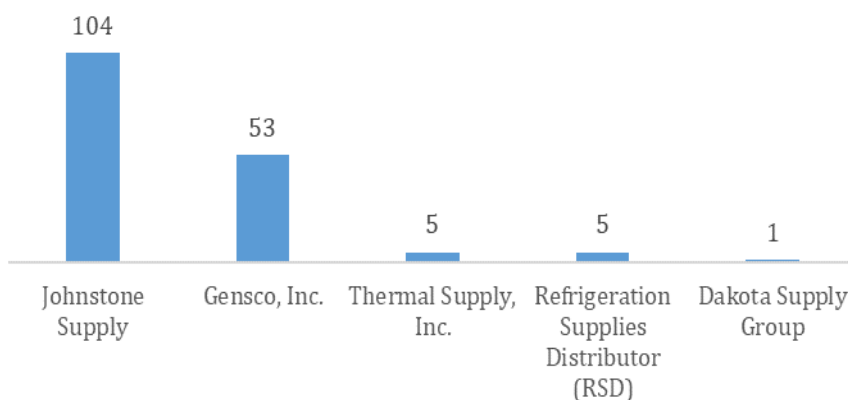


Figure 2.6 looks at the top performers in more detail. The figure includes the top performers for the year by each of the following categories: total bins returned, total thermostats returned, and average number of thermostats per bin.

FIGURE 2.6: TOP PERFORMING PARTNERS BY BIN AND THERMOSTAT RETURNS

| Company Name | No. of Thermostats | No. of Bins | Thermostats / Bin |
|------------------------------------|--------------------|-------------|-------------------|
| Johnstone Supply | 104 | 1 | 104 |
| Gensco, Inc. | 53 | 2 | 27 |
| Thermal Supply, Inc. | 5 | 1 | 5 |
| Refrigeration Supplies Distributor | 5 | 1 | 5 |
| Dakota Supply Group | 1 | 1 | 1 |

TRC conducted several activities in 2017 as a way to increase the number of bins and thermostats returned in the state. These activities included site visits and ‘miss you’ calls to collection locations that may not have returned a bin recently. In 2017, no site visits were conducted and a total of 33 ‘miss you’ calls were placed in Montana. Figure 2.7 displays the relationship between the number of site visits per month, bins returned per month, and the number of thermostats (in 100’s) returned per month. January, October, and December all had two bin returns. Since no site visits were conducted in 2017, the relationship between visits and returns was not analyzed.

FIGURE 2.7: RELATIONSHIP BETWEEN SITE VISITS AND BINS AND THERMOSTATS RETURNED PER MONTH

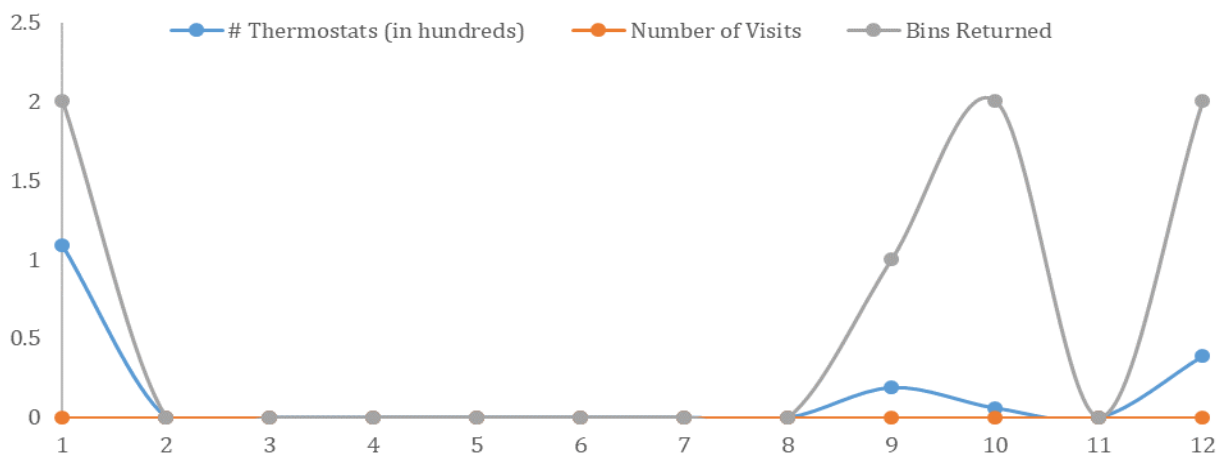


Figure 2.8 displays the relationship between the number of calls per month, the bins returned per month, and the number of thermostats (by 100's) returned per month. Calls were placed in October and November. Only 4 bins were returned by locations that received a call, and those bin returns occurred in either October or December. It is possible that calls did remind some locations to return a bin.

FIGURE 2.8: RELATIONSHIP BETWEEN 'MISS YOU' CALLS AND BINS AND THERMOSTATS RETURNED PER MONTH

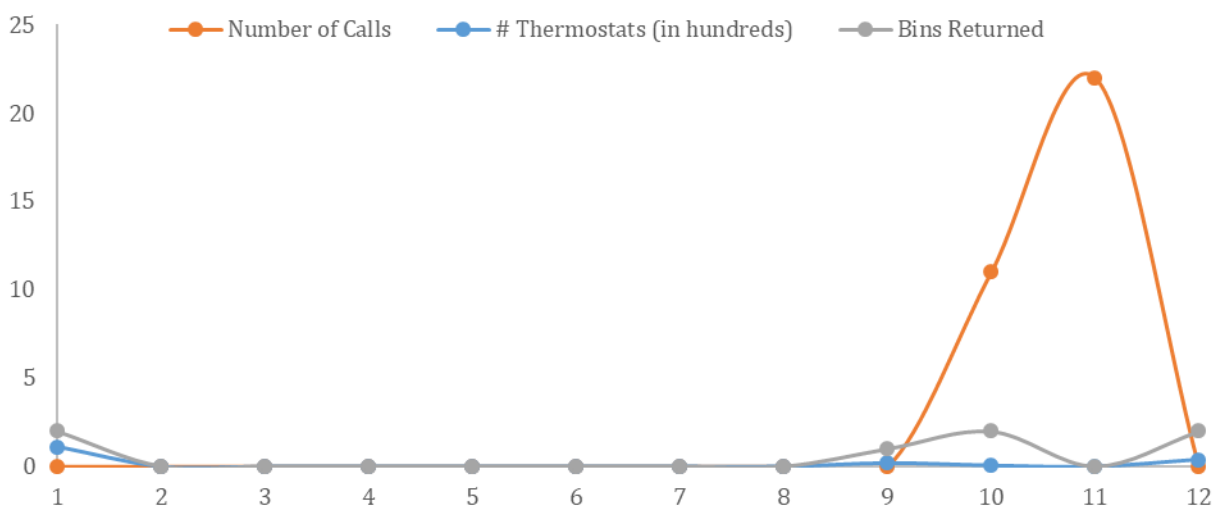


Figure 2.9 examines the return rates of four groups – locations that did not receive a call or visit, locations that received at least one visit, locations that received at least one call, and locations that received both a call and visit. There are only 28 participating locations in MT. Half of the participating locations that did not receive a call or visit were active (meaning the location returned at least one bin) in 2017, although this group only includes a total of 6 locations. Only 18% of called locations were active participants. Overall, it is not clear in MT if ‘miss you calls’ impacts bin returns.

FIGURE 2.9: PERCENT CHANGE IN BIN AND THERMOSTAT RETURNS FOR LOCATIONS THAT RECEIVED A VISIT OR CALL OVER LOCATIONS THAT DID NOT RECEIVE EITHER

| | No Visit or Call | Visit | Call | Visit & Call |
|--|------------------|-------|------|--------------|
| Number of Participating Locations | 6 | 0 | 22 | 0 |
| Rate of Active Participation* | 50% | - | 18% | - |
| Bins per Participating Location | 0.50 | - | 0.18 | - |
| Thermostats per Participating Location | 21 | - | 2 | - |
| Thermostats per Bin | 43 | - | 11 | - |

*Fraction of participating locations that returned one or more bins during 2017

SECTION 3: Comparisons to National and Other States' Data

To compare how the state collection partners performed in 2017, the national average for the number of bins returned per locations that returned at least one bin was calculated and compared to the state average since 2012. The average number of bins does not include locations that did not return any bins in a given year. It should be noted that when making comparisons each state has different regulations, different mix of housing types, local policies, and incentives that may have a unique impact on returns. Overall, the average number of bins returned per location per year was lower in Montana than the U.S. average as shown in Figure 3.1.

FIGURE 3.1: AVERAGE NUMBER OF BINS RETURNED PER LOCATION PER YEAR

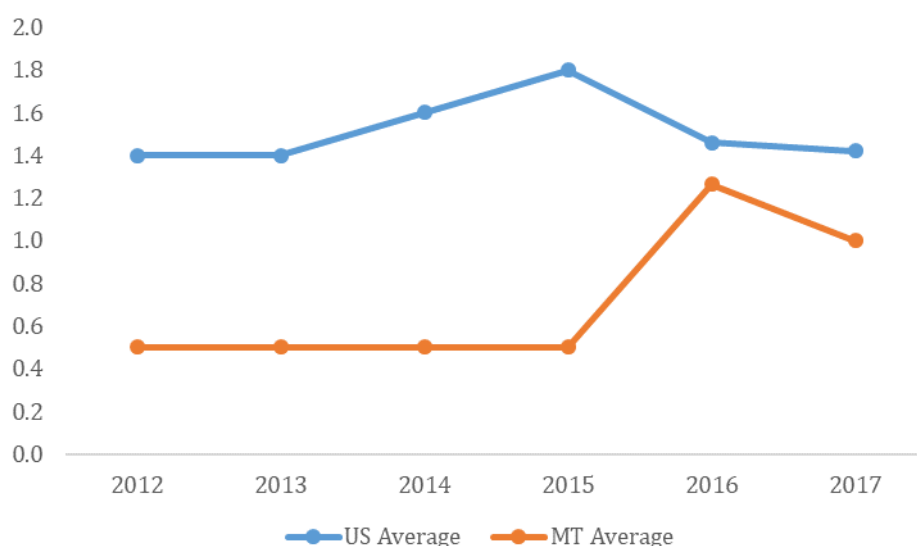


Figure 3.2 displays the locations in Montana that returned a bin in a given year since 2014, and Figure 3.3 displays the top 10 partners in the U.S. over the same period in terms of number of bins returned. Refrigeration Supplies Distributor and Johnstone Supply appear on both the state and the national lists.

FIGURE 3.2: PARTNER LOCATIONS IN MONTANA RETURNING 1 OR MORE BINS PER YEAR 2014-2017

| Location | 2014 Bins |
|------------------------------------|-----------|
| Gensco, Inc. | 2 |
| ACE Hardware | 1 |
| Refrigeration Supplies Distributor | 1 |
| Thermal Supply, Inc. | 1 |
| Location | 2015 Bins |
| Johnstone Supply Co. | 2 |
| Refrigeration Supplies Distributor | 2 |
| Montana Ace Hardware | 1 |
| Owenhouse Ace Hardware | 1 |

| Location | 2016 Bins |
|------------------------------------|-----------|
| Dakota Supply Group | 6 |
| Johnstone Supply Co | 3 |
| Thermal Supply, Inc. | 3 |
| Ace Supply Co Inc | 3 |
| Keller Supply | 3 |
| Gensco, Inc. | 2 |
| Refrigeration Supplies Distributor | 2 |
| Mountain Supply Co. | 1 |
| Ferguson Enterprises | 1 |
| Location | 2017 Bins |
| Gensco, Inc. | 2 |
| Refrigeration Supplies Distributor | 1 |
| Thermal Supply, Inc. | 1 |
| Dakota Supply Group | 1 |
| Johnstone Supply | 1 |

FIGURE 3.3: TOP PERFORMING PARTNER LOCATIONS NATIONWIDE IN BINS RETURNED 2014-2017

| Location | 2014 Bins |
|------------------------------------|------------------|
| R. E. Michel Company | 461 |
| Johnstone Supply | 460 |
| U.S. Air Conditioning Distributors | 127 |
| Ferguson Enterprises | 119 |
| United Refrigeration | 114 |
| Goodman Distribution Inc. | 95 |
| Honeywell Inc. | 77 |
| Gustave A Larson Company | 67 |
| Refrigeration Supplies Distributor | 60 |
| Lennox Industries Inc. | 60 |
| C.C. Dickson Company | 55 |
| Location | 2015 Bins |
| Johnstone Supply | 519 |
| R. E. Michel Company | 336 |
| Ferguson Enterprises | 184 |
| United Refrigeration | 176 |
| U.S. Air Conditioning Distributors | 106 |
| Goodman Distribution Inc. | 70 |
| Gustave A Larson Company | 62 |
| Refrigeration Supplies Distributor | 54 |
| Lennox Industries Inc | 51 |
| Baker Distributing Company | 50 |

| Location | 2016 Bins |
|------------------------------------|------------------|
| Johnstone Supply | 444 |
| R. E. Michel Company | 292 |
| United Refrigeration | 237 |
| Lennox Industries Inc. | 131 |
| Ferguson Enterprises | 104 |
| U.S. Air Conditioning Distributors | 70 |
| Ace Supply Co. Inc. | 66 |
| Goodman Distribution, Inc. | 66 |
| Lux Products | 54 |
| F.W. Webb | 47 |
| Baker Distributing Company | 46 |
| Refrigeration Supplies Distributor | 46 |
| Location | 2017 Bins |
| Johnstone Supply | 515 |
| R. E. Michel Company | 285 |
| United Refrigeration | 192 |
| Ferguson Enterprises | 144 |
| Lennox Parts Plus | 89 |
| U.S. Air Conditioning Distributors | 73 |
| Refrigeration Supplies Distributor | 71 |
| F.W. Webb | 64 |
| Goodman Distribution | 60 |
| Sid Harvey Industries | 52 |

Figure 3.4 displays total percentage of locations that actively participated in the program (active participation defined as sending back at least one bin) in 2017, for all the states that mandate thermostat returns reporting as well as the U.S. national average for all states (reporting and non-reporting). **In 2017, 25% of locations in Montana returned a bin** compared to a national average of 32%. Montana had the lowest percentage of locations returning at least one bin in 2017 amongst states that mandate thermostat returns reporting and Rhode Island had the highest percentage (61%).

FIGURE 3.4: MANDATORY REPORTING STATES' PERCENTAGE OF LOCATIONS RETURNING A BIN IN 2017

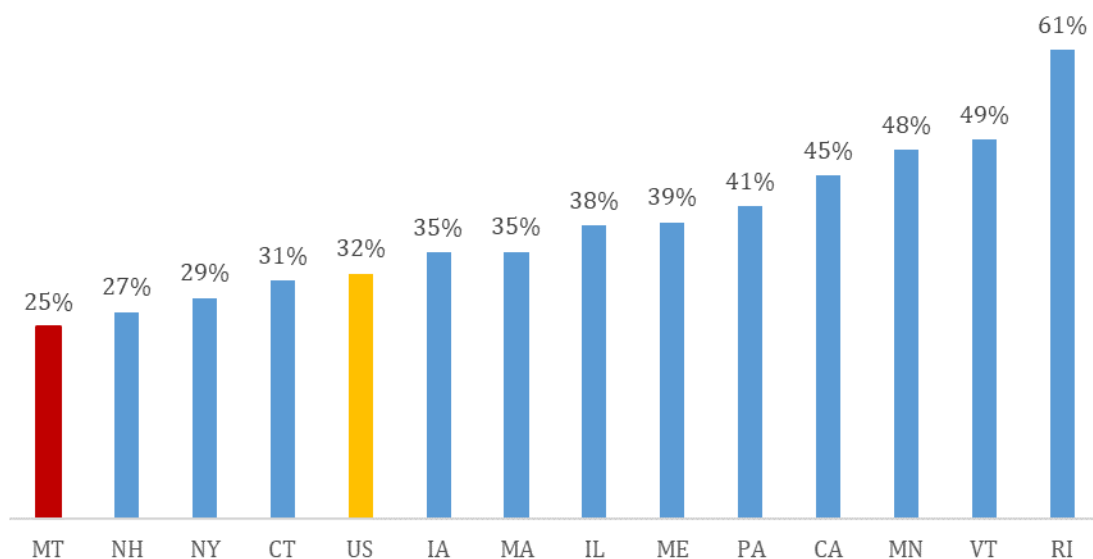


Figure 3.5 compares the state and national rates for several analytics in 2017. These include: the total whole thermostats, bins, and loose switches collected, the number of thermostats collected by total locations and per actively participating locations, the number of thermostats per bin returned on average in 2017, the equivalent average, the number of mercury thermostat equivalents returned in 2017 and finally the percent change in mercury thermostat conversion from 2016 to 2017. The equivalent average is an average of the number of switches in whole thermostats collected in the state, and it is used to calculate the number of thermostats represented by returned loose switches. The thermostat equivalent number includes the totals of whole thermostats returned plus the number of thermostats estimated from loose switches. The states displayed are those that mandate thermostat returns reporting and the U.S. average is for all states that return bins (reporting and non-reporting).

FIGURE 3.5: COMPARISONS OF MANDATORY REPORTING STATES AND U.S. AVERAGES AMONG SEVERAL CATEGORIES

| State | Whole Thermostats | Bins | Loose Switches | Thermostats returned per total # of locations with bins | Average Thermostats/bin | Average Thermostats collected per location that returned at least one bin in 2017 | Equivalent Average | Thermostat Equivalents in 2017 | % Change over 2016 |
|-----------|-------------------|------|----------------|---|-------------------------|---|--------------------|--------------------------------|--------------------|
| CA | 17,976 | 637 | 2,588 | 19 | 28 | 43 | 1.8111 | 19,405 | 20% |
| CT | 4,246 | 101 | 1,798 | 19 | 42 | 62 | 1.2302 | 5,708 | 115% |
| IA | 3,152 | 61 | 107 | 25 | 52 | 73 | 1.1680 | 3,244 | 44% |
| IL | 10,671 | 284 | 1,069 | 18 | 38 | 47 | 1.1827 | 11,575 | 8% |
| MA | 8,444 | 166 | 628 | 25 | 51 | 73 | 1.2154 | 8,961 | 61% |
| ME | 3,956 | 121 | 30 | 16 | 33 | 41 | 1.0660 | 3,984 | -18% |
| MN | 8,471 | 120 | 586 | 55 | 71 | 114 | 1.2265 | 8,949 | -7% |
| MT | 173 | 7 | 1 | 6 | 25 | 25 | 1.0603 | 174 | -64% |
| NH | 2,420 | 63 | 113 | 11 | 38 | 42 | 1.1251 | 2,520 | 0% |
| NY | 7,703 | 204 | 618 | 15 | 38 | 51 | 1.4685 | 8,124 | 12% |
| PA | 10,674 | 210 | 576 | 29 | 51 | 71 | 1.3738 | 11,093 | 10% |
| RI | 3,028 | 55 | 86 | 51 | 55 | 84 | 1.1031 | 3,106 | -19% |
| VT | 2,579 | 130 | 24 | 12 | 20 | 23 | 0.9096 | 2,605 | 13% |
| U.S. Avg. | 6,423 | 166 | 633 | 23 | 42 | 58 | 1.4461 | 6,881 | 14% |

Figure 3.6 further compares this state and national data by showing how each state ranked in each of these categories, from highest to lowest. Relative to other mandatory programs, Montana ranked below other states in most categories. The states compared are those that mandate thermostat returns reporting and the U.S. average is for all states that return bins (reporting and non-reporting).

FIGURE 3.6: COMPARISON OF MANDATORY REPORTING STATES AND U.S. AVERAGE AMONG SEVERAL CATEGORIES, RANKINGS

| | Whole Thermostats | Bins | Loose Switches | Thermostats returned per total # of locations with bins | Average Thermostats per bin | Average Thermostats collected per location that returned at least one bin in 2017 | Equivalent Average | Thermostat Equivalents in 2017 | % Change over 2017 |
|----|----------------------|---------|-------------------|---|-----------------------------------|---|-----------------------|--------------------------------------|--------------------------|
| 1 | CA | CA | CA | MN | MN | MN | CA | CA | CT |
| 2 | PA | IL | CT | RI | RI | RI | NY | IL | MA |
| 3 | IL | PA | IL | PA | IA | IA | US Avg. | PA | IA |
| 4 | MN | NY | US Avg. | IA | MA | MA | PA | MA | CA |
| 5 | MA | US Avg. | MA | MA | PA | PA | CT | MN | US Avg. |
| 6 | NY | MA | NY | US Avg. | CT | CT | MN | NY | VT |
| 7 | US Avg. | VT | MN | CT | US Avg. | US Avg. | MA | US Avg. | NY |
| 8 | CT | ME | PA | CA | NH | NY | IL | CT | PA |
| 9 | ME | MN | NH | IL | NY | IL | IA | ME | IL |
| 10 | IA | CT | IA | ME | IL | CA | NH | IA | NH |
| 11 | RI | NH | RI | NY | ME | NH | RI | RI | MN |
| 12 | VT | IA | ME | VT | CA | ME | ME | VT | ME |
| 13 | NH | RI | VT | NH | MT | MT | MT | NH | RI |
| 14 | MT | MT | MT | MT | VT | VT | VT | MT | MT |

2017 COLLECTIONS BY BRAND

In Montana, Thermostat Recycling Corporation (TRC) recovered the equivalent of 174 mercury thermostats from 173 whole mercury thermostats plus 1 mercury switches removed from thermostats. A total of 1.17 pounds of mercury was diverted from solid waste. *Please note the explanation of the converted thermostats or thermostat equivalents below.³ An example of the mercury ampoule is shown in [Figure 4.0].

Figure 4.0



As required by the state statute, a table of thermostat brand holder with the corresponding thermostats, count of switches and pounds of mercury recycled is below. It is important to note that there still remain non-members whose thermostats the TRC collection program recycles. They are listed in the table as “Non-Member Brands”.

³ A mercury thermostat contains a variable amount of mercury ampoules or “switches” attached to the subbase of the thermostat. These glass ampoules often times are collected in the recycling container without the intact thermostat attached to them. TRC collects and counts these loose ampoules and recycles them. To derive the converted thermostat or thermostat equivalent, the program takes the following calculations to develop the converted thermostat or thermostat equivalent. First, TRC will count the total whole (intact) thermostats collected in the recycling bins. From these units, there is an intact ampoules count. TRC then takes the intact ampoules divided by the whole (intact) thermostats or otherwise known as the conversion ratio. After the conversion ratio is calculated, TRC will multiple the loose mercury switches by the conversion ratio. Lastly, we add this result to the whole (intact) thermostats to produce the converted thermostats or thermostat equivalents.

| Brand Holder | Thermostats | Count Switches | Pounds Mercury |
|---|-------------|----------------|----------------|
| Bard Manufacturing Corporation | 0 | 0 | 0 |
| Burnham Holdings, Inc. | 0 | 0 | 0 |
| Carrier Corporation | 2 | 2 | 0.0124 |
| Chromalox | 0 | 0 | 0 |
| Climate Master, Inc. | 0 | 0 | 0 |
| Crane Company | 0 | 0 | 0 |
| Daikin Applied | 0 | 0 | 0 |
| ecobee | 0 | 0 | 0 |
| Emerson Electric Corporation/White Rodgers | 10 | 11 | 0.0682 |
| Empire Comfort Systems | 0 | 0 | 0 |
| General Electric Corporation | 0 | 0 | 0 |
| Goodman Global | 0 | 0 | 0 |
| Honeywell Corporation | 145 | 154 | 0.9548 |
| Hunter Fan Company | 0 | 0 | 0 |
| ITT Corporation | 0 | 0 | 0 |
| Lear Siegler (Original Charter Corporation) | 0 | 0 | 0 |
| Lennox International, Inc. | 8 | 11 | 0.0682 |
| Lux Products Corporation | 2 | 2 | 0.0124 |
| Marley-Wylain Company | 0 | 0 | 0 |
| Nest | 0 | 0 | 0 |
| Nortek Global HVAC | 0 | 0 | 0 |
| Rheem Manufacturing Company | 0 | 0 | 0 |
| Schneider Electric Systems USA | 0 | 0 | 0 |
| Sears Holdings | 2 | 2 | 0.0124 |
| Taco Comfort Solutions | 0 | 0 | 0 |
| TPI Corporation | 0 | 0 | 0 |
| Trane Residential Systems | 2 | 4 | 0.0248 |
| Uponor, Inc. | 0 | 0 | 0 |
| Vaillant Corporation | 0 | 0 | 0 |
| W.W. Grainger, Inc. | 0 | 0 | 0 |
| York/Johnson Controls | 0 | 0 | 0 |
| -Non-Member Brands----- | | | |
| AMERICAN STABILIS | 1 | 1 | 0.0062 |
| MARVAIR | 1 | 1 | 0.0062 |
| --NOM (Manufacturer not identifiable) ---- | | | |
| Loose Switches | 0 | 1 | 0.0062 |
| TOTAL | 173 | 189 | 1.17 |

2017 ACCOUNTING OF THE PROGRAM EXPENSES

Below is a summary of program expenses for the Montana collection program in 2017. 2017 program expenses are unaudited and are for management purposes only. Prior to submittal of this annual report, the expenses were reviewed by Halt, Buzas & Powell, LTD.

| Program Component | 2016 | 2017 | Difference (\$'s) |
|---|---------------|--------------|-------------------|
| Direct Expense for Marketing & Outreach | 3,045 | 70 | (2,975) |
| Incentive/Promotional Payments | - | - | 0 |
| Legal | - | - | 0 |
| New Collection Containers | - | - | 0 |
| Recycling Costs | 823 | 1,441 | 618 |
| Travel | 2,941 | - | (2,941) |
| TRC Staff and Administration | 6,273 | 443 | (5,830) |
| Total (expenses) | 13,082 | 1,954 | (11,128) |

TRC Staff and Administration: Any costs for a specific state will take the hours worked at the TRC employee level multiplied by each individual's hourly rate.

2017 EDUCATION AND OUTREACH

DIRECT MARKETING (EMAIL, MAIL, OTHER COMMUNICATIONS)

Current Collection Locations

Collection Containers - From Big Bins to Small Pails.

- TRC shipped 10 NEW small pails.

The large, green bins which have been the staple of the program, continued to be replenished to collection locations throughout the state. Often times these new bin orders coincide with Accounts that open new stores, move or lose their existing containers.

Collection Location Outbound Phone Calls

- Completed 33 calls to encourage returning the recycling container compared to 7 a year prior. A copy of the sites called can be found in the Appendix section of the annual report.

Collection Location Postcards

- Mailed 26 reminder postcards to ship the recycling container compared to 28 a year prior.
- Emailed 16 collection locations three weeks after receiving the postcard.

HVAC Industry

- HARDI wholesale branch location clean-out mailing. Mailed 13 direct letters to wholesale distributors to direct them to clean-out any remaining mercury thermostat inventory.

Utility Industry

- Developed a list of utility driven energy efficiency projects geared towards thermostat replacements and rebates/incentives. The list to be worked on in 2018.
- Sent an informational email to known utility implementers on the program.
- Directly marketed to 11 community action agencies with a letter.

Household Hazardous Waste (HHW) Industry

- Scoured google alerts for new HHW facilities openings or events to target phone call or email outreach to encourage them to use program.

ADVERTISING

Print Advertising

ACHR News

- Field Served: All branches of the air conditioning, heating and refrigeration industry (residential, commercial and industrial) including contractors, dealers, distributors, wholesalers, manufacturers, consulting engineers and architects, public utilities, government agencies and associations, exporters and importers, industrial and commercial buyers and users, libraries, schools, students and others allied to the field.
- Circulation: 112
- 2/3rd page Square, BW Ad (6" x 8")
- June 26th issue: High End HVAC; closes June 10th
- October 23rd issue: Thermostats; closes October 5th

Distribution Center Magazine

- Field Served: As the official publication of HARDI, Distribution Center is the primary source for editorial commentary, content and resources designed to enhance the success and effectiveness of HVACR wholesale distribution.
- Circulation: (Mountain) 619
- 2/3rd page, BW ad (5.875" x 11.75")
- June issue: The Legislative Issue
- October Issue: HARDI's Annual Conference Pre-Show Issue;

BOMA Magazine [Figure 4.1]

- Field Served: Official publication of the Building Owners and Managers Association. BOMA's readers own or manage more than 80% of all prime commercial properties and facilities in North America. The magazine reaches building owners, managers, developers, asset managers, corporate facility managers and government real-estate officials.
- Circulation: 4
- May / June Issue (Full page, 4C - 8" x 10")
 - Green Guide Cover Story: Smart Buildings and Sustainability
 - Annual Conference Preview

- 2017 BOMA International Conference and Expo Directory and Show Guide
 - Distribution at Nashville Conference
- 2017 TOBY Magazine Issue
 - Special annual publication recognizing the nominees of the TOBY Awards

Figure 4.1



Facilities Management Journal (FMJ)

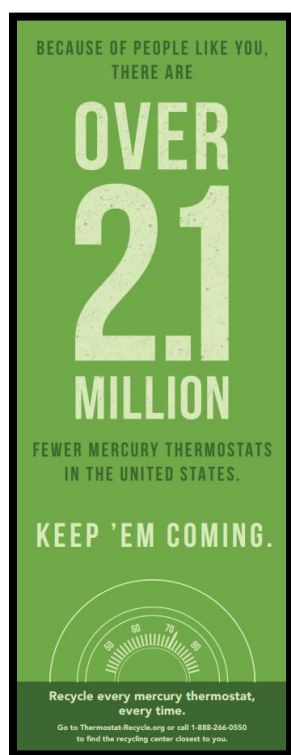
- Field Served: Official publication of the International Facility Management Association.
- Circulation: (North Central) 1,151
- July / August (Full page, 4C - 8.5" x 10.875")
 - Safety, Security and Risk
- September / October issue
 - People, Process and Place
 - Bonus Distribution at IFMA World Workplace Conference and Expo in Houston

Affordable Housing Finance [Figure 4.2]

- Field Served: Services the affordable housing development and real estate finance industries, including owners, developers, builders, property managers, government agencies, community development financial institutions, legal and accounting services and others allied to the field.
- Circulation: 33
- June Issue

- 1/2 Page Vertical, 4C (3.375" x 10")
- Workforce Housing
- State Housing Finance Agency Roundtable
- Bonus distribution at NAA Education Conference & Expo and NCSHA Housing Credit Conference and Marketplace
- November / December
 - Best Practices: Finance, Design and Operations
 - Capital Markets outlook
 - 2017 Review and 2018 Forecast

Figure 4.2



Digital Advertising

Green Living Network: Contains more than 200 websites designed to target users that lead an organic and green lifestyle. The websites in this network cover topics such as vegan and vegetarian recipes, organic foods, recycling tips, arts and crafts, gardening and more.

Moms and Families Network: Consists of more than 600 websites with content designed to target active mothers as they browse online. These sites provide a wide variety of topics such as fitness, children's health, women's health, education, child activities, healthy lifestyles, parenting, food and cooking and more.

Working Man Network: Has more than 300 sites targeting blue collared workers online. The websites in this network reach this group of manual workers through sites focusing on cars and trucks, country living, sports, career and education resources, manufacturing and construction, local news sites, outdoors and much more.

Ad Network Delivery Summary

- Impressions: 635,014
- Clicks: 655
- Click Through Rate: 0.10% (1.5x the national average)
- Engagement Rate: 0.10%

Google AdWords

- Impressions: 66,721
- Interaction: 286
- Clicks: 286
- Click Through Rate: 0.43%

Social Media

Facebook: Adults 18+, Cleaning and Maintenance, Installation and Repair and Consumer Services categories were targeted.

2018 PROGRAM MODIFICATIONS

Thermostat Recycling Corporation's Montana Planned Activities:

1. Continue the program's operational activities such as outbound phone calls, mailing reminder postcards, and visiting sites. Use collection data trends to target these initiatives.
2. Continue advertising which promotes the program's collection network and definition of new potential collection partners.
3. Target three key industries, Utilities, the waste-related sector, and HVAC.
4. Look for opportunities to switch collection points to small pails.



2017 MONTANA ANNUAL REPORT

Thermostat Recycling Corporation Headquarters
500 Office Center Drive – Suite 400 | Fort Washington, PA 19034
1-888-266-0550
www.thermostat-recycle.org

Questions about this annual report?

Contact:

Ryan L. Kiscaden, Executive Director
(P) 267-513-1727
(E) ryan.kiscaden@thermostat-recycle.org

All state specific annual reports are posted on our website at the following weblink:
https://www.thermostat-recycle.org/resources/media_center

Recycle every mercury thermostat, every time.

APPENDICES

HOW MERCURY THERMOSTAT WASTE IS HANDLED

WASTE MERCURY-ADDED THERMOSTAT MANAGEMENT THROUGH VEOLIA ES TECHNICAL SOLUTIONS, LLC.

Beginning December 19, 2016, bins with waste mercury-switch thermostats were received at a new fulfillment/inventory center in Port Washington, Wisconsin (WIR000130591). The facility is owned and operated by Veolia ES Technical Solutions, L.L.C. (Veolia) under contract with TRC.

All recycling containers, including pails and bins are received at the loading dock and sent to the TRC inventory area. The bin and plastic liner are opened and the contents are identified, sorted, and tallied. The following data is recorded for each bin returned and processed: bin number, business name (location name), city, state, zip code, date returned, number of thermostats and mercury switches by manufacturer and any non-conforming material.

The containers are returned to the location that sent it in with a new prepaid address label within 72 hours of receipt. The thermostats are stored and staged in a plastic lined carton in a storage area for final processing. The containers are dated and processed in order received, first in-first out.

The thermostats and any loose bulb collected from the bins are consolidated into a special 55-gallon drum which is labeled and dated according to regulations. The drum is sealed with a band and is only opened when contents are being added to it. Special negative pressure venting assures any fumes are captured and vented when the drum is opened.

The 55-gallon drum is then shipped to Veolia's mercury recovery facility (WID988566543) for final processing of the mercury ampoules (switches) Veolia Environmental Services meets or exceeds all local, state, federal and EPA regulations for the management of the product.

The containers are returned from the storage area to the mercury recovery processing area to have the mercury bulbs removed from the plastic housing. Universal Waste Regulations require the recycling and disposal of waste within 12 months of acceptance at the processing facility.

Small quantities of thermostats are removed from the container, which is then closed again, a spillage. The bulbs are removed from the thermostats and placed into processing vessel at the work station. Once the processing vessel is full, the vessel is loaded into the mercury recovery retort oven.

If a bulb breaks and the mercury spills, the work area is designed to contain the spillage and the operators are trained in the clean-up and disposal of mercury. The TRC inventory and processing areas are equipped with special mercury vacuum cleaners and the work area is vacuumed at the end of the work day to assure that any spillage is cleaned up and not left to evaporate.

Veolia meets or exceeds all local, state, federal and EPA regulations for the management of the product. The mercury recovery facility and process are permitted by the Wisconsin Department of Natural Resources. Veolia's approvals for mercury recovery/recycling include:

- EPA - identification WID988566543
- Hazardous Waste Storage License #6008
- Hazardous Waste Treatment License (Mercury Recovery Operations) #4585
- Air Operation Permit #246076050-S01
- Storm Water General Permit #WI-S067857-4

In addition to the regulatory permits, both Veolia Port Washington facilities have developed and maintains management systems in accordance with ISO 14001-2004, OHSAS 18001-2007, and Responsible Recycling (R2:2013) Practice. All persons who handle mercury thermostats as part of the TRC operation receive training in the handling of Hazardous Waste and Universal Waste.

The mercury containing ampules are retorted at Veolia's Port Washington Mineral Springs facility. The mercury is removed during the retort process. The post retort debris consists of broken glass ampules. The debris is tested for residual mercury to document the removal of the mercury to levels below the US EPA Land Disposal Restriction (LDR) levels. The debris is then disposal of as a non-hazardous solid waste at Advanced Disposal Glacier Ridge Landfill, LLC in Horicon, Wisconsin.

A site evaluation of the Veolia Processing Center in Port Washington, WI was conducted by TRC staffer, Danielle Myers, in early October 2017. From this audit, a new design flow for processing bins was discovered, as well as more efficient ways to return bins back to participating facilities and contractors. Updates to packaging instructions were also a result, and will include new marketing collateral, incentives, and small pails.

EXTENDED TO NOVEMBER 15, 2017

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016
Open to Public
Inspection**A** For the 2016 calendar year, or tax year beginning

and ending

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization**THERMOSTAT RECYCLING CORPORATION**Doing business as **TRC**

Number and street (or P.O. box if mail is not delivered to street address)

500 OFFICE CENTER DRIVE

Room/suite

400

City or town, state or province, country, and ZIP or foreign postal code

FORT WASHINGTON, PA 19034**F** Name and address of principal officer: **RYAN KISCADEN****SAME AS C ABOVE****D** Employer identification number**54-1830284****E** Telephone number**888-266-0550****G** Gross receipts \$**2,920,513.****H(a)** Is this a group returnfor subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶**I** Tax-exempt status: ☐ 501(c)(3) ☒ 501(c) (**6**) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: **WWW.THERMOSTAT-RECYCLE.ORG****K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: **1996** **M** State of legal domicile: **DE****Part I Summary**

| | | | |
|-----------------------------|------------|--|---|
| Activities & Governance | 1 | Briefly describe the organization's mission or most significant activities: TO PROMOTE THE SAFE COLLECTION AND PROPER DISPOSAL OF MERCURY-CONTAINING THERMOSTATS. | |
| | 2 | Check this box <input type="checkbox"/> If the organization discontinued its operations or disposed of more than 25% of its net assets. | |
| | 3 | Number of voting members of the governing body (Part VI, line 1a) | 3 |
| | 4 | Number of independent voting members of the governing body (Part VI, line 1b) | 3 |
| | 5 | Total number of individuals employed in calendar year 2016 (Part V, line 2a) | 6 |
| | 6 | Total number of volunteers (estimate if necessary) | 0 |
| | | 7a | Total unrelated business revenue from Part VIII, column (C), line 12 |
| 7b | | Net unrelated business taxable income from Form 990-T, line 34 | 0. |
| Revenue | 8 | Contributions and grants (Part VIII, line 1h) | Prior Year 0. Current Year 0. |
| | 9 | Program service revenue (Part VIII, line 2g) | 1,622,964. 2,920,228. |
| | 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 234. 285. |
| | 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 0. 0. |
| | 12 | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 1,623,198. 2,920,513. |
| Expenses | 13 | Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 0. 0. |
| | 14 | Benefits paid to or for members (Part IX, column (A), line 4) | 0. 0. |
| | 15 | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 456,176. 334,899. |
| | 16a | Professional fundraising fees (Part IX, column (A), line 11e) | 0. 0. |
| | b | Total fundraising expenses (Part IX, column (D), line 25) ▶ 0. | |
| | 17 | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 932,404. 1,943,085. |
| | 18 | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 1,388,580. 2,277,984. |
| Net Assets or Fund Balances | 19 | Revenue less expenses. Subtract line 18 from line 12 | 234,618. 642,529. |
| | 20 | Total assets (Part X, line 16) | Beginning of Current Year 642,843. End of Year 1,263,712. |
| | 21 | Total liabilities (Part X, line 26) | 388,046. 366,386. |
| | 22 | Net assets or fund balances. Subtract line 21 from line 20 | 254,797. 897,326. |

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here ▶ Signature of officer **RYAN KISCADEN, EXECUTIVE DIRECTOR** Date **8/28/17**
 ▶ Type or print name and title

Paid Print/Type preparer's name **JEFFREY A. SMITH, CPA** Preparer's signature _____ Date _____ Check ☐ PTIN **P00139935**
Preparer Firm's name ▶ **BURDETTE SMITH & BISH LLC** Firm's EIN ▶ **45-4037800**
Use Only Firm's address ▶ **4035 RIDGE TOP ROAD, SUITE 550 FAIRFAX, VA 22030-7411** Phone no. **703-591-5200**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:

THE THERMOSTAT RECYCLING CORPORATION (TRC) IS A NON-PROFIT ORGANIZATION THAT FACILITATES AND MANAGES THE COLLECTION AND PROPER DISPOSAL OF MERCURY-CONTAINING THERMOSTATS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 2,095,746. including grants of \$) (Revenue \$ 2,920,228.)

TRC FACILITATES THE PROPER MANAGEMENT OF WASTE MERCURY THERMOSTATS BY PROVIDING RECYCLING CONTAINERS FOR THE COLLECTION AND TRANSPORT OF WASTE MERCURY THERMOSTATS TO ELIGIBLE COLLECTION SITES IN ALL U.S. STATES EXCEPT ALASKA AND HAWAII. TRC ALSO CONDUCTS AN EDUCATIONAL CAMPAIGN PROMOTING THE PROPER MANAGEMENT OF WASTE MERCURY THERMOSTATS. SINCE TRC'S FOUNDING, TRC HAS COLLECTED OVER 2,100,000 MERCURY-CONTAINING THERMOSTATS WHICH HAS KEPT 10 TONS OF MERCURY OUT OF THE WASTE SYSTEM.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 2,095,746.

Part IV Checklist of Required Schedules

| | Yes | No |
|---|-----|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A | | X |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors? | | X |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I | | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II | | |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III | X | |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I | | X |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II | | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III | | X |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV | | X |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V | | X |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI | X | |
| b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII | | X |
| c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII | | X |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX | | X |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X | | X |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X | X | |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII | X | |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional | | X |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | | X |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV | | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV | | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV | | X |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I | | X |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II | | X |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III | | X |

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Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|-----|----|
| 20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> | | X |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | | |
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | | X |
| 22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | | X |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | | X |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> | | X |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | | |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | | |
| 26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions): | | |
| a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | | X |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | | X |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? | X | |

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

| | | | Yes | No |
|-----|--|-----|-----|----|
| 1a | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | 5 | | |
| 1b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | 0 | | |
| c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | 1c | X | |
| 2a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | 6 | | |
| b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) | 2b | X | |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year? | 3a | | X |
| b | If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O | 3b | | |
| 4a | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 4a | | X |
| b | If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). | | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | | X |
| b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | | X |
| c | If "Yes," to line 5a or 5b, did the organization file Form 8886-T? | 5c | | |
| 6a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | 6a | | X |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 6b | | |
| 7 | Organizations that may receive deductible contributions under section 170(c). | | | |
| a | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7a | | |
| b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7b | | |
| c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7c | | |
| d | If "Yes," indicate the number of Forms 8282 filed during the year | 7d | | |
| e | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7e | | X |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7f | | X |
| g | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | 7g | | |
| h | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | 7h | | |
| 8 | Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? | 8 | | |
| 9 | Sponsoring organizations maintaining donor advised funds. | | | |
| a | Did the sponsoring organization make any taxable distributions under section 4966? | 9a | | |
| b | Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? | 9b | | |
| 10 | Section 501(c)(7) organizations. Enter: | | | |
| a | Initiation fees and capital contributions included on Part VIII, line 12 | 10a | | |
| b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 10b | | |
| 11 | Section 501(c)(12) organizations. Enter: | | | |
| a | Gross income from members or shareholders | 11a | | |
| b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | 11b | | |
| 12a | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 12a | | |
| b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year | 12b | | |
| 13 | Section 501(c)(29) qualified nonprofit health insurance issuers. | | | |
| a | Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O. | 13a | | |
| b | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | 13b | | |
| c | Enter the amount of reserves on hand | 13c | | |
| 14a | Did the organization receive any payments for indoor tanning services during the tax year? | 14a | | X |
| b | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O | 14b | | |

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI ☒ **X**

Section A. Governing Body and Management

| | Yes | No |
|--|----------|----------|
| 1a Enter the number of voting members of the governing body at the end of the tax year 1a 3 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. 1b 3 | | |
| 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? 2 | | X |
| 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? 3 | | X |
| 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? 4 | | X |
| 5 Did the organization become aware during the year of a significant diversion of the organization's assets? 5 | | X |
| 6 Did the organization have members or stockholders? 6 | X | |
| 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? 7a | X | |
| b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? 7b | | X |
| 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a The governing body? 8a | X | |
| b Each committee with authority to act on behalf of the governing body? 8b | X | |
| 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O 9 | | X |

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

| | Yes | No |
|--|----------|----------|
| 10a Did the organization have local chapters, branches, or affiliates? 10a | | X |
| b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? 10b | | |
| 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? 11a | X | |
| b Describe in Schedule O the process, if any, used by the organization to review this Form 990. 11b | | |
| 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 12a | X | |
| b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12b | | X |
| c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done 12c | | X |
| 13 Did the organization have a written whistleblower policy? 13 | X | |
| 14 Did the organization have a written document retention and destruction policy? 14 | X | |
| 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | |
| a The organization's CEO, Executive Director, or top management official 15a | X | |
| b Other officers or key employees of the organization 15b | X | |
| If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). | | |
| 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? 16a | | X |
| b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? 16b | | |

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **CA, MT, IL**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: **RYAN KISCADEN - 888-266-0550**
500 OFFICE CENTER DRIVE, STE 400, FORT WASHINGTON, PA 19034

Part VII

| | | | |
|--|-----------------|-----------|-------------|
| 1b Sub-total | 113,808. | 0. | 516. |
| c Total from continuation sheets to Part VII, Section A | 0. | 0. | 0. |
| d Total (add lines 1b and 1c) | 113,808. | 0. | 516. |

3

| | | | |
|---|---|---|---|
| 3 | Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | 3 | X |
| 4 | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> | 4 | X |
| 5 | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> | 5 | X |

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A) Name and business address | (B) Description of services | (C) Compensation |
|--|--|---------------------|
| S. GRONER ASSOCIATES, INC., 100 W. BROADWAY, SUITE 290, LONG BEACH, CA 90802 | MARKETING CONSULTING | 895,000. |
| HONEYWELL INTERNATIONAL, 1985 DOUGLAS DRIVE, GOLDEN VALLEY, MN 55422-3992 | ADMINISTRATIVE AND RECYCLING SERVICES | 267,993. |
| NAVISTA, THE PUBLIC AFFAIRS GROUP, INC., 1156 FIFTEENTH STREET, NW, SUITE 800, | STRATEGIC COUNCIL AND PROJECT MANAGEME | 130,621. |
| | | |
| | | |

3

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

| | | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512-514 |
|---|--|---|---------------------------|----------------------|---|---|--|
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a | Federated campaigns | 1a | | | | |
| | b | Membership dues | 1b | | | | |
| | c | Fundraising events | 1c | | | | |
| | d | Related organizations | 1d | | | | |
| | e | Government grants (contributions) | 1e | | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f | | | | |
| | g | Noncash contributions included in lines 1a-1f: \$ | | | | | |
| | h | Total. Add lines 1a-1f | | | | | |
| Program Service Revenue | 2 a | MEMBERSHIP DUES | Business Code 900099 | 2,889,641. | 2,889,641. | | |
| | b | SITE PARTICIPATION FEE | 900099 | 30,587. | 30,587. | | |
| | c | | | | | | |
| | d | | | | | | |
| | e | | | | | | |
| | f | All other program service revenue | | | | | |
| | g | Total. Add lines 2a-2f | | | 2,920,228. | | |
| | 3 | Investment income (including dividends, interest, and other similar amounts) | | | 285. | | 285. |
| 4 | Income from investment of tax-exempt bond proceeds | | | | | | |
| 5 | Royalties | | | | | | |
| Other Revenue | 6 a | Gross rents | (i) Real (ii) Personal | | | | |
| | b | Less: rental expenses | | | | | |
| | c | Rental income or (loss) | | | | | |
| | d | Net rental income or (loss) | | | | | |
| | 7 a | Gross amount from sales of assets other than inventory | (i) Securities (ii) Other | | | | |
| | b | Less: cost or other basis and sales expenses | | | | | |
| | c | Gain or (loss) | | | | | |
| | d | Net gain or (loss) | | | | | |
| | 8 a | Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 | a | | | | |
| | b | Less: direct expenses | b | | | | |
| | c | Net income or (loss) from fundraising events | | | | | |
| | 9 a | Gross income from gaming activities. See Part IV, line 19 | a | | | | |
| | b | Less: direct expenses | b | | | | |
| | c | Net income or (loss) from gaming activities | | | | | |
| | 10 a | Gross sales of inventory, less returns and allowances | a | | | | |
| | b | Less: cost of goods sold | b | | | | |
| | c | Net income or (loss) from sales of inventory | | | | | |
| | Miscellaneous Revenue | | | Business Code | | | |
| | 11 a | | | | | | |
| | b | | | | | | |
| c | | | | | | | |
| d | All other revenue | | | | | | |
| e | Total. Add lines 11a-11d | | | | | | |
| 12 | Total revenue. See instructions. | | | 2,920,513. | 2,920,228. | 0. | 285. |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 | | | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 114,324. | | | |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 175,206. | | | |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | | | | |
| 9 Other employee benefits | 21,197. | | | |
| 10 Payroll taxes | 24,172. | | | |
| 11 Fees for services (non-employees): | | | | |
| a Management | | | | |
| b Legal | 30,952. | | | |
| c Accounting | 24,500. | | | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.) | 187,854. | | | |
| 12 Advertising and promotion | 1,052,314. | | | |
| 13 Office expenses | 11,341. | | | |
| 14 Information technology | 27,871. | | | |
| 15 Royalties | | | | |
| 16 Occupancy | 69,578. | | | |
| 17 Travel | 80,370. | | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | | | | |
| 20 Interest | | | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 2,248. | | | |
| 23 Insurance | 22,127. | | | |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a RECYCLING SERVICES | 308,900. | | | |
| b SPONSORSHIPS AND MEMBER | 53,508. | | | |
| c COMMUNICATIONS | 44,650. | | | |
| d RECYCLING BINS | 13,473. | | | |
| e All other expenses | 13,399. | | | |
| 25 Total functional expenses. Add lines 1 through 24e | 2,277,984. | | | |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | | | | |

Check here ☐ if following SOP 98-2 (ASC 958-720)

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

| | | (A) Beginning of year | | (B) End of year |
|--|---|---|------------|--------------------|
| Assets | 1 Cash - non-interest-bearing | 386,575. | 1 | 236,507. |
| | 2 Savings and temporary cash investments | 171,417. | 2 | 371,572. |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 225. | 4 | 463,122. |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L | | 6 | |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | | 8 | |
| | 9 Prepaid expenses and deferred charges | 65,104. | 9 | 165,085. |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 10,068. | | |
| | b Less: accumulated depreciation | 10b 6,816. | 10c 5,702. | 3,252. |
| | 11 Investments - publicly traded securities | | 11 | |
| | 12 Investments - other securities. See Part IV, line 11 | | 12 | |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | |
| | 14 Intangible assets | | 14 | 2,986. |
| | 15 Other assets. See Part IV, line 11 | 13,820. | 15 | 21,188. |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 642,843. | 16 | 1,263,712. | |
| Liabilities | 17 Accounts payable and accrued expenses | 388,046. | 17 | 366,386. |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | | 19 | |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | | 25 | |
| | 26 Total liabilities. Add lines 17 through 25 | 388,046. | 26 | 366,386. |
| | Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | |
| 27 Unrestricted net assets | | 254,797. | 27 | 897,326. |
| 28 Temporarily restricted net assets | | | 28 | |
| 29 Permanently restricted net assets | | | 29 | |
| Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | | |
| 30 Capital stock or trust principal, or current funds | | | 30 | |
| 31 Paid-in or capital surplus, or land, building, or equipment fund | | | 31 | |
| 32 Retained earnings, endowment, accumulated income, or other funds | | | 32 | |
| 33 Total net assets or fund balances | | 254,797. | 33 | 897,326. |
| 34 Total liabilities and net assets/fund balances | 642,843. | 34 | 1,263,712. | |

Form 990 (2016)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☐

| | | | |
|----|--|----|------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 2,920,513. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 2,277,984. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 642,529. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 254,797. |
| 5 | Net unrealized gains (losses) on investments | 5 | |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | 0. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 897,326. |

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

| | Yes | No |
|--|-----|----|
| 1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O. | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | 2a | X |
| b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | 2b | X |
| c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O. | 2c | X |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____ | 3a | X |
| b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____ | 3b | |

Form 990 (2016)

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2016

**Open to Public
Inspection**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

THERMOSTAT RECYCLING CORPORATION

Employer identification number

54-1830284

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political campaign activity expenditures ▶ \$
- 3 Volunteer hours for political campaign activities

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

| (a) Name | (b) Address | (c) EIN | (d) Amount paid from filing organization's funds. If none, enter -0- | (e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0- |
|----------|-------------|---------|--|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2016

LHA

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures
 (The term "expenditures" means amounts paid or incurred.)

| | (a) Filing organization's totals | (b) Affiliated group totals | | | | | | | | | | | | |
|---|--|------------------------------------|--------------------|-------------------------------|---|--|---|--|--|---|-------------------|--------------|--|--|
| 1a Total lobbying expenditures to influence public opinion (grass roots lobbying) | | | | | | | | | | | | | | |
| b Total lobbying expenditures to influence a legislative body (direct lobbying) | | | | | | | | | | | | | | |
| c Total lobbying expenditures (add lines 1a and 1b) | | | | | | | | | | | | | | |
| d Other exempt purpose expenditures | | | | | | | | | | | | | | |
| e Total exempt purpose expenditures (add lines 1c and 1d) | | | | | | | | | | | | | | |
| f Lobbying nontaxable amount. Enter the amount from the following table in both columns. | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table> | If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is: | Not over \$500,000 | 20% of the amount on line 1e. | Over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000. | Over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000. | Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000. | Over \$17,000,000 | \$1,000,000. | | |
| If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is: | | | | | | | | | | | | | |
| Not over \$500,000 | 20% of the amount on line 1e. | | | | | | | | | | | | | |
| Over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000. | | | | | | | | | | | | | |
| Over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000. | | | | | | | | | | | | | |
| Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000. | | | | | | | | | | | | | |
| Over \$17,000,000 | \$1,000,000. | | | | | | | | | | | | | |
| g Grassroots nontaxable amount (enter 25% of line 1f) | | | | | | | | | | | | | | |
| h Subtract line 1g from line 1a. If zero or less, enter -0- | | | | | | | | | | | | | | |
| i Subtract line 1f from line 1c. If zero or less, enter -0- | | | | | | | | | | | | | | |
| j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | | | | | | | | | | |

4-Year Averaging Period Under section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period

| Calendar year (or fiscal year beginning in) | (a) 2013 | (b) 2014 | (c) 2015 | (d) 2016 | (e) Total |
|--|----------|----------|----------|----------|-----------|
| 2a Lobbying nontaxable amount | | | | | |
| b Lobbying ceiling amount (150% of line 2a, column(e)) | | | | | |
| c Total lobbying expenditures | | | | | |
| d Grassroots nontaxable amount | | | | | |
| e Grassroots ceiling amount (150% of line 2d, column (e)) | | | | | |
| f Grassroots lobbying expenditures | | | | | |

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**▶ Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.

OMB No. 1545-0047

2016
Open to Public
Inspection▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization

THERMOSTAT RECYCLING CORPORATION

Employer identification number
54-1830284**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|-------------------------|------------------------------|
| 1 Total number at end of year | | |
| 2 Aggregate value of contributions to (during year) | | |
| 3 Aggregate value of grants from (during year) | | |
| 4 Aggregate value at end of year | | |

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

| | |
|--|---|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) | <input type="checkbox"/> Preservation of a historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| <input type="checkbox"/> Preservation of open space | |

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

| | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

| | |
|---|------------|
| (i) Revenue included on Form 990, Part VIII, line 1 | ▶ \$ |
| (ii) Assets included in Form 990, Part X | ▶ \$ |

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

| | |
|---|------------|
| a Revenue included on Form 990, Part VIII, line 1 | ▶ \$ |
| b Assets included in Form 990, Part X | ▶ \$ |

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

| | Amount |
|----------------------------------|--------|
| 1c Beginning balance | |
| 1d Additions during the year | |
| 1e Distributions during the year | |
| 1f Ending balance | |

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ☐ _____ %

b Permanent endowment ☐ _____ %

c Temporarily restricted endowment ☐ _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations

(ii) related organizations

| | Yes | No |
|--------|-----|----|
| 3a(i) | | |
| 3a(ii) | | |
| 3b | | |

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--------------------------|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | | | |
| b Buildings | | | | |
| c Leasehold improvements | | | | |
| d Equipment | | 10,068. | 6,816. | 3,252. |
| e Other | | | | |

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) ☐ 3,252.

Schedule D (Form 990) 2016

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|--|----------------|---|
| (1) Financial derivatives | | |
| (2) Closely-held equity interests | | |
| (3) Other | | |
| (A) | | |
| (B) | | |
| (C) | | |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶ | | |

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|--|----------------|---|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶ | | |

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

| (a) Description | (b) Book value |
|--|----------------|
| (1) | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶ | |

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

| 1. (a) Description of liability | (b) Book value |
|--|----------------|
| (1) Federal income taxes | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ | |

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

| | | | |
|----------|---|-----------|------------|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 | 2,920,513. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | |
| a | Net unrealized gains (losses) on investments | 2a | |
| b | Donated services and use of facilities | 2b | |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIII.) | 2d | |
| e | Add lines 2a through 2d | 2e | 0. |
| 3 | Subtract line 2e from line 1 | 3 | 2,920,513. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | 4c | 0. |
| 5 | Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5 | 2,920,513. |

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

| | | | |
|----------|--|-----------|------------|
| 1 | Total expenses and losses per audited financial statements | 1 | 2,277,984. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | |
| a | Donated services and use of facilities | 2a | |
| b | Prior year adjustments | 2b | |
| c | Other losses | 2c | |
| d | Other (Describe in Part XIII.) | 2d | |
| e | Add lines 2a through 2d | 2e | 0. |
| 3 | Subtract line 2e from line 1 | 3 | 2,277,984. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | 4c | 0. |
| 5 | Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | 5 | 2,277,984. |

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

TRC IS EXEMPT FROM INCOME TAXES ON ITS EXEMPT ACTIVITIES UNDER SECTION 501 (C) (6) OF THE INTERNAL REVENUE CODE. TRC FOLLOWS ACCOUNTING STANDARDS FOR DEALING WITH UNCERTAINTY IN ACCOUNTING FOR INCOME TAX PROVISIONS. TRC HAS DETERMINED THAT IT DOES NOT HAVE ANY MATERIAL UNRECOGNIZED TAX BENEFITS OR OBLIGATIONS AS OF DECEMBER 31, 2016 AND 2015. YEARS ENDING ON OR AFTER DECEMBER 31, 2013 REMAIN SUBJECT TO EXAMINATION BY FEDERAL AND STATE TAX AUTHORITIES.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

THERMOSTAT RECYCLING CORPORATION

Employer identification number

54-1830284

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

☐ First-class or charter travel

☐ Travel for companions

☐ Tax indemnification and gross-up payments

☐ Discretionary spending account

☐ Housing allowance or residence for personal use

☐ Payments for business use of personal residence

☐ Health or social club dues or initiation fees

☐ Personal services (such as, maid, chauffeur, chef)

Yes No

1b

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

2

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

☐ Compensation committee

☐ Independent compensation consultant

☒ Form 990 of other organizations

☒ Written employment contract

☒ Compensation survey or study

☒ Approval by the board or compensation committee

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?

4a

X

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

4b

X

c Participate in, or receive payment from, an equity-based compensation arrangement?

4c

X

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

5a

b Any related organization?

5b

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

6a

b Any related organization?

6b

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

7

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

8

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

9

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2016

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 3:

COMPENSATION IS ESTABLISHED BY THE BOARD OF DIRECTORS AND COMPARABILITY
DATA, AMONG OTHER METHODS, ARE USED TO DETERMINE THE COMPENSATION OF THE
ORGANIZATION'S EXECUTIVE DIRECTOR.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public
Inspection

Name of the organization

THERMOSTAT RECYCLING CORPORATION

Employer identification number
54-1830284

FORM 990, PART VI, SECTION A, LINE 6:

INITIAL MEMBERS OF THIS CORPORATION SHALL BE WHITE-RODGERS CORPORATION AND
HONEYWELL INC. EACH SUCH CORPORATION SHALL BE DEEMED AN ORIGINAL MEMBER OF
THE CORPORATION, AND ALL CORPORATIONS MAY BE REFERRED TO COLLECTIVELY IN
THE BY-LAWS AS THE ORIGINAL MEMBERS.

FROM TIME TO TIME, THE BOARD OF DIRECTORS MAY INVITE OTHER THERMOSTAT
MANUFACTURERS TO PARTICIPATE AS MEMBERS IN THE CORPORATION. SUCH A
CORPORATION SHALL BECOME A MEMBER ONLY UPON PAYMENT OF FEES AS PROVIDED
UNDER ARTICLE VII OF THE BY-LAWS.

FORM 990, PART VI, SECTION A, LINE 7A:

THERE SHALL BE A NOMINATING COMMITTEE OF THE BOARD OF DIRECTORS, WHICH
SHALL CONSIST OF THREE DIRECTORS, ALL OF WHOM ARE EMPLOYED BY ORIGINAL
MEMBERS. ONE MONTH PRIOR TO THE ANNUAL MEETING OF THE CORPORATION, THE
NOMINATING COMMITTEE SHALL APPROVE A SLATE OF NOMINEES MEETING THE
QUALIFICATIONS SET FORTH IN SECTION 2 TO BE SUBMITTED TO THE MEMBERS FOR
ELECTION AT THE ANNUAL MEETING.

FORM 990, PART VI, SECTION B, LINE 11B:

A COPY OF FORM 990 IS PROVIDED TO ALL GOVERNING MEMBERS BEFORE IT IS FILED.
A REASONABLE AMOUNT OF TIME IS ALLOWED FOR THE GOVERNING MEMBERS TO REVIEW
THE FORM 990 AND PROVIDE COMMENTS.

FORM 990, PART VI, SECTION B, LINE 15:

COMPENSATION IS ESTABLISHED BY THE BOARD OF DIRECTORS AND COMPARABILITY

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2016)

Name of the organization

THERMOSTAT RECYCLING CORPORATION

Employer identification number

54-1830284

DATA, AMONG OTHER METHODS, TO DETERMINE THE COMPENSATION OF THE
ORGANIZATION'S EXECUTIVE DIRECTOR.

FORM 990, PART VI, SECTION C, LINE 19:

TRC MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND
FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST (VIA E-MAIL OR
MAIL).

FORM 990, PART XII, LINE 2C

THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR. THE BOARD OF
DIRECTORS ASSUME OVERSIGHT RESPONSIBILITY FOR THE AUDIT.

2016 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 10

990

| Asset No. | Description | Date Acquired | Method | Life | C o n v | Line No. | Unadjusted Cost Or Basis | Bus % Excl | Section 179 Expense | * Reduction In Basis | Basis For Depreciation | Beginning Accumulated Depreciation | Current Sec 179 Expense | Current Year Deduction | Ending Accumulated Depreciation |
|-----------|-------------------------------------|---------------|--------|------|---------|----------|--------------------------|------------|---------------------|----------------------|------------------------|------------------------------------|-------------------------|------------------------|---------------------------------|
| 1 | LAPTOP | 07/15/12 | SL | 5.00 | | 16 | 1,447. | | | | 1,447. | 1,001. | | 289. | 1,290. |
| 2 | (D)HP PRINTER P4015 (002) | 11/30/12 | SL | 5.00 | | 16 | 1,141. | | | | 1,141. | 703. | | 228. | 931. |
| 3 | 2 DELL COMPUTERS | 11/21/12 | SL | 5.00 | | 16 | 3,007. | | | | 3,007. | 1,854. | | 601. | 2,455. |
| 4 | DELL OPTIPLEX 7010 SFF | 01/05/14 | SL | 5.00 | | 16 | 1,231. | | | | 1,231. | 492. | | 246. | 738. |
| 5 | DELL COMPUTER WITH MICROPHONE | 01/31/14 | SL | 5.00 | | 16 | 1,933. | | | | 1,933. | 741. | | 387. | 1,128. |
| 6 | DELL LAPTOP | 05/01/14 | SL | 5.00 | | 16 | 1,221. | | | | 1,221. | 407. | | 244. | 651. |
| 7 | DELL OPTIPLEX 7010 W/22" MONITOR | 10/01/14 | SL | 5.00 | | 16 | 1,228. | | | | 1,228. | 307. | | 246. | 553. |
| 8 | SALESFORCE SOFTWARE LICENSES | 12/16/16 | | 5M | HY42 | | 3,012. | | | | 3,012. | | | 0. | |
| | * TOTAL 990 PAGE 10 DEPR & AMORT | | | | | | 14,220. | | | | 14,220. | 5,505. | | 2,241. | 7,746. |
| | CURRENT YEAR ACTIVITY | | | | | | | | | | | | | | |
| | BEGINNING BALANCE | | | | | | 11,208. | | | 0. | 11,208. | 5,505. | | | 7,746. |
| | ACQUISITIONS | | | | | | 3,012. | | | 0. | 3,012. | 0. | | | 0. |
| | DISPOSITIONS | | | | | | 1,141. | | | 0. | 1,141. | 703. | | | 931. |
| | ENDING BALANCE | | | | | | 13,079. | | | 0. | 13,079. | 4,802. | | | 6,815. |
| | ENDING ACCUM DEPR LESS DISPOSITIONS | | | | | | | | | | | 6,815. | | | |
| | ENDING BOOK VALUE | | | | | | | | | | | 6,264. | | | |

628111 04-01-16

(D) - Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2017 Montana Miss You Calls

| Account | Location: Name | Street | City | State | Zip Code | County | Subject | Summary | Activity Date |
|--|--|-----------------------------|-------------|-------|----------|-----------------|---------|---------------|---------------|
| DAKOTA SUPPLY GROUP | Dakota Supply Group | 325 Graves Trail | Bozeman | MT | 59718 | Gallatin | Call | Miss You Call | 10/25/2017 |
| DAKOTA SUPPLY GROUP | Dakota Supply Group | 105 Cooperative Way | Kalispell | MT | 59901 | Flathead | Call | Miss You Call | 10/25/2017 |
| Evans Ace Hardware | Evans Ace Hardware | 714 N. 1ST St. | HAMILTON | MT | 59840 | Ravalli | Call | Miss You Call | 10/25/2017 |
| KELLER SUPPLY | Keller Supply | 204 Ice Center Lane | Bozeman | MT | 59718 | Gallatin | Call | Miss You Call | 10/25/2017 |
| KELLER SUPPLY | Keller Supply | 4211 1st Ave S. | Billings | MT | 59101 | Yellowstone | Call | Miss You Call | 10/25/2017 |
| KELLER SUPPLY | Keller Supply | 1151 Mount St. | Missoula | MT | 59801 | Missoula | Call | Miss You Call | 10/25/2017 |
| MOUNTAIN SUPPLY CO. | MOUNTAIN SUPPLY CO. | 2101 MULLEN ROAD | MISSOULA | MT | 59808 | Missoula | Call | Miss You Call | 10/25/2017 |
| NELSON'S ACE HARDWARE | NELSON'S ACE HARDWARE | 224 CENTRAL AVE | WHITEFISH | MT | 59937 | Flathead | Call | Miss You Call | 10/25/2017 |
| THERMAL SUPPLY | THERMAL SUPPLY | 546 S. 18TH WEST | BILLINGS | MT | 59102 | Yellowstone | Call | Miss You Call | 10/25/2017 |
| THERMAL SUPPLY | THERMAL SUPPLY | 100 COMMERCIAL AVE | GREAT FALLS | MT | 59405 | Cascade | Call | Miss You Call | 10/25/2017 |
| DAKOTA SUPPLY GROUP | Dakota Supply Group - DNT RTRN - PAIL SENT | 1839 King Ave. W. | Billings | MT | 59102 | Yellowstone | Call | Miss You Call | 10/26/2017 |
| AIREFCO SUPPLY, INC. | Airefco | 1305 South 27th Street West | Billings | MT | 59102 | Yellowstone | Call | Miss You Call | 11/15/2017 |
| Evans Ace Hardware | Evans Ace Hardware | 714 N. 1ST St. | HAMILTON | MT | 59840 | Ravalli | Call | Miss You Call | 11/15/2017 |
| KELLER SUPPLY | Keller Supply | 4211 1st Ave S. | Billings | MT | 59101 | Yellowstone | Call | Miss You Call | 11/15/2017 |
| NORTHWEST PIPE FITTING | NORTHWEST PIPE FITTING | 404 17TH AVE NE | GREAT FALLS | MT | 59404 | Cascade | Call | Miss You Call | 11/15/2017 |
| THERMAL SUPPLY | THERMAL SUPPLY | 546 S. 18TH WEST | BILLINGS | MT | 59102 | Yellowstone | Call | Miss You Call | 11/15/2017 |
| Tyler Electric | Tyler Electric | 81 Northstar Lane | Bozeman | MT | 59718 | Gallatin | Call | Miss You Call | 11/15/2017 |
| DAKOTA SUPPLY GROUP | Dakota Supply Group | 325 Graves Trail | Bozeman | MT | 59718 | Gallatin | Call | Miss You Call | 11/16/2017 |
| DAKOTA SUPPLY GROUP | Dakota Supply Group | 105 Cooperative Way | Kalispell | MT | 59901 | Flathead | Call | Miss You Call | 11/16/2017 |
| DAKOTA SUPPLY GROUP | Dakota Supply Group | 2609 Bozeman Ave. | Helena | MT | 59601 | Lewis and Clark | Call | Miss You Call | 11/16/2017 |
| DAKOTA SUPPLY GROUP | Dakota Supply Group | 4520 Majestic Dr. | Missoula | MT | 59808 | Missoula | Call | Miss You Call | 11/16/2017 |
| DAKOTA SUPPLY GROUP | Dakota Supply Group - DNT RTRN - PAIL SENT | 1839 King Ave. W. | Billings | MT | 59102 | Yellowstone | Call | Miss You Call | 11/16/2017 |
| Ferguson | Ferguson | 2435 US Hwy 2 East | Kalispell | MT | 59901 | Flathead | Call | Miss You Call | 11/16/2017 |
| GENSCO | GENSCO | 150 SOUTH CATLIN STREET | MISSOULA | MT | 59801 | Missoula | Call | Miss You Call | 11/16/2017 |
| JOHNSTONE SUPPLY | JOHNSTONE SUPPLY CO | 734 Holmes | Missoula | MT | 59801 | Missoula | Call | Miss You Call | 11/16/2017 |
| KELLER SUPPLY | Keller Supply | 204 Ice Center Lane | Bozeman | MT | 59718 | Gallatin | Call | Miss You Call | 11/16/2017 |
| KELLER SUPPLY | Keller Supply | 1151 Mount St. | Missoula | MT | 59801 | Missoula | Call | Miss You Call | 11/16/2017 |
| MONTANA ACE HARDWARE | MONTANA ACE HARDWARE | 905 E. BROADWAY | MISSOULA | MT | 59802 | Missoula | Call | Miss You Call | 11/16/2017 |
| MOUNTAIN SUPPLY CO. | MOUNTAIN SUPPLY CO. | 2101 MULLEN ROAD | MISSOULA | MT | 59808 | Missoula | Call | Miss You Call | 11/16/2017 |
| NELSON'S ACE HARDWARE | NELSON'S ACE HARDWARE | 224 CENTRAL AVE | WHITEFISH | MT | 59937 | Flathead | Call | Miss You Call | 11/16/2017 |
| OWENHOUSE ACE HARDWARE | OWENHOUSE ACE HARDWARE | 36 E. MAIN | BOZEMAN | MT | 59715 | Gallatin | Call | Miss You Call | 11/16/2017 |
| Refrigeration Supplies Distributor (RSD) | RSD | 601 3RD AVENUE SO | GREAT FALLS | MT | 59405 | Cascade | Call | Miss You Call | 11/16/2017 |
| THERMAL SUPPLY | THERMAL SUPPLY | 100 COMMERCIAL AVE | GREAT FALLS | MT | 59405 | Cascade | Call | Miss You Call | 11/16/2017 |

Montana
2017 Collection Location Summary Report

| Bin Bar Code | Location Type | Name | Street | City | State | Zip Code | Phone | Return Date | Number of Loose Switches | Number of Mercury Thermostats | Total Mercury Volume (lbs.) |
|-------------------------------------|-----------------|---------------------------|-----------------------------|-------------|-------|----------|----------------|-------------|--------------------------|-------------------------------|-----------------------------|
| | Wholesaler | Airefco | 1305 South 27th Street West | Billings | MT | 59102 | 406-206-4402 | | | | |
| | HHW | CITY OF BOZEMAN | 311 West Main Street | BOZEMAN | MT | 59715 | 406-582-3238 | | | | |
| | Wholesaler | Dakota Supply Group | 325 Graves Trail | Bozeman | MT | 59718 | 406-586-8650 | | | | |
| M19794 | Wholesaler | Dakota Supply Group | 2609 Bozeman Ave. | Helena | MT | 59601 | 406-443-4012 | 12/26/2017 | 0 | 5 | 0.031 |
| | Wholesaler | Dakota Supply Group | 105 Cooperative Way | Kalispell | MT | 59901 | 406-752-1402 | | | | |
| | Wholesaler | Dakota Supply Group | 4520 Majestic Dr. | Missoula | MT | 59808 | 406-728-0009 | | | | |
| M19797 | Wholesaler | Dakota Supply Group - DNT | 1839 King Ave. W. | Billings | MT | 59102 | 406-656-2082 | 10/31/2017 | 0 | 1 | 0.0062 |
| | Wholesaler | Dakota Supply Group - DNT | | | | | | | | | |
| | Wholesaler | RTRN - PAIL SENT | 1839 King Ave. W. | Billings | MT | 59102 | 406-656-2082 | | | | |
| | Retailer | Evans Ace Hardware | 714 N. 1ST St. | HAMILTON | MT | 59840 | 406-363-3351 | | | | |
| | Wholesaler | Ferguson | 2435 US Hwy 2 East | Kalispell | MT | 59901 | 406-756-7630 | | | | |
| | Wholesaler | GENSCO | 465 SOUTH 18TH STREET W. | BILLINGS | MT | 59102 | 406-655-0028 | | | | |
| M11397 | Wholesaler | GENSCO | 150 SOUTH CATLIN STREET | MISSOULA | MT | 59801 | 406-543-1133 | 12/4/2017 | 1 | 34 | 0.2232 |
| | Wholesaler | GENSCO | 150 SOUTH CATLIN STREET | MISSOULA | MT | 59801 | 406-543-1133 | | | | |
| | Wholesaler | GENSCO INC. | 465 SOUTH 18TH STREET WEST | BILLINGS | MT | 59102 | 406-655-0028 | 9/21/2017 | 0 | 19 | 0.155 |
| | Wholesaler | GENSCO INC. | 465 SOUTH 18TH STREET WEST | BILLINGS | MT | 59102 | 406-655-0028 | | | | |
| | Wholesaler | JOHNSTONE SUPPLY CO | 5253 SOUTHGATE DR | BILLINGS | MT | 59101 | 406-252-1207 | | | | |
| M12930 | Wholesaler | JOHNSTONE SUPPLY CO | 5253 SOUTHGATE DR | BILLINGS | MT | 59101 | 406-252-1207 | 1/23/2017 | 0 | 104 | 0.6944 |
| | Wholesaler | JOHNSTONE SUPPLY CO | 734 Holmes | Missoula | MT | 59801 | 406-542-1418 | | | | |
| | Wholesaler | Keller Supply | 4211 1st Ave S. | Billings | MT | 59101 | 406-245-3191 | | | | |
| | Wholesaler | Keller Supply | 204 Ice Center Lane | Bozeman | MT | 59718 | 406-582-5784 | | | | |
| | Wholesaler | Keller Supply | 1151 Mount St. | Missoula | MT | 59801 | 406-721-4411 | | | | |
| | Wholesaler | MDM Supply (Closed) | 325 Graves Trail | Bozeman | MT | 59718 | 406-586-8650 | | | | |
| | Wholesaler | MDM Supply (Closed) | 105 Cooperative Way | Kalispell | MT | 59901 | 406-752-1402 | | | | |
| | Retailer | MONTANA ACE HARDWARE | 905 E. BROADWAY | MISSOULA | MT | 59802 | 406-721-9690 | | | | |
| | Retailer | MONTANA ACE HARDWARE | 2301 BROOKS STREET | MISSOULA | MT | 59801 | 406-721-9690 | | | | |
| | Wholesaler | MOUNTAIN SUPPLY CO. | 2101 MULLEN ROAD | MISSOULA | MT | 59808 | 406-543-8255 | | | | |
| | Retailer | NELSON'S ACE HARDWARE | 224 CENTRAL AVE | WHITEFISH | MT | 59937 | 406-862-3574 | | | | |
| | Wholesaler | NORTHWEST PIPE FITTING | 404 17TH AVE NE | GREAT FALLS | MT | 59404 | 406 727-9843 | | | | |
| | Retailer | OWENHOUSE ACE HARDWARE | 36 E. MAIN | BOZEMAN | MT | 59715 | 406-587-5401 | | | | |
| | Wholesaler | RSD | 20 Moore Lane | BILLINGS | MT | 59101 | 406-259-0300 | | | | |
| | Wholesaler | RSD | 601 3RD AVENUE SO | GREAT FALLS | MT | 59405 | 406-727-9080 | | | | |
| | Wholesaler | RSD REFRIG SUPPLIES DIST | 20 Moore Lane | BILLINGS | MT | 59101 | (406) 259-0300 | | | | |
| M11317 | Wholesaler | RSD REFRIG SUPPLIES DIST | 20 Moore Lane | BILLINGS | MT | 59101 | (406) 259-0300 | 12/20/2016 | 0 | 5 | 0.031 |
| | Wholesaler | THERMAL SUPPLY | 546 S. 18TH WEST | BILLINGS | MT | 59102 | 406 651-4600 | | | | |
| | Wholesaler | THERMAL SUPPLY | 100 COMMERCIAL AVE | GREAT FALLS | MT | 59405 | 406-727-0647 | | | | |
| M15542 - DNT RTRN - PAIL SENT | Wholesaler | THERMAL SUPPLY | 100 COMMERCIAL AVE | GREAT FALLS | MT | 59405 | 406-727-0647 | 10/31/2017 | 0 | 5 | 0.031 |
| | HVAC Contractor | Tyler Electric | 81 Northstar Lane | Bozeman | MT | 59718 | 406-284-2320 | | | | |

Montana

2017 Collection Location Bin Receipt

| Bin Bar Code | Location Type | Name | Street | City | State | Zip Code | Phone | Return Date | Number of Loose Switches | Number of Mercury Thermostats | Total Mercury Volume (lbs.) |
|--------------|---------------|---|-------------------------------|-------------|-------|----------|----------------|-------------|--------------------------|-------------------------------|-----------------------------|
| M11317 | Wholesaler | RSD REFRIG SUPPLIES DIST | 20 Moore Lane | BILLINGS | MT | 59101 | (406) 259-0300 | 12/20/2016 | 0 | 5 | 0.031 |
| M12930 | Wholesaler | JOHNSTONE SUPPLY CO | 5253 SOUTHGATE DR | BILLINGS | MT | 59101 | 406-252-1207 | 1/23/2017 | 0 | 104 | 0.6944 |
| M15048 | Wholesaler | GENSCO INC. | 465 SOUTH 18TH STREET WEST | BILLINGS | MT | 59102 | 406-655-0028 | 9/21/2017 | 0 | 19 | 0.155 |
| M19797 | Wholesaler | Dakota Supply Group - DNT RTRN - PAIL SENT | 1839 King Ave. W. | Billings | MT | 59102 | 406-656-2082 | 10/31/2017 | 0 | 1 | 0.0062 |
| M15542 - DNT | Wholesaler | THERMAL SUPPLY | 100 COMMERCIAL AVE | GREAT FALLS | MT | 59405 | 406-727-0647 | 10/31/2017 | 0 | 5 | 0.031 |
| M11397 | Wholesaler | GENSCO | 150 SOUTH CATLIN STREET | MISSOULA | MT | 59801 | 406-543-1133 | 12/4/2017 | 1 | 34 | 0.2232 |
| M19794 | Wholesaler | Dakota Supply Group | 2609 Bozeman Ave. | Helena | MT | 59601 | 406-443-4012 | 12/26/2017 | 0 | 5 | 0.031 |