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


|  |   |  |
|--|---|--|
| Form <b>990</b><br><br>Department of the Treasury<br>Internal Revenue Service | <h1>Return of Organization Exempt From Income Tax</h1> <p><b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)</b></p> <p>▶ Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.</p> <p>▶ Information about Form 990 and its instructions is at <a href="http://www.irs.gov/form990">www.irs.gov/form990</a></p> | OMB No 1545-0047<br><div>2013</div> <div>Open to Public Inspection</div> |
|--|---|--|

|  |  |   |  |  |  |  |   |   |  |
|--|--|---|--|--|--|--|---|---|--|
| <b>A For the 2013 calendar year, or tax year beginning 01-01-2013 , 2013, and ending 12-31-2013</b>  |  |   |  |  |  |  |   |   |  |
| <b>B</b> Check if applicable<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Terminated<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending |  | <b>C</b> Name of organization<br>COTTON INCORPORATED  |  |  |  |  | <b>D</b> Employer identification number<br><br>62-0786018 |   |  |
|  |  | Doing Business As   |  |  |  |  |   |   |  |
|  |  | Number and street (or P O box if mail is not delivered to street address)<br>6399 WESTON PARKWAY      |  |  |  | Room/suite   |   | <b>E</b> Telephone number<br><br>(919) 678-2220 |  |
|  |  | City or town, state or province, country, and ZIP or foreign postal code<br>CARY, NC 27513            |  |  |  |  |   |   |  |
|  |  |   |  |  |  |  | <b>G</b> Gross receipts \$ 81,118,420                     |   |  |
|  |  | <b>F</b> Name and address of principal officer<br>DAVID BYRD<br>6399 WESTON PARKWAY<br>CARY, NC 27513 |  |  |  | <b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                         |   |   |  |
|  |  |   |  |  |  | <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If "No," attach a list (see instructions) |   |   |  |
| <b>I</b> Tax-exempt status <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) ( 6 ) (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527  |  |   |  |  |  | <b>H(c)</b> Group exemption number ▶   |   |   |  |
| <b>J</b> Website: ▶ WWW.COTTONINC.COM  |  |   |  |  |  |  |   |   |  |
| <b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶   |  |   |  |  |  | <b>L</b> Year of formation 1967  |   | <b>M</b> State of legal domicile TN             |  |

| Part I                      | Summary   |                                  |                     |
|-----------------------------|---|----------------------------------|---------------------|
| Activities & Governance     | <b>1</b> Briefly describe the organization's mission or most significant activities<br>COTTON INCORPORATED, FUNDED BY U S GROWERS OF UPLAND COTTON AND IMPORTERS OF COTTON AND COTTON TEXTILE PRODUCTS, IS THE RESEARCH AND MARKETING COMPANY REPRESENTING UPLAND COTTON THE PROGRAM IS DESIGNED AND OPERATED TO IMPROVE THE DEMAND FOR AND PROFITABILITY OF COTTON |                                  |                     |
|                             |   |                                  |                     |
|                             |   |                                  |                     |
|                             | <b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets   |                                  |                     |
|                             | <b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .  | <b>3</b>                         | 105                 |
|                             | <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .  | <b>4</b>                         | 105                 |
|                             | <b>5</b> Total number of individuals employed in calendar year 2013 (Part V, line 2a) . . . . .   | <b>5</b>                         | 154                 |
|                             | <b>6</b> Total number of volunteers (estimate if necessary) . . . . .   | <b>6</b>                         | 105                 |
|                             | <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .  | <b>7a</b>                        | 0                   |
|                             | <b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .   | <b>7b</b>                        | 0                   |
| Revenue                     |   | <b>Prior Year</b>                | <b>Current Year</b> |
|                             | <b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .  | 78,845,852                       | 81,118,420          |
|                             | <b>9</b> Program service revenue (Part VIII, line 2g) . . . . .   | 0                                | 0                   |
|                             | <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .  | -3,540                           | -29,235             |
|                             | <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)  | 0                                | 0                   |
|                             | <b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .  | 78,842,312                       | 81,089,185          |
| Expenses                    | <b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .   | 457,941                          | 401,121             |
|                             | <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .   | 0                                | 0                   |
|                             | <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)   | 15,720,956                       | 12,912,285          |
|                             | <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .  | 0                                | 0                   |
|                             | <b>b</b> Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0   |                                  |                     |
|                             | <b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .  | 60,336,419                       | 62,306,142          |
|                             | <b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)  | 76,515,316                       | 75,619,548          |
|                             | <b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .   | 2,326,996                        | 5,469,637           |
| Net Assets or Fund Balances |   | <b>Beginning of Current Year</b> | <b>End of Year</b>  |
|                             | <b>20</b> Total assets (Part X, line 16) . . . . .  | 17,950,193                       | 17,196,759          |
|                             | <b>21</b> Total liabilities (Part X, line 26) . . . . .   | 18,987,959                       | 12,764,888          |
|                             | <b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .   | -1,037,766                       | 4,431,871           |

|                |                        |
|----------------|------------------------|
| <b>Part II</b> | <b>Signature Block</b> |
|----------------|------------------------|

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.

|   |   |  |                         |   |      |
|---|---|--|-------------------------|---|------|
| <b>Sign Here</b>  | Signature of officer  |  |                         | 2014-08-08  |      |
|   | DAVID BYRD SENIOR VP AND CFO  |  |                         | Date  |      |
| Type or print name and title  |   |  |                         |   |      |
| <b>Paid Preparer Use Only</b>   | Prnt/Type preparer's name<br>MICHAEL SORRELLS CPA   |  | Preparer's signature    |   | Date |
|   | Check <input type="checkbox"/> if self-employed   |  | PTIN<br>P00001737       |   |      |
|   | Firm's name  BDO USA LLP |  |                         | Firm's EIN  13-5381590 |      |
| Firm's address  7101 WISCONSIN AVE SUITE 800 |   |  | Phone no (301) 654-4900 |   |      |
| BETHESDA, MD 208144827  |   |  |                         |   |      |

May the IRS discuss this return with the preparer shown above? (see instructions) . . . . . ☒ Yes ☐ No

Part IIStatement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

COTTON INCORPORATED, FUNDED BY U S GROWERS OF UPLAND COTTON AND IMPORTERS OF COTTON AND COTTON TEXTILE PRODUCTS, IS THE RESEARCH AND MARKETING COMPANY REPRESENTING UPLAND COTTON THE PROGRAM IS DESIGNED AND OPERATED TO IMPROVE THE DEMAND FOR AND PROFITABILITY OF COTTON

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

CONSUMER MARKETING PROGRAM SERVICE USED A DIVERSIFIED PORTFOLIO OF COMMUNICATION VEHICLES TO PROMOTE THE AWARENESS OF COTTON THROUGH ADVERTISING, STRATEGIC ALLIANCES, AND PUBLIC RELATION ACTIVITIES ADVERTISING CONTINUED TO CREATE NEW THE FABRIC OF MY LIFE (R) TELEVISION COMMERCIALS AND RELATED INTERNET PROPERTIES AS WELL AS TRADE ADVERTISING EXTOLLING THE BENEFITS OF COTTON AS A TEXTILE AND NON-WOVENS FIBER ADVERTISING ALSO PROMOTED A TRADE FOCUSED MARKETING CAMPAIGN CALLED COTTON OR NOTHING STRATEGIC ALLIANCES CONDUCTED COTTON'S 24 HOUR RUNWAY SHOW, SENDING 1,400 COTTON LOOKS DOWN A RUNWAY THAT WAS LIVESTREAMED (SEE SCHEDULE O FOR CONTINUATION )

4b

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

GLOBAL SUPPLY CHAIN MARKETING'S COTTON MANAGEMENT SYSTEM TEAM PROVIDES COTTON SPINNERS WITH THE TOOLS NEEDED TO PUT THE RIGHT COTTON IN THE RIGHT PLACE AT THE RIGHT TO TIME TO OPTIMIZE MANUFACTURING PROCESSES MILLNET(R) WAS UPDATED FOR CHANGES IN USER NEEDS AND COTTON MARKETS THE CUSTOMER SERVICE GROUP MADE MORE THAN 50 MILL VISITS FOR THIS SOFTWARE'S MAINTENANCE - INSTALLING UPDATES AND PROVIDING TRAINING WE ALSO MADE 4 NEW INSTALLATIONS WITH NEW CUSTOMERS THE TEAM ALSO HOSTED THE COTTON COMPETITIVENESS CONFERENCE CULTIVATING SUCCESS IN A GLOBAL MARKET WHICH HAD MORE THAN 100 ATTENDEES FROM 67 COMPANIES THIS CONFERENCE FOCUSED ON COMPETITIVENESS THROUGHOUT THE SUPPLY CHAIN (SEE SCHEDULE O FOR CONTINUATION )

4c

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

AGRICULTURAL RESEARCH ALLOCATED MUCH OF ITS RESOURCES TOWARD LONG TERM RESEARCH ON GOALS RELATED TO IMPROVING GROWER PROFIT AND EFFICIENCY, BOTH IN TERMS OF ENVIRONMENTAL FOOTPRINT AND ECONOMIC INPUT WORKSHOPS, SEMINARS, AND GUIDES PLAY A ROLE IN THE DISSEMINATION OF RESEARCH SUPPORTED BY THE PROGRAM THE PROGRAM PARTNERED WITH THE PLANT MANAGEMENT NETWORK TO PROVIDE ON DEMAND WEBCASTS FOR GROWERS ON VARIOUS TOPICS AS WELL

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

RESEARCH AND DEVELOPMENT

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

CORPORATE SERVICES

4d

Other program services (Describe in Schedule O )

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

4e

Total program service expenses

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 . . . . .   | 1   | No  |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?   | 2   | Yes |
| 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 . . . . .  | 3   | No  |
| 4 <b>Section 501(c)(3) organizations.</b> 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 . . . . .   | 4   |     |
| 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 . . . . .   | 5   | No  |
| 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  | 6   | No  |
| 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  | 7   | No  |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III   | 8   | No  |
| 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             | 9   | No  |
| 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   | 10  | No  |
| 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   | 11a | Yes |
| 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   | 11b | No  |
| 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   | 11c | No  |
| 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  | 11d | No  |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X   | 11e | Yes |
| 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  | 11f | Yes |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII  | 12a | Yes |
| 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   | 12b | No  |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .  | 13  | No  |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? . . . . .   | 14a | Yes |
| 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 | 14b | Yes |
| 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   | 15  | No  |
| 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   | 16  | No  |
| 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 (see instructions) . . . . .  | 17  | No  |
| 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 . . . . .   | 18  | No  |
| 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 . . . . .   | 19  | No  |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H . . . . .   | 20a | No  |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?  | 20b |     |

Part IV

Checklist of Required Schedules (continued)

|     |  |     |     |    |
|-----|--|-----|-----|----|
| 21  | Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .  | 21  |     | No |
| 22  | Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .  | 22  | Yes |    |
| 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> . . . . .  | 23  | Yes |    |
| 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> . . . . .                            | 24a |     | No |
| b   | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .  | 24b |     |    |
| 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? . . . . .   | 24c |     |    |
| d   | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .  | 24d |     |    |
| 25a | <b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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> . . . . .  | 25a |     |    |
| 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> . . . . .                                       | 25b |     |    |
| 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 so, complete Schedule L, Part II</i> . . . . .                                    | 26  |     | No |
| 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> . . . . . | 27  |     | No |
| 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> . . . . .   | 28a |     | No |
| b   | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .  | 28b |     | No |
| 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> . . . .  | 28c |     | No |
| 29  | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . .  | 29  |     | No |
| 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> . . . . .  | 30  |     | No |
| 31  | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .  | 31  |     | No |
| 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> . . . . .  | 32  |     | No |
| 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> . . . . .  | 33  |     | No |
| 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> . . . . .  | 34  |     | No |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)?  | 35a |     | No |
| 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> . . . .   | 35b |     |    |
| 36  | <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .   | 36  |     |    |
| 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>   | 37  |     | No |
| 38  | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .  | 38  | Yes |    |

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check 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.  | 178 |    |
| 1b  | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.   | 0   |    |
| 1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?   |  | Yes |    |
| 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. | 154 |    |
| 2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).                                  |  | Yes |    |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year?  |  |     | No |
| 3b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.   |  |     |    |
| 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)?                           |  | Yes |    |
| b If "Yes," enter the name of the foreign country: CH, HK, JA, MX<br>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.   |  |     |    |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?  |  |     | No |
| 5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?   |  |     | No |
| 5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?   |  |     |    |
| 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?  |  |     | No |
| 6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?  |  |     |    |
| 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?   |  |     |    |
| b If "Yes," did the organization notify the donor of the value of the goods or services provided?   |  |     |    |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?  |  |     |    |
| 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  |    |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  |  | 7f  |    |
| 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 and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? |  | 8   |    |
| 9 Sponsoring organizations maintaining donor advised funds.   |  |     |    |
| a Did the organization make any taxable distributions under section 4966?   |  | 9a  |    |
| b Did the 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?<br><b>Note.</b> 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 | No |
| b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.  |  | 14b |    |

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 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

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 . . . . .   | 105 |     |
| 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 |   |     |     |
| b  | Enter the number of voting members included in line 1a, above, who are independent . . . . .  | 105 |     |
| 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   | No  |
| 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   | No  |
| 4  | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .  | 4   | No  |
| 5  | Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .  | 5   | No  |
| 6  | Did the organization have members or stockholders? . . . . .  | 6   | No  |
| 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  | No  |
| 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  | No  |
| 8  | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following  |     |     |
| a  | The governing body? . . . . .   | 8a  | Yes |
| b  | Each committee with authority to act on behalf of the governing body? . . . . .   | 8b  | Yes |
| 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   | No  |

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 | No  |
| 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 | No  |
| b  | Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .   |     |     |
| 12a  | Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .  | 12a | Yes |
| b  | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .  | 12b | Yes |
| 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 | Yes |
| 13   | Did the organization have a written whistleblower policy? . . . . .  | 13  | Yes |
| 14   | Did the organization have a written document retention and destruction policy? . . . . .   | 14  | Yes |
| 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 | Yes |
| b  | Other officers or key employees of the organization . . . . .  | 15b | Yes |
| 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 | No  |
| 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▶TN , NC , NY  |
| 18 | Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.<br><input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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, physical address, and telephone number of the person who possesses the books and records of the organization<br>▶DAVID BYRD 6399 WESTON PARKWAY<br>CARY, NC 27513 (919) 678-2220   |

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

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

Form **990** (2013)

## Part VII

|           |  |   |           |   |         |
|-----------|--|---|-----------|---|---------|
| <b>1b</b> | <b>Sub-Total . . . . .</b>   | ▼ |           |   |         |
| <b>c</b>  | <b>Total from continuation sheets to Part VII, Section A . . . . .</b> | ▼ |           |   |         |
| <b>d</b>  | <b>Total (add lines 1b and 1c) . . . . .</b>                           | ▼ | 2,549,744 | 0 | 923,402 |

**2** Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 34

|          |   | Yes      | No  |
|----------|---|----------|-----|
| <b>3</b> | Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .  | <b>3</b> | No  |
| <b>4</b> | 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> . . . . . | <b>4</b> | Yes |
| <b>5</b> | 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> . . . . .                       | <b>5</b> | No  |

## 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)<br>Name and business address                             | (B)<br>Description of services | (C)<br>Compensation |
|--|--------------------------------|---------------------|
| O'ROURKE GROUP PARTNERS 109 N DERBY AVENUE VENTNOR NJ 08406  | CONSULTING SERVICES            | 166,000             |
| DON BAILEY, 7620 ROCK QUARRY RD RALEIGH NC 27610             | IMPORTER SUPPORT CONSULTANT    | 119,544             |
| BDO USA 5430 WADE PARK BLVD SUITE 300 RALEIGH NC 27607       | AUDIT AND TAX                  | 109,742             |
| DENTONS US LLP 1221 AVENUE OF THE AMERICAS NEW YORK NY 10020 | LEGAL                          | 100,645             |
| FULL PICTURE LLC 915 BROADWAY 20TH FLOOR NEW YORK NY 10010   | PUBLIC RELATIONS SERVICES      | 100,590             |

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶6

Part VIII

Statement of Revenue

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

|   |   |   | (A)<br>Total revenue  | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under<br>sections<br>512-514 |
|---|---|---|---|--|---|---|
| Contributions, Gifts, Grants<br>and Other Similar Amounts | 1a  | 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<br>similar amounts not included above 1f  | 81,118,420  |  |   |   |
|   | g   | Noncash contributions included in lines<br>1a-1f \$   |   |  |   |   |
|   | h   | Total. Add lines 1a-1f . . . . .  | 81,118,420  |  |   |   |
| Program Service Revenue                                   | 2a  | Business Code   |   |  |   |   |
|   | b   |   |   |  |   |   |
|   | c   |   |   |  |   |   |
|   | d   |   |   |  |   |   |
|   | e   |   |   |  |   |   |
|   | f   | All other program service revenue   |   |  |   |   |
|   | g   | Total. Add lines 2a-2f . . . . .  |   |  |   |   |
|   | Other Revenue                             | 3   | Investment income (including dividends, interest,<br>and other similar amounts) . . . . . |  |   |   |
| 4   |   | Income from investment of tax-exempt bond proceeds . . . . .  |   |  |   |   |
| 5   |   | Royalties . . . . .   |   |  |   |   |
| 6a  |   | Gross rents   | (i) Real  | (ii) Personal                                      |   |   |
| b   |   | Less rental expenses  |   |  |   |   |
| c   |   | Rental income or (loss)   |   |  |   |   |
| d   |   | Net rental income or (loss) . . . . .   |   |  |   |   |
| 7a  |   | Gross amount from sales of assets other than inventory  | (i) Securities  | (ii) Other   |   |   |
| b   |   | Less cost or other basis and sales expenses   |   | 29,235   |   |   |
| c   |   | Gain or (loss)  |   | -29,235  |   |   |
| d   |   | Net gain or (loss) . . . . .  |   | -29,235  |   | -29,235   |
| 8a  |   | Gross income from fundraising events (not including<br>\$ _____ of contributions reported on line 1c)<br>See Part IV, line 18 . . . . . | a   |  |   |   |
| b   |   | Less direct expenses . . . . . b  |   |  |   |   |
| c   |   | Net income or (loss) from fundraising events . . . . .  |   |  |   |   |
| 9a  |   | Gross income from gaming activities<br>See Part IV, line 19 . . . . .   | a   |  |   |   |
| b   |   | Less direct expenses . . . . . b  |   |  |   |   |
| c   |   | Net income or (loss) from gaming activities . . . . .   |   |  |   |   |
| 10a   |   | 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   |   |  |   |   |
| 11a   |   |   |   |  |   |   |
| b   |   |   |   |  |   |   |
| c   |   |   |   |  |   |   |
| d   | All other revenue . . . . .               |   |   |  |   |   |
| e   | Total. Add lines 11a-11d . . . . .        |   |   |  |   |   |
| 12  | Total revenue. See Instructions . . . . . |   | 81,089,185  | 0  | 0                                       | -29,235   |

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)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--|---|-----------------------|---------------------------------|--|-----------------------------|
| 1  | Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.  |                       |                                 |  |                             |
| 2  | Grants and other assistance to individuals in the United States. See Part IV, line 22.  | 401,121               |                                 |  |                             |
| 3  | Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.   |                       |                                 |  |                             |
| 4  | Benefits paid to or for members.  |                       |                                 |  |                             |
| 5  | Compensation of current officers, directors, trustees, and key employees.   | 2,370,210             |                                 |  |                             |
| 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.   | 11,168,261            |                                 |  |                             |
| 8  | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).   | -3,358,685            |                                 |  |                             |
| 9  | Other employee benefits.  | 1,904,219             |                                 |  |                             |
| 10   | Payroll taxes.  | 828,280               |                                 |  |                             |
| 11   | Fees for services (non-employees):  |                       |                                 |  |                             |
| a  | Management.   | 3,684,029             |                                 |  |                             |
| b  | Legal.  | 192,645               |                                 |  |                             |
| c  | Accounting.   | 172,914               |                                 |  |                             |
| d  | Lobbying.   |                       |                                 |  |                             |
| e  | Professional fundraising services. See Part IV, line 17.  |                       |                                 |  |                             |
| f  | Investment management fees.   | 341,058               |                                 |  |                             |
| g  | Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).   | 1,967,206             |                                 |  |                             |
| 12   | Advertising and promotion.  | 26,270,237            |                                 |  |                             |
| 13   | Office expenses.  | 588,296               |                                 |  |                             |
| 14   | Information technology.   | 559,860               |                                 |  |                             |
| 15   | Royalties.  |                       |                                 |  |                             |
| 16   | Occupancy.  | 1,737,677             |                                 |  |                             |
| 17   | Travel.   | 3,038,784             |                                 |  |                             |
| 18   | Payments of travel or entertainment expenses for any federal, state, or local public officials.   |                       |                                 |  |                             |
| 19   | Conferences, conventions, and meetings.   | 2,178,931             |                                 |  |                             |
| 20   | Interest.   |                       |                                 |  |                             |
| 21   | Payments to affiliates.   |                       |                                 |  |                             |
| 22   | Depreciation, depletion, and amortization.  | 1,454,760             |                                 |  |                             |
| 23   | Insurance.  | 294,005               |                                 |  |                             |
| 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  | RESEARCH AND PROMOTION  | 14,660,941            |                                 |  |                             |
| b  | SPONSORSHIP   | 1,651,606             |                                 |  |                             |
| c  | GRAPHIC ARTS  | 1,021,754             |                                 |  |                             |
| d  | MAINTENANCE   | 959,499               |                                 |  |                             |
| e  | All other expenses  | 1,531,940             |                                 |  |                             |
| 25   | Total functional expenses. Add lines 1 through 24e.   | 75,619,548            |                                 |  |                             |
| 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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). |                       |                                 |  |                             |

Part X

Balance Sheet

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

☒

|                             |   |  |               | (A)               |     | (B)         |
|-----------------------------|---|--|---------------|-------------------|-----|-------------|
|                             |   |  |               | Beginning of year |     | End of year |
| Assets                      | 1   | Cash—non-interest-bearing  |               | 2,935             | 1   | 2,777       |
|                             | 2   | Savings and temporary cash investments   |               | 12,305,213        | 2   | 2,437,166   |
|                             | 3   | Pledges and grants receivable, net   |               |                   | 3   |             |
|                             | 4   | Accounts receivable, net   |               | 878,116           | 4   | 9,032,427   |
|                             | 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 instructions) Complete Part II of Schedule L |               |                   | 6   |             |
|                             | 7   | Notes and loans receivable, net  |               |                   | 7   |             |
|                             | 8   | Inventories for sale or use  |               |                   | 8   |             |
|                             | 9   | Prepaid expenses and deferred charges  |               | 998,544           | 9   | 979,457     |
|                             | 10a   | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D  | 10a18,287,095 |                   |     |             |
|                             | b   | Less accumulated depreciation  | 10b13,946,332 | 3,765,385         | 10c | 4,340,763   |
|                             | 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  |             |
|                             | 15  | Other assets See Part IV, line 11  |               |                   | 15  | 404,169     |
|                             | 16  | <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)   |               | 17,950,193        | 16  | 17,196,759  |
| Liabilities                 | 17  | Accounts payable and accrued expenses  |               | 14,132,051        | 17  | 12,464,644  |
|                             | 18  | Grants payable   |               | 197,759           | 18  | 147,965     |
|                             | 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   |               | 4,658,149         | 25  | 152,279     |
|                             | 26  | <b>Total liabilities.</b> Add lines 17 through 25  |               | 18,987,959        | 26  | 12,764,888  |
| Net Assets or Fund Balances | <b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b> |  |               |                   |     |             |
|                             | 27  | Unrestricted net assets  |               | -1,037,766        | 27  | 4,431,871   |
|                             | 28  | Temporarily restricted net assets  |               |                   | 28  |             |
|                             | 29  | Permanently restricted net assets  |               |                   | 29  |             |
|                             | <b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>                          |  |               |                   |     |             |
|                             | 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  | <b>Total net assets or fund balances</b>   |               | -1,037,766        | 33  | 4,431,871   |
|                             | 34  | <b>Total liabilities and net assets/fund balances</b>  |               | 17,950,193        | 34  | 17,196,759  |

Part XI Reconciliation of Net Assets

Check 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  | 81,089,185 |
| 2  | Total expenses (must equal Part IX, column (A), line 25)  | 2  | 75,619,548 |
| 3  | Revenue less expenses Subtract line 2 from line 1   | 3  | 5,469,637  |
| 4  | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                     | 4  | -1,037,766 |
| 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 | 4,431,871  |

Part XII Financial Statements and Reporting

Check 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<br>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?<br>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<br><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis |     | No |
| 2b | Were the organization's financial statements audited by an independent accountant?<br>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<br><input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis                | Yes |    |
| 2c | 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?<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O  | Yes |    |
| 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?   |     | No |
| 3b | 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   |     |    |

## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 62-0786018  
**Name:** COTTON INCORPORATED

**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

| (A)<br>Name and Title           | (B)<br>Average<br>hours per<br>week (list<br>any hours<br>for related<br>organizations<br>below<br>dotted line) | (C)<br>Position (do not check<br>more than one box, unless<br>person is both an officer<br>and a director/trustee) |                       |         |              |                                 |        | (D)<br>Reportable<br>compensation<br>from the<br>organization (W-<br>2/1099-MISC) | (E)<br>Reportable<br>compensation<br>from related<br>organizations (W-<br>2/1099-MISC) | (F)<br>Estimated amount<br>of other<br>compensation<br>from the<br>organization and<br>related<br>organizations |
|---------------------------------|---|--|-----------------------|---------|--------------|---------------------------------|--------|---|--|---|
|                                 |   | Individual trustee<br>or director  | Institutional Trustee | Officer | Key employee | Highest compensated<br>employee | Former |   |  |   |
| BUDDY ALLEN<br>BOARD MEMBER     | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| ALBERT ANDEL<br>BOARD MEMBER    | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| LLOYD ARTHUR<br>BOARD MEMBER    | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| COLEY BAILEY<br>BOARD MEMBER    | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| RICKEY BEARDEN<br>BOARD MEMBER  | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| ALLEN BELOW<br>BOARD MEMBER     | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| MARVIN BEYER<br>BOARD MEMBER    | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| FRANKIE BEZNER<br>BOARD MEMBER  | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| CARL BROWN<br>BOARD MEMBER      | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| TIM BURCH<br>BOARD MEMBER       | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| ANDREW BURLSON<br>BOARD MEMBER  | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| JOE BURNS<br>BOARD MEMBER       | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| CHUCK BUSS<br>BOARD MEMBER      | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| LINK CARLTON<br>BOARD MEMBER    | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| STEVEN CLAY<br>BOARD MEMBER     | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| RON COLEY<br>BOARD MEMBER       | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| JASON CONDREY<br>BOARD MEMBER   | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| JOHNNY CRAWFORD<br>BOARD MEMBER | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| LEE CROMLEY<br>BOARD MEMBER     | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| JERRY DAVIS<br>BOARD MEMBER     | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| HUGH DOLLAR<br>BOARD MEMBER     | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| STEVE DROKE<br>BOARD MEMBER     | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| DAVID DUNLOW<br>BOARD MEMBER    | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| PHILIP EDWARDS<br>BOARD MEMBER  | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |
| ROBERT ENGLERT<br>BOARD MEMBER  | 1 00  | X  |                       |         |              |                                 |        | 0   | 0  | 0   |

**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

[illegible]

| Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors |  |   |                       |         |              |                              |        |  |   |   |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| (A)<br>Name and Title   | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|   |  | Individual trustee or director  | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| STEPHEN LOGAN<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| LAWRENCE LONG<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| JIM MASSEY<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| DANNY MAY<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| GREGG MAYBERRY<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| BILL MCGOUGAN<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| ALLEN MCLAURIN<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| WELDON MELTON<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| CANNON MICHAEL<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| BOB MILLER<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| BRADY MIMMS<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| TRAVIS MIRES<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| VAN MURPHY<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| BRENT NELSON<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| BILL NETHERLIN<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| JOHN NEWBY<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| MARK NICHOLS<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| HERRICK NORCROSS<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| JOHN OLSON<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| DAVIS OWEN<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| LYALL PACHECO<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| MIKE PATSCHKE<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| DAVID PEARSON<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| GLEN PHIPPS<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| TERRY POLLARD<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |

| Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors |  |   |                       |         |              |                              |        |  |   |   |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| (A)<br>Name and Title   | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|   |  | Individual trustee or director  | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| DIANN PRECHEL<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| CHUCK PROVANCE<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| DARRYL QUIGLEY<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| JOHNIE REED<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| NATHAN REED<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| DANNY ROBBINS<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| GILL ROGERS<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| LARRY SAYES<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| HARVEY SCHROEDER<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| ERIC SEIDENBERGER<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| VANCE SHOAF<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| LEWIE JOE SMITH<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| SAM SPARKS<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| CHARLES SPEAKE<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| AL SPINKS<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| LARRY STARRH<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| STEVE STEVENS<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| RAMEY STILES<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| MARTIN STOERNER<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| TUTT SULLIVAN<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| GARY TIDWELL<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| PHIL VANDIVER<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| BRUCE VAUGHN<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| WILL WADE<br>BOARD MEMBER   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| BOB WALKER<br>BOARD MEMBER  | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |

**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

| (A)<br>Name and Title                        | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|  |  | Individual trustee or director  | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| MARK WATTE<br>SECRETARY                      | 1 00   | X   |                       | X       |              |                              |        | 0  | 0   | 0   |
| STEWART WEAVER<br>BOARD MEMBER               | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| CLINT WEBB<br>BOARD MEMBER                   | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| LANCE WHITEHEAD<br>BOARD MEMBER              | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| STEVE WILBUR<br>BOARD MEMBER                 | 1 00   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| J BERRY WORSHAM<br>PRESIDENT AND CEO         | 40 00  |   |                       | X       |              |                              |        | 533,579  | 0   | 141,331   |
| DAVID BYRD<br>SR VP AND CFO                  | 40 00  |   |                       | X       |              |                              |        | 228,794  | 0   | 75,407  |
| JOHN MORGANS<br>VP ADMINISTRATION            | 40 00  |   |                       | X       |              |                              |        | 180,221  | 0   | 67,945  |
| RICHMOND HENDEE<br>SR VP CONSUMER MKTG       | 40 00  |   |                       |         | X            |                              |        | 238,683  | 0   | 92,215  |
| KATER HAKE<br>VP AGRICULTURE/ENVIRONMENT     | 40 00  |   |                       |         | X            |                              |        | 232,620  | 0   | 108,264   |
| MARK MESSURA<br>SR VP GLOBAL SUPPLY CHAIN    | 40 00  |   |                       |         | X            |                              |        | 242,835  | 0   | 94,517  |
| ROBERT TYNDALL<br>VP PROD DEV & IMPLM        | 40 00  |   |                       |         | X            |                              |        | 166,317  | 0   | 56,618  |
| MICHAEL WATSON<br>VP FIBER COMPETITION       | 40 00  |   |                       |         |              | X                            |        | 170,743  | 0   | 65,689  |
| JOHN CHIAVACCI<br>CHIEF TECHNOLOGY OFFICER   | 40 00  |   |                       |         |              | X                            |        | 140,023  | 0   | 57,068  |
| KIMBERLY S KITCHINGS<br>V P , CORP STRATEGY  | 40 00  |   |                       |         |              | X                            |        | 139,924  | 0   | 60,323  |
| ROBERT NICHOLS<br>SR DIR , AG/ENVIR RESEARCH | 40 00  |   |                       |         |              | X                            |        | 138,399  | 0   | 53,723  |
| EDWARD BARNES<br>SR DIR , AG/ENVIR RESEARCH  | 40 00  |   |                       |         |              | X                            |        | 137,606  | 0   | 50,302  |

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b

▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

|   |  |
|---|--|
| Name of the organization<br>COTTON INCORPORATED | Employer identification number<br><br>62-0786018 |
|---|--|

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

|   |  |                              |
|---|--|------------------------------|
|   | (a) Donor advised funds  | (b) Funds and other accounts |
| 1 | Total number at end of year  |                              |
| 2 | Aggregate contributions to (during year)   |                              |
| 3 | Aggregate 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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>  |                              |
| 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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div> |                              |

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

1

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

☐ Preservation of land for public use (e g , recreation or education)☐ Preservation of an historically important land area☐ Protection of natural habitat☐ Preservation of a certified historic structure☐ 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 Year  |
| a | Total number of conservation easements   |
| b | Total acreage restricted by conservation easements   |
| c | Number of conservation easements on a certified historic structure included in (a)   |
| d | Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register |

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, and enforcing conservation easements during the year ▶\_\_\_\_\_

7

Amount of expenses incurred in monitoring, inspecting, 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" to 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) Revenues included in 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

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

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

Cat No 52283D

Schedule D (Form 990) 2013

**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

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 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" to 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
- c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

|    |        |
|----|--------|
|    | Amount |
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

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

☐

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

- |    | (a)Current year                                | (b)Prior year | b (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 in 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

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

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' to 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   |                                      | 2,341,785                      | 1,447,794                    | 893,991        |
| d Equipment  |                                      | 13,848,255                     | 11,019,522                   | 2,828,733      |
| e Other  |                                      | 2,097,055                      | 1,479,016                    | 618,039        |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) |                                      |                                |                              | 4,340,763      |
- Schedule D (Form 990) 2013



Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

|   |  |    |            |
|---|--|----|------------|
| 1 | Total revenue, gains, and other support per audited financial statements . . . . .       | 1  | 83,305,158 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12                       |    |            |
| a | Net unrealized gains on investments . . . . .  | 2a |            |
| b | Donated services and use of facilities . . . . .   | 2b | 2,186,738  |
| c | Recoveries of prior year grants . . . . .  | 2c |            |
| d | Other (Describe in Part XIII ) . . . . .   | 2d |            |
| e | Add lines 2a through 2d . . . . .  | 2e | 2,186,738  |
| 3 | Subtract line 2e from line 1 . . . . .   | 3  | 81,118,420 |
| 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 | -29,235    |
| c | Add lines 4a and 4b . . . . .  | 4c | -29,235    |
| 5 | Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12 ) . . . . . | 5  | 81,089,185 |

Part XII

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

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

|   |   |    |            |
|---|---|----|------------|
| 1 | Total expenses and losses per audited financial statements . . . . .                      | 1  | 77,835,521 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25                          |    |            |
| a | Donated services and use of facilities . . . . .  | 2a | 2,186,738  |
| b | Prior year adjustments . . . . .  | 2b |            |
| c | Other losses . . . . .  | 2c |            |
| d | Other (Describe in Part XIII ) . . . . .  | 2d | 29,235     |
| e | Add lines 2a through 2d . . . . .   | 2e | 2,215,973  |
| 3 | Subtract line 2e from line 1 . . . . .  | 3  | 75,619,548 |
| 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  | 75,619,548 |

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.

| Return Reference                      | Explanation  |
|---------------------------------------|--|
| PART X, LINE 2                        | THE COMPANY IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(6) OF THE INTERNAL REVENUE CODE, EXCEPT FOR ANY UNRELATED BUSINESS INCOME. THERE WAS NO UNRELATED BUSINESS INCOME EARNED DURING THE YEARS ENDED DECEMBER 31, 2013 AND 2012, AND THUS, NO PROVISION FOR INCOME TAXES HAS BEEN MADE. THE COMPANY ACCOUNTS FOR UNCERTAINTY IN INCOME TAXES USING A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY. MEASUREMENT OF UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET. MANAGEMENT BELIEVES THAT THERE WERE NO UNCERTAIN TAX POSITIONS THAT MET THE RECOGNITION THRESHOLD IN 2013 OR 2012. THE COMPANY'S TAX RETURNS ARE OPEN FOR EXAMINATION FOR YEARS 2010 THROUGH 2012. |
| PART XI, LINE 4B - OTHER ADJUSTMENTS  | LOSS ON DISPOSAL OF FIXED ASSETS -29,235   |
| PART XII, LINE 2D - OTHER ADJUSTMENTS | LOSS ON DISPOSAL OF FIXED ASSETS 29,235  |
|                                       |  |
|                                       |  |
|                                       |  |
|                                       |  |

[illegible]

SCHEDULE F  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,  
Part IV, line 14b, 15, or 16.  
  
► Attach to Form 990. ► See separate instructions.  
  
► Information about Schedule F (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
COTTON INCORPORATED

Employer identification number  
62-0786018

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers.Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.
- 3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed )

| (a) Region                                 | (b) Number of offices in the region | (c) Number of employees, agents, and independent contractors in region | (d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region) | (e) If activity listed in (d) is a program service, describe specific type of service(s) in region | (f) Total expenditures for and investments in region |
|--|-------------------------------------|--|---|--|--|
| EAST ASIA AND THE PACIFIC                  | 3                                   | 16   | PROGRAM SERVICES  | TECHNICAL AND INFORMATION SUPPORT  | 6,049,519  |
| NORTH AMERICA                              | 1                                   | 2  | PROGRAM SERVICES  | TECHNICAL AND INFORMATION SUPPORT  | 1,072,999  |
| EUROPE (INCLUDING ICELAND & GREENLAND)     | 0                                   | 0  | PROGRAM SERVICES  | TECHNICAL AND INFORMATION SUPPORT  | 1,462,537  |
| MIDDLE EAST AND NORTH AFRICA               | 0                                   | 0  | PROGRAM SERVICES  | TECHNICAL AND INFORMATION SUPPORT  | 16,929   |
|  |                                     |  |   |  |  |
| 3a Sub-total                               | 4                                   | 18   |   |  | 8,601,984  |
| b Total from continuation sheets to Part I | 0                                   | 0  |   |  | 0  |
| c Totals (add lines 3a and 3b)             | 4                                   | 18   |   |  | 8,601,984  |

**Part II**

**Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

| 1 | (a) Name of organization | (b) IRS code section and EIN (if applicable) | (c) Region | (d) Purpose of grant | (e) Amount of cash grant | (f) Manner of cash disbursement | (g) Amount of non-cash assistance | (h) Description of non-cash assistance | (i) Method of valuation (book, FMV, appraisal, other) |
|---|--------------------------|--|------------|----------------------|--------------------------|---------------------------------|-----------------------------------|--|---|
|   |                          |  |            |                      |                          |                                 |                                   |  |   |
|   |                          |  |            |                      |                          |                                 |                                   |  |   |
|   |                          |  |            |                      |                          |                                 |                                   |  |   |
|   |                          |  |            |                      |                          |                                 |                                   |  |   |

- 2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . ▶ \_\_\_\_\_
- 3 Enter total number of other organizations or entities . . . . . ▶ \_\_\_\_\_

## Part III

[illegible]

**Part IV Foreign Forms**

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☐

Yes

☒

No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐

Yes

☒

No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☐

Yes

☒

No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☐

Yes

☒

No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐

Yes

☒

No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐

Yes

☒

No

## Supplemental Information

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

[illegible]

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
COTTON INCORPORATED

Grants and Other Assistance to Organizations,  
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Employer identification number  
62-0786018

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

☒ Yes ☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

| (a) Name and address of organization or government | (b) EIN | (c) IRC Code section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|--|---------|------------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |
|  |         |                                    |                          |                                   |   |  |                                    |

- 2

Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . .

▶
- 3

Enter total number of other organizations listed in the line 1 table . . . . .

▶

**Part III**

**Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

| (a)Type of grant or assistance | (b)Number of recipients | (c)Amount of cash grant | (d)Amount of non-cash assistance | (e)Method of valuation (book, FMV, appraisal, other) | (f)Description of non-cash assistance |
|--------------------------------|-------------------------|-------------------------|----------------------------------|--|---------------------------------------|
| (1) RESEARCH                   | 7                       | 401,121                 |                                  |  |                                       |
|                                |                         |                         |                                  |  |                                       |
|                                |                         |                         |                                  |  |                                       |
|                                |                         |                         |                                  |  |                                       |
|                                |                         |                         |                                  |  |                                       |
|                                |                         |                         |                                  |  |                                       |
|                                |                         |                         |                                  |  |                                       |

**Part IV**

**Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

| Return Reference | Explanation  |
|------------------|--|
| PART I, LINE 2   | GRANTS ARE OVERSEEN BY OUR AGRICULTURAL AND ENVIRONMENTAL RESEARCH EMPLOYEES THESE EMPLOYEES MONITOR THE PROGRESS OF THOSE RECEIVING GRANTS, INCLUDING REQUIRED COMMUNICATIONS OF THEIR PROGRESS AND SITE VISITS |

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" to Form 990, Part IV, line 23.  
▶ Attach to Form 990. ▶ See separate instructions.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
COTTON INCORPORATED

Employer identification number  
62-0786018

Part I

Questions Regarding Compensation

|  | Yes   | No |
|--|-------|----|
| <div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</div><div><div><div><input checked="" type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div> |       |    |
| <div><div>b</div><div>If any of the boxes in 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.</div></div>  | 1bYes |    |
| <div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</div></div>   | 2Yes  |    |
| <div><div>3</div><div>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.</div><div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>   |       |    |
| <div><div>4</div><div>During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:</div></div>  |       |    |
| <div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>  | 4a    | No |
| <div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>  | 4b    | No |
| <div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</div>  | 4c    | No |
| <div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>  |       |    |
| <div><div>5</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</div></div>   |       |    |
| <div><div>a</div><div>The organization?</div></div>  | 5a    |    |
| <div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III.</div>   | 5b    |    |
| <div><div>6</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</div></div>   |       |    |
| <div><div>a</div><div>The organization?</div></div>  | 6a    |    |
| <div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III.</div>   | 6b    |    |
| <div><div>7</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.</div></div>  | 7     |    |
| <div><div>8</div><div>Were any amounts reported in 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.</div></div>   | 8     |    |
| <div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div></div>   | 9     |    |

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

| (A) Name and Title        |  | (B) Breakdown of W-2 and/or 1099-MISC compensation |                                     |                                     | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported as deferred in prior Form 990 |
|---------------------------|--|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
|                           |  | (i) Base compensation                              | (ii) Bonus & incentive compensation | (iii) Other reportable compensation |  |                         |                                 |   |
| See Additional Data Table |  |  |                                     |                                     |  |                         |                                 |   |

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.

| Return Reference | Explanation  |
|------------------|--|
| PART I, LINE 1A  | THE COMPANY REQUIRES BUSINESS CLASS TICKETS TO BE PURCHASED FOR TRAVEL TO CERTAIN REGIONS OF THE GLOBE. WHEN THESE TICKETS ARE PURCHASED, FIRST CLASS IS INCLUDED FOR ALL U.S. CONNECTING FLIGHTS. |

## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 62-0786018  
**Name:** COTTON INCORPORATED

### Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

| (A) Name  |             | (B) Breakdown of W-2 and/or 1099-MISC compensation |                                     |                          | (C) Deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported in prior Form 990 or Form 990-EZ |
|---|-------------|--|-------------------------------------|--------------------------|---------------------------|-------------------------|---------------------------------|--|
|   |             | (i) Base Compensation                              | (ii) Bonus & incentive compensation | (iii) Other compensation |                           |                         |                                 |  |
| J BERRY WORSHAM<br>PRESIDENT AND CEO            | (i)<br>(ii) | 457,105<br>0                                       | 37,000<br>0                         | 39,474<br>0              | 107,950<br>0              | 33,381<br>0             | 674,910<br>0                    | 0<br>0   |
| DAVID BYRD SR VP<br>AND CFO                     | (i)<br>(ii) | 202,405<br>0                                       | 19,907<br>0                         | 6,482<br>0               | 54,040<br>0               | 21,367<br>0             | 304,201<br>0                    | 0<br>0   |
| JOHN MORGANS VP<br>ADMINISTRATION               | (i)<br>(ii) | 160,105<br>0                                       | 16,856<br>0                         | 3,260<br>0               | 41,893<br>0               | 26,052<br>0             | 248,166<br>0                    | 0<br>0   |
| RICHMOND HENDEE<br>SR VP CONSUMER<br>MKTG       | (i)<br>(ii) | 206,405<br>0                                       | 17,030<br>0                         | 15,248<br>0              | 60,180<br>0               | 32,035<br>0             | 330,898<br>0                    | 0<br>0   |
| KATER HAKE VP<br>AGRICULTURE/ENVIRONMENT        | (i)<br>(ii) | 203,605<br>0                                       | 19,265<br>0                         | 9,750<br>0               | 68,139<br>0               | 40,125<br>0             | 340,884<br>0                    | 0<br>0   |
| MARK MESSURA SR<br>VP GLOBAL SUPPLY<br>CHAIN    | (i)<br>(ii) | 215,978<br>0                                       | 20,509<br>0                         | 6,348<br>0               | 60,390<br>0               | 34,127<br>0             | 337,352<br>0                    | 0<br>0   |
| ROBERT TYNDALL VP<br>PROD DEV & IMPLEM          | (i)<br>(ii) | 148,296<br>0                                       | 12,256<br>0                         | 5,765<br>0               | 41,966<br>0               | 14,652<br>0             | 222,935<br>0                    | 0<br>0   |
| MICHAEL WATSON<br>VP FIBER<br>COMPETITION       | (i)<br>(ii) | 152,905<br>0                                       | 12,687<br>0                         | 5,151<br>0               | 42,339<br>0               | 23,350<br>0             | 236,432<br>0                    | 0<br>0   |
| JOHN CHIAVACCI<br>CHIEF TECHNOLOGY<br>OFFICER   | (i)<br>(ii) | 126,637<br>0                                       | 9,707<br>0                          | 3,679<br>0               | 37,562<br>0               | 19,506<br>0             | 197,091<br>0                    | 0<br>0   |
| KIMBERLY S<br>KITCHINGS V P ,<br>CORP STRATEGY  | (i)<br>(ii) | 126,105<br>0                                       | 12,804<br>0                         | 1,015<br>0               | 30,905<br>0               | 29,418<br>0             | 200,247<br>0                    | 0<br>0   |
| ROBERT NICHOLS SR<br>DIR , AG/ENVIR<br>RESEARCH | (i)<br>(ii) | 120,901<br>0                                       | 10,026<br>0                         | 7,472<br>0               | 34,472<br>0               | 19,251<br>0             | 192,122<br>0                    | 0<br>0   |
| EDWARD BARNES SR<br>DIR , AG/ENVIR<br>RESEARCH  | (i)<br>(ii) | 126,161<br>0                                       | 8,221<br>0                          | 3,224<br>0               | 31,007<br>0               | 19,295<br>0             | 187,908<br>0                    | 0<br>0   |

2013

Open to Public Inspection

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 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.

|   |  |
|---|--|
| Name of the organization<br>COTTON INCORPORATED | Employer identification number<br>62-0786018 |
|---|--|

990 Schedule O, Supplemental Information

| Return Reference                       | Explanation  |
|--|--|
| FORM 990, PART III, LINE 4A            | LINE 4A CONTINUATION OF PROGRAM SERVICE ACCOMPLISHMENTS STRATEGIC ALLIANCES BLUE JEANS GO GREEN (TM) DENIM RECYCLING PROGRAM REACHED ITS 1 MILLIONTH CUMULATIVE COLLECTED PIECE DURING THE YEAR FROM THIS CAMPAIGN THAT STATED IN 2006 AN AUCTION OF CELEBRITY JEANS WAS HELD ALONG WITH PARTNERING IN DRIVES WITH BUSINESSES AND COLLEGES PUBLIC RELATIONS WORKED TOWARD THE PROMOTION OF WORK OF ALL OF COTTON INCORPORATED'S DIVISIONS AND TO ELEVATE THE PERCEPTION OF COTTON AND THE COTTON INDUSTRY THE CORPORATE STRATEGY & PROGRAM METRICS DIVISION (CSPM) FOCUSED ON PROMOTING CORPORATE INNOVATION IN ORDER TO BETTER MAKE THE CASE FOR COTTON CSPM ASSESSED MARKET DATA TO UNDERSTAND COTTON'S COMPETITIVE POSITION, INFLUENCE PRODUCT EFFORTS, AND PROMOTE COTTON RICH PRODUCTS THIS INCLUDED A MARKETING EFFORT TO PROVIDE MARKET INTELLIGENCE TO THE SUPPLY CHAIN PROMOTING THE CONTINUED NEED FOR COTTON IN APPAREL RATHER THAN SUBSTITUTING FOR IT INCLUDED IN THIS WAS THE CUSTOMER COMMENTS RESEARCH TM STUDY WHICH REVIEWED 25 KEY RETAIL WEBSITES SHOWING THAT CONSUMERS ARE NOTING THE SWITCH FROM COTTON AND ARE LARGELY UNHAPPY WITH IT CSPM ALSO OVERSAW THE LIFESTYLE MONITOR TM SURVEY AND THE RETAIL MONITOR TM SURVEY CSPM ALSO FOCUSED ON CORPORATE STRATEGY WITH KEY PROJECTS IN ADVERTISING TRACKING OF THE CURRENT COMPANY CAMPAIGN, A NONWOVENS FOCUS GROUP, AND COLLABORATION WITH AN OUTSIDE COMPANY FOR VARIOUS CONSUMER SURVEYS CSPM ALSO CONTINUED ITS WORK IN SUSTAINABILITY ACTIVITIES AND ISSUANCE OF EIGHT SUPPLY CHAIN INSIGHTS, MONTHLY ECONOMIC REPORTS, AND OTHER INDUSTRY ITEMS |
| FORM 990, PART III, LINE 4B            | LINE 4B CONTINUATION OF PROGRAM SERVICE ACCOMPLISHMENTS THE SUPPLY CHAIN MANAGEMENT TEAM PARTICIPATED IN INDUSTRY EVENTS, TRADESHOWS AND MEETING WITH ACCOUNTS IN MORE THAN 30 COUNTRIES THE COTTON LEADS (TM) PROGRAM WAS LAUNCHED IN CONJUNCTION WITH 6 OTHER FOUNDING ORGANIZATIONS TO PROMOTE RESPONSIBLE COTTON PRODUCTION TO THE WORLD WE HAVE SIGNED 30 COMPANIES AS PARTNERS IN THE PROGRAM, RECOGNIZING THE PRINCIPLES OF RESPONSIBLE PRODUCTION AND COMMITMENT TO CONTINUED IMPROVEMENT FARM TOURS WERE ALSO HELD FOR RETAILERS AND BRANDS IN AN EFFORT TO EDUCATE DECISION MAKERS IN THE SUPPLY CHAIN ABOUT COTTON PRODUCTION THE EVENT INCLUDED 62 ATTENDEES AND 30 COMPANIES SUPPLY CHAIN MANAGEMENT ALSO CONDUCTED RETAIL WORKSHOPS, GREW COTTON UNIVERSITY TM TO MORE THAN 5,000 MEMBERS, SPONSORED THE DENIM BY PV TRADESHOW, AND CONDUCTED VARIOUS SEMINARS AND JOINED IN VARIOUS EVENTS IN AN EFFORT TO FURTHER INFLUENCE THE SUPPLY CHAIN TOWARD USING COTTON   |
| FORM 990, PART VI, SECTION B, LINE 11  | THE FORM 990 IS REVIEWED IN DETAIL WITH THE COMPANY'S AUDIT COMMITTEE AFTER COMPLETION AT THE AUGUST BOARD OF DIRECTORS MEETING FOR APPROVAL PRIOR TO FILING SUBSEQUENT TO REVIEW, THE CHAIRMAN OF THE AUDIT COMMITTEE WILL INFORM THE COMPLETE BOARD OF DIRECTORS OF THE PROCEEDINGS AND OUTCOME  |
| FORM 990, PART VI, SECTION B, LINE 12C | ALL DIRECTORS ARE REQUIRED TO ATTEST THAT THEY ARE FREE OF ANY CONFLICTS OF INTEREST   |
| FORM 990, PART VI, SECTION B, LINE 15  | AN INDEPENDENT COMPENSATION COMMITTEE DETERMINES COMPENSATION FOR ALL EMPLOYEES OF THE COMPANY MINUTES OF THEIR MEETINGS ARE MAINTAINED  |
| FORM 990, PART VI, SECTION C, LINE 19  | THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST BY AN APPROPRIATE PARTY   |
| FORM 990, PART XII, LINE 2C            | THERE HAVE BEEN NO CHANGES DURING THE YEAR IN THE PROCESS FOR OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS   |
| FORM 990, PART IX, LINE 8              | SIGNIFICANT ASSUMPTION CHANGES EMPLOYED IN OUR PENSION LIABILITY CALCULATION AS WELL AS PLAN SETTLEMENTS THAT OCCURRED DURING 2013 RESULTED IN A SIGNIFICANT GAIN THEREFORE, PART IX, LINE 8, PENSION EXPENSE, IS A NEGATIVE AMOUNT  |