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Part III

Statement of Program Service Accomplishments

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

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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 \$ )

agricultural research committee Resources were diverted from longer term investments to more immediate, high-impact investments in 2015 to counter the present market Significant program activities of the year included U S cotton producers raised the bar in sustainability Ten percent of U S cotton producers completed the Natural Resource Survey, which documented improvements in soil, water and fertilizer and demonstrated how stewardship is tied to increased yield Fiber quality breakthroughs were introduced Using breeding tools, germplasm, and trained scientists from the public sector, all of the major cotton planting seed companies now offer varieties with fiber length and strength at the top of the CCC loan premiums Part of the support for these introductions comes from long term fiber and spinning testing by the Cotton Incorporated Product Evaluation and Product Development laboratories Future fiber advancements are also likely with new discoveries in fiber quality fiber length can be altered with simple pathway manipulations of vitamin C content, and spectrographic evaluation of cellulose crystallinity allows simultaneous increase in strength and elongation "Future Farm" utilizes big data to improve field management and breeding In 2015, the Future Farm concept was elevated with High-throughput phenotyping for cotton breeders and various management tools field tested for cotton growers Data collected during harvest to improve ginning was evaluated and shown to be promising Shifting microbial populations with surface residues that moderate daily temperature swings was shown to improve soil and cotton health Several high impact deliverables advanced the breeding of higher yield cotton varieties The week long Cotton Breeder Tour was attended by 135 people A 64k SNP-Chip was released to facilitate marker aided breeding The Upland cotton genome was published and immediately put to use in cotton breeding Growers converted high yield potential varieties into bales To support yield gain management, significant deliverables included expanding variety testing and reporting on specialized software, increasing implementation of irrigation management in the Mid-South and South East, multiple states coordinating insect control research and outreach, and expanding information regarding soil health and fertility We delivered resistant weed control programs for all major growing areas University and USDA-ARS cooperators created workable resistant weed control prescriptions that include diverse herbicides, cover crops, and weed seed suppression The cooperators also uncovered new resistance to Liberty and Reflex/Valor herbicides, created a clear understanding of cottons yield sensitivity to auxin herbicide, both rate and timing, and successfully elevated herbicide resistance stewardship within the farming and weed scientist communities Electronic outreach was expanded with new and continuing platforms The Cotton Cultivated Web site was launched to translate 40+ years of AERD investment into producer expertise "Focus on Cotton" Web site further expanded in 2015 reaching 70,000 viewers since early 2013 Various university electronic outreach tools were extended across the Cotton Belt Cotton diseases were successfully managed despite growing threats Ongoing efforts in Fusarium, Target Spot, Verticillium, and viruses limited the damage from these diseases Two-gene Nematode host plant resistance was released by multiple seed companies Bacterial blight research was expanded with new technologies to detect and identify the bacteria in seed and leaves A brush-delinting replacement for acid-delinting was introduced to cotton breeders Acid-delinting poses a safety concern to seed, workers, and the environment Multi-year development and testing of prototypes led to commercial adoption of breeder-scale brush-delinting The Cotton Winter Nursery was relocated from Mexico to Costa Rica An experienced on-site manager was hired and a suitable site was established that is safe and convenient for breeders and favorable for seed production The ULGCS research necessary to write and submit documents for full U S deregulation was completed

4b

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

The Global Supply Chain Marketing committee consists of two divisions Cotton Management System Software (CMS) and Global Supply Chain Marketing (GSCM) The CMS development and maintenance teams released MILLNET software updates that allowed users to handle customer requests The core of the MILLNET 5 0 software was completed with testing and final conversion programs being targeting in 2016 The CMS teams assisted customers over 3,700 times during the year and conducted 51 service visits CMS also added seven new MILLNET licenses representing 500,000 bales of new cotton being managed by EFS The GSCM division conducted more than 760 meetings with 480 companies in 30 different countries during 2015 Marketing objectives for these meetings included the presentation of trend information, discussion of new technology innovations and product concepts, technical assistance, and discussion of the Cotton LEADS program and the related topic of the sustainability of U S cotton In working with industry, the division executed 21 confidential disclosure agreements, 10 technology licensing agreements, and 76 trademark usage agreements for use of the Seal of Cotton or one of the many technology trademarks owned by Cotton Incorporated Staff of GSCM participated in 17 global tradeshow and events in 2015, which resulted in opportunities to meet with over 1,400 industry contacts during these events In addition to attending tradeshow, specific technology-scouting company visits were conducted Marketing cotton technologies and developments for outerwear remains a priority because cotton fabrics are not typically considered suitable for outerwear apparel Cotton is not thought to have performance attributes like repellency, wind resistance, and insulating properties To counter these assumptions, a marketing package with information on insulating cotton fabrics was developed The fabrications featured in this package were developed by Cotton Incorporateds Product Development team The marketing message focuses on the technical fabric constructions and highlights performance attributes including low air permeability (indicating wind resistance) and low heat transfer (indicating insulating properties) Through two major efforts in 2015, division staff marketed the sustainability and responsible production aspects of U S cotton production The first effort is the Farm Tour program, which in 2015 involved 59 attendees from 31 retailer and brand companies The tour covers a visit to farms, direct meetings with cotton producers, a tour of a warehouse and a gin and finally, a tour of the USDA Memphis Classing facility The second major effort to address sustainability is through participation in the Cotton LEAD program In its second full year, the program added more than 105 partners in 2015 and now encompasses 354 partners in 25 companies Staff in the division worked closely with the other organizations in the Cotton LEADS program to conduct six regional meetings with program partners in Shanghai, Hong Kong, Mexico City, Lima, Peru, Tokyo, and North Carolina Lastly, the Cotton University marketing site has more than 13,500 registered users and participation from 1,977 companies A new "Business Center" was launched in late 2015 to provide a stronger and more direct engagement with industry decision makers Through Cotton University , webinars were offered in 2015 There were also 50 technical workshops conducted in 2015 with 1,757 industry participants representing 175 different brands and retailers

4c

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

The Consumer Marketing Committee is comprised of the Consumer Marketing Division and the Corporate Strategy and Program Metrics The Consumer Marketing Committee is comprised of the Consumer Marketing Division and the Corporate Strategy and Program Metrics The Consumer Marketing Division is tasked with creating awareness of, and interest in, cotton among consumer and trade audiences This is accomplished through an integrated platform of traditional and digital advertising, engagement with the media, and activities and events that directly contact consumers In April, Cottons long-running celebrity-rich "The Fabric of My Life" campaign was completed The new, highly personal and emotional campaign, "Cotton Your Favorite for a Reason" launched immediately after the completion of the celebrity ad series "Favontes" was based on over a year of consumer research which underscored the need to find a way to get consumers to truly care what their clothes are made of By using 15 individuals as story-tellers, we invited consumers to hear real stories from real people talking about their affinity and relationships with their favorite cotton-rich apparel The campaign utilized 30 second and 15 second commercials appearing on both television and online, plus a series of video 'stories' that focus on each individual story and garment separately Recognition increased by 4% since the first wave of campaign activity to 27% averaging 26% recognition among females and 31% among fashion females In 2015, Internet Search advertising played an increasing role as Cotton sought out opportunities to align the proper audiences with relevant content Another critical component in the Cotton digital program was the increasing reliance on third-party media partners to produce and place cotton content on their websites and across the internet A new trade print campaign was also produced and launched in 2015 with ads focusing on sustainability, services, innovations and consumer preference Cotton's generic promotional program in China continued to thrive This years videos featuring two attractive young Chinese 'key opinion leaders' achieved more than 20 million plays by mid-October The Blue Jeans Go Green (BJGG) denim recycling program continued its long string of successful years Sheryl Crow represented the program as spokesperson in 2015 An up and coming young celebrity, Anna Sophia Robb, also acted as a social media and media spokesperson for BJGG In 2015 Madewell, a denim-focused retailer with over 100 outlets, initiated an ongoing denim collection program supported by marketing outreach Public Relations (PR) was responsible for overseeing public outreach for Sheryl Crow's support of the Blue Jeans Go Green (BJGG) denim recycling program, including a memorial 10th anniversary Habitat for Humanity build of ten houses in New Orleans in mid-summer Ms Crow also served as a spokesperson for the program in a Satellite TV Media Tour for cotton this past spring Other company activities were featured in continuous PR outreach along with sustainability messaging, Lifestyle Monitor articles, and reports on economic and behavioral research findings Strategic Alliances managed a four part series of full site take-over cotton promotions on Rue La La, which is a major digital flash sale site for contemporary merchandise The program reaches Rue La Las large (14 million+), highly targeted (young female clothing enthusiasts) consumer audience with cotton messaging and retail boutiques full of interesting, high quality cotton offerings for women, men, kids and home The program was designed to take the Favorites theme and messaging directly to the consumer at the point of sale CSPM led efforts to identify opportunities and threats for cotton using market intelligence data gathered through ongoing studies of consumer attitudes from the Lifestyle Monitor survey, assessments of cotton's share at retail through the Retail Monitor survey, evaluations of consumer reactions to reductions of cotton fiber content in apparel and home textiles products at retail through the Customer Comments Research study, and comprehensive global economic research and analysis Work completed by CSPM during 2015 includes, but is not limited to the review of data on more than 100,000 products offered at retail in the U S in order to evaluate cotton's market share in key categories and to communicate (to internal staff) those areas that are under threat, the evaluation of 6,000 U S consumers to understand key trends and market opportunities for cotton products in the areas of denim, fiber substitution, online shopping, odor issues, cottonseed oil awareness and back-to-school shopping, the continued analysis of customer comment research that includes over 625,000 customer reviews, posted from 2010 to first half of 2015 on 50,000+ adult and children's apparel, home textiles, and intimate products, the management of global quantitative research to garner insights into consumers expectations for cotton in their feminine hygiene products, and the delivery of market outlook presentations related to changes in cotton prices and the impact on the supply chain in the U S and internationally CSPM also designed and developed a fabric weight study to assess consumer's preferred fabric weights in their clothes as well as a new brand tracking study to measure recognition and impact of Cotton Incorporated's new ad campaign and marketing efforts CSPM responded to nearly 200 information requests, participated in over 225 meetings and presentations, authored more than 150 publications, videos, and podcasts, and worked on more than 40 projects

4d

Other program services (Describe in Schedule O )


















(Expenses \$ 0 including grants of \$ 0 ) (Revenue \$ 0 )

4e

Total program service expenses

0

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 domestic 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 or for domestic individuals 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), 501(c)(4), and 501(c)(29) 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 "Yes," 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	Yes	
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.	1a	145			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	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.	2a	145			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a			No	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	3b				
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	Yes			
b	If "Yes," enter the name of the foreign country: <u>MX, CH, HK, JA</u> See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No	
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No	
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c				
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a			No	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b				
7	Organizations that may receive deductible contributions under section 170(c).					
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a				
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b				
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c				
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e				
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. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8				
9a	Did the sponsoring organization make any taxable distributions under section 4966?	9a				
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b				
10	Section 501(c)(7) organizations. Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b				
11	Section 501(c)(12) organizations. Enter					
a	Gross income from members or shareholders.	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b				
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a				
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b				
13	Section 501(c)(29) qualified nonprofit health insurance issuers.					
a	Is the organization licensed to issue qualified health plans in more than one state? <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		
	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		
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	FL , MI , NY , NC , TN
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. <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, address, and telephone number of the person who possesses the organization's books and records	DAVID BYRD 6399 WESTON PARKWAY CARY, NC 27513 (919) 678-2220

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

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

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

[illegible]



## 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>	2,938,169	0	990,345

**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 ▶ 38

<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) Name and business address	(B) Description of services	(C) Compensation
BDO USA LLP, 5430 Wade Park Blvd Suite 300 RALEIGH, NC 27607	Audit/Tax Services	113,058
DONALD BAILEY, 7620 Rock Quarry Rd RALEIGH, NC 27610	Importer Support Con	155,298
THE NIELSON COMPANY, 85 BROAD STREET NEW YORK, NY 10014	Market Research	265,700
PR NEWSWIRE ASSOCIATION, 350 HUDSON ST SUITE 300 NEW YORK, NY 10014	DISTRIBUTION&MONITOR	245,435
HALL AND PARTNERS USA, 711 3RD AVENUE 19TH FLOOR NEW YORK, NY 10017	MARKET CONSULTANT	105,000

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 ▶ 5

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . . . .	1a				
	b	Membership dues . . . . .	1b				
	c	Fundraising events . . . . .	1c				
	d	Related organizations . . . . .	1d				
	e	Government grants (contributions)	1e	119,260			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	77,215,698			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f . . . . .		77,334,958			
Program Service Revenue			Business Code				
	2a						
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f . . . . .		0			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		0			
	4	Income from investment of tax-exempt bond proceeds . . . . .		0			
	5	Royalties . . . . .		0			
	6a	Gross rents	(i) Real	(ii) Personal			
		b	Less rental expenses				
		c	Rental income or (loss)	0	0		
		d	Net rental income or (loss) . . . . .		0		
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		b	Less cost or other basis and sales expenses		24,579		
		c	Gain or (loss)		-24,579		
		d	Net gain or (loss) . . . . .		-24,579		-24,579
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a				
	b	Less direct expenses . . . . .	b				
	c	Net income or (loss) from fundraising events . . . . .		0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a				
	b	Less direct expenses . . . . .	b				
	c	Net income or (loss) from gaming activities . . . . .		0			
	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 . . . . .		0			
	Miscellaneous Revenue		Business Code				
	11a						
	b						
	c						
	d	All other revenue . . . . .					
	e	Total. Add lines 11a-11d . . . . .		0			
12	Total revenue. See Instructions . . . . .		77,310,379			-24,579	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21	0			
2 Grants and other assistance to domestic individuals See Part IV, line 22	466,000			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	2,706,700			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	11,445,029			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,207,986			
9 Other employee benefits	1,969,244			
10 Payroll taxes	842,418			
11 Fees for services (non-employees)				
a Management	3,603,127			
b Legal	149,201			
c Accounting	171,616			
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	305,892			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	1,346,622			
12 Advertising and promotion	24,024,277			
13 Office expenses	569,510			
14 Information technology	564,948			
15 Royalties	0			
16 Occupancy	1,912,101			
17 Travel	2,668,613			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	2,241,471			
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	1,567,000			
23 Insurance	225,534			
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 & PROMOTION	13,997,667	0	0	0
b SPONSORSHIP	1,897,344	0	0	0
c MAINTENANCE	914,589	0	0	0
d GRAPHICS	871,693	0	0	0
e All other expenses	1,325,974	0	0	0
25 Total functional expenses. Add lines 1 through 24e	76,994,556	0	0	0
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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing . . . . .			2,654	1	2,591
	2	Savings and temporary cash investments . . . . .			3,769,174	2	4,254,695
	3	Pledges and grants receivable, net . . . . .			0	3	0
	4	Accounts receivable, net . . . . .			8,713,826	4	6,933,503
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .					
					0	5	0
	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 . . . . .					
					0	6	0
	7	Notes and loans receivable, net . . . . .			0	7	0
	8	Inventories for sale or use . . . . .			0	8	0
	9	Prepaid expenses and deferred charges . . . . .			959,643	9	1,106,670
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	19,624,838			
	b	Less accumulated depreciation . . . . .	10b	14,483,067	5,116,816	10c	5,141,771
	11	Investments—publicly traded securities . . . . .			0	11	0
	12	Investments—other securities See Part IV, line 11 . . . . .			0	12	0
	13	Investments—program-related See Part IV, line 11 . . . . .			0	13	0
	14	Intangible assets . . . . .			0	14	0
15	Other assets See Part IV, line 11 . . . . .			0	15	0	
16	Total assets.Add lines 1 through 15 (must equal line 34) . . . . .			18,562,113	16	17,439,230	
Liabilities	17	Accounts payable and accrued expenses . . . . .			13,619,685	17	12,465,198
	18	Grants payable . . . . .			0	18	0
	19	Deferred revenue . . . . .			0	19	0
	20	Tax-exempt bond liabilities . . . . .			0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D . . . . .			0	21	0
	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 . . . . .			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties . . . . .			0	23	0
	24	Unsecured notes and loans payable to unrelated third parties . . . . .			0	24	0
	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 . . . . .			4,374,739	25	4,090,520
	26	Total liabilities.Add lines 17 through 25 . . . . .			17,994,424	26	16,555,718
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .			567,689	27	883,512
	28	Temporarily restricted net assets . . . . .			0	28	0
	29	Permanently restricted net assets . . . . .			0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds . . . . .				30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .				31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .				32	
	33	Total net assets or fund balances . . . . .			567,689	33	883,512
	34	Total liabilities and net assets/fund balances . . . . .			18,562,113	34	17,439,230

Part XIReconciliation 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	77,310,379
2	Total expenses (must equal Part IX, column (A), line 25)	2	76,994,556
3	Revenue less expenses Subtract line 2 from line 1	3	315,823
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	567,689
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	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	883,512

Part XIIFinancial 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 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	No
2b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	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?	3a	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	3b	

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) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Buddy Allen ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Albert Andel ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Lloyd Arthur ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Coley Bailey ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Allen Below ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Marvin Beyer ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Frank Bezner ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Ryne Brannen ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Carl Brown ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Andrew Burleson ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Larry Burns ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Malcolm Calhoun ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Link Carlton ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Steven Clay ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Ron Coley ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Jason Condrey ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
John Crapse ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Johnny Crawford ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Jerry Davis ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Henry Davis ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Hugh Dollar ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Steven Droke ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Kenton Dunn ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Philip Edwards ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Robert Englert ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Jason Felton ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
James Ferguson ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Magnus Flythe ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Rose Fullen ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Kendall Garraway ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Jeremy Gay ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Jeremy Gonzales ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Burges Griffin ..... Chairman	1 0 ..... 0 0	X		X				0	0	0
William Haddock ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Dahlen Hancock ..... Secretary	1 0 ..... 0 0	X		X				0	0	0
Jon Hardwick ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Myron Hawes ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Thomas Hayes ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Art Heiden ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Craig Heinrich ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Gerald Hilbers ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Jeff Hux ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Joseph Jimmerson ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
James Johnson ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Bernard Jordan ..... TREASURER	1 0 ..... 0 0	X		X				0	0	0
Donny Lassiter ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Ronald Lee ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
John Lindamood ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Stephen Logan ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Lawrence Long ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
James Massey ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Harold May ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Gregg Mayberry ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
James McGougan ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Henry McLaurin ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Weldon Melton ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Peter Michael ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Robert Miller ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Brady Mimms ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Travis Mires ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Van Murphy ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Brent Nelson ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
John Newby ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Herrick Norcross ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Lyall Pacheco ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Michael Patschke ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
David Pearson ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Glen Phipps ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Terry Pollard ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Charles Provance ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Bernard Pustejovsky ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Nathan Reed ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Johnie Reed ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Danny Robbins ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Ryan Robbins ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0



Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Randolph Rogers ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Dean Rovey ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
John Ruark ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Larry Sayes ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Harry Schroeder ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Eric Seidenberger ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Vance Shoaf ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Timothy Smith ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Lewie Joe Smith ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Sam Sparks ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Charles Speake ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Lawrence Starrh ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Cloyce Stevens ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Earl Stiles ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Martin Stoerner ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Gary Tidwell ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Phil Vandiver ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Tom Wade ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Robert Walker ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Jim Waters ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Mark Watte ..... Vice Chairman	1 0 ..... 0 0	X		X				0	0	0
William Weaver ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Clint Webb ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Jason West ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Lance Whitehead ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) 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 Wilbur ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
Mark Wright ..... BOARD MEMBER	1 0 ..... 0 0	X						0	0	0
J Berrye Worsham ..... President & CEO	40 0 ..... 0 0			X				611,140	0	157,630
David Byrd ..... Sr VP & CFO	40 0 ..... 0 0			X				247,224	0	87,413
John Morgans ..... VP Administration	40 0 ..... 0 0			X				201,079	0	81,020
Richmond Hendee ..... SR VP Consumer MKTG	40 0 ..... 0 0				X			253,391	0	97,807
Kater Hake ..... VP Agricultural/Env Research	40 0 ..... 0 0				X			248,348	0	119,105
Mark Messura ..... SR VP Global Supply Chain	40 0 ..... 0 0				X			265,712	0	104,960
Robert Tyndall ..... VP Prod Dev & Implem	40 0 ..... 0 0				X			184,519	0	69,694
Michael Watson ..... VP Fiber Competition	40 0 ..... 0 0					X		179,072	0	80,980
Kimberly S Kitchings ..... VP , Corp Strategy	40 0 ..... 0 0					X		161,503	0	74,420
Wentao Zheng ..... Manager, EFS	40 0 ..... 0 0					X		151,465	0	34,970
Katsuro Ishida ..... VP Marketing Asia	40 0 ..... 0 0					X		285,400	0	16,419
John Chiavacci ..... CTO	40 0 ..... 0 0					X		149,316	0	65,927

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2015

Open to Public Inspection

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

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

Department of the Treasury  
Internal Revenue Service

Name of the organization  
COTTON INCORPORATED

Employer identification number  
62-0786018

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate value of contributions to (during year)	
3	Aggregate value of grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <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" on 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, handling of violations, and enforcing conservation easements during the year  
► \_\_\_\_\_

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4) (B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

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

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

1a

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

b

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

(i)

Revenue included on Form 990, Part VIII, line 1

► \$ \_\_\_\_\_

(ii)

Assets included in Form 990, Part X

► \$ \_\_\_\_\_

2

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

a

Revenue included on Form 990, Part VIII, line 1

► \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

► \$ \_\_\_\_\_

Part III

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

(continued)

3

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

a

☐ Public exhibition

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements.

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

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, for escrow or custodial account liability?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided 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 on lines 2a, 2b, and 2c should equal 100%

3a

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

(i)

unrelated organizations

(ii)

related organizations

b

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

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

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)	Accumulated (c)depreciation	(d)Book value
1a Land				
b Buildings				
c Leasehold improvements	0	2,947,950	2,107,834	840,116
d Equipment	0	15,304,584	11,081,955	4,222,629
e Other	0	1,372,304	1,293,278	79,026
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				5,141,771



Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return				
Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.				
1	Total revenue, gains, and other support per audited financial statements . . . . .	1		79,524,636
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains (losses) on investments . . . . .	2a		
b	Donated services and use of facilities . . . . .	2b	2,189,678	
c	Recoveries of prior year grants . . . . .	2c		
d	Other (Describe in Part XIII ) . . . . .	2d		
e	Add lines 2a through 2d . . . . .	2e		2,189,678
3	Subtract line 2e from line 1 . . . . .	3		77,334,958
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	-24,579	
c	Add lines 4a and 4b . . . . .	4c		-24,579
5	Total revenue Add lines 3 and 4c.(This must equal Form 990, Part I, line 12 ) . . . . .	5		77,310,379

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.				
Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.				
1	Total expenses and losses per audited financial statements . . . . .	1		79,208,813
2	Amounts included on line 1 but not on Form 990, Part IX, line 25			
a	Donated services and use of facilities . . . . .	2a	2,189,678	
b	Prior year adjustments . . . . .	2b		
c	Other losses . . . . .	2c		
d	Other (Describe in Part XIII ) . . . . .	2d	24,579	
e	Add lines 2a through 2d . . . . .	2e		2,214,257
3	Subtract line 2e from line 1 . . . . .	3		76,994,556
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		
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18 ) . . . . .	5		76,994,556

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	EXPLANATION 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, 2015 AND 2014, 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 2015 OR 2014. THE COMPANY'S TAX RETURNS ARE OPEN FOR EXAMINATION FOR YEARS 2012 THROUGH 2014.
PART XI, LINE 4B - OTHER ADJUSTMENTS	LOSS ON DISPOSAL OF FIXED ASSETS -24,579
PART XII, LINE 2D - OTHER ADJUSTMENTS	LOSS ON DISPOSAL OF FIXED ASSETS 24,579

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

OMB No 1545-0047

2015

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
( 1 ) East Asia and the Pacific	3	16	Program Services	TECH & INFO SUPPORT	5,471,539
( 2 ) North America	1	4	Program Services	TECH & INFO SUPPORT	1,033,259
( 3 ) Europe (Including Iceland and Greenland)	0	0	Program Services	TECH & INFO SUPPORT	1,546,787
( 4 ) Middle East and North Africa	0	0	Program Services	TECH & INFO SUPPORT	16,399
( 5 ) Central America and the Caribbean	0	1	Program Services	AGRICULTURAL RESEARCH	72,069
3a Sub-total	4	21			8,140,053
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	4	21			8,140,053



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)
( 1 )									
( 2 )									
( 3 )									
( 4 )									

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

Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
( 1 )							
( 2 )							
( 3 )							
( 4 )							
( 5 )							
( 6 )							
( 7 )							
( 8 )							
( 9 )							
( 10 )							
( 11 )							
( 12 )							
( 13 )							
( 14 )							
( 15 )							
( 16 )							
( 17 )							
( 18 )							

**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; do not file with Form 990)*

☐

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; do not file with Form 990)*

☐

Yes

☒

No

**Additional Data**

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

**Part V** **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).

OMB No 1545-0047


▶ **Attach to Form 990.**


**Open to Public Inspection**

62-0786018

☒ Yes    ☐ No

**Part II** **Grants and Other Assistance to Domestic Organizations and Domestic Governments.** Complete if the organization answered "Yes" on 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.

**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 Domestic Individuals. Complete if the organization answered "Yes" on 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	10	466,000			

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	EXPLANATION GRANTS ARE OVERSEEN BY OUR AGRICULTURAL AND ENVIRONMENTAL RESEARCH EMPLOYEES THESE EMPLOYEES MONITOR THE PROGRESS OF THOSE RECEIVING GRANTS, INCLUDING RQUIRED 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" on Form 990, Part IV, line 23.  
▶ Attach to Form 990.

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

OMB No 1545-0047

2015

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 on 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 checked="" type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input checked="" 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>	Yes	
<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>	Yes	
<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 on 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>		No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<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>		No
<div><div></div><div>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</div></div>		
<div><div>5</div><div>For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of</div></div>		
<div><div>a</div><div>The organization?</div></div>		
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," on line 5a or 5b, describe in Part III</div>		
<div><div>6</div><div>For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of</div></div>		
<div><div>a</div><div>The organization?</div></div>		
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," on line 6a or 6b, describe in Part III</div>		
<div><div>7</div><div>For persons listed on 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>		
<div><div>8</div><div>Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III</div></div>		
<div><div>9</div><div>If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div>		

**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 on 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 in column(B) reported as deferred on prior Form 990
	Base (i) 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	A U S employee worked in China during 2015 and received housing as well as tax indemnification from the company during his assignment. The company also provides for business class tickets for all employees on all international trips, which include first-class tickets when domestic travel is involved on those itineraries.
PART I, LINE 4	J Berrye Worsham participates in a SERP and had contributions of \$100,000 to the Plan in 2015.

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 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 in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1J Berrye Worsham President & CEO	(i)	470,528	46,000	94,612	113,043	44,587	768,770	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
1David ByrdSr VP & CFO	(i)	217,781	22,961	6,482	59,673	27,740	334,637	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
2John Morgans VP Administration	(i)	176,780	18,613	5,686	45,290	35,730	282,099	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
3Richmond Hendee SR VP Consumer MKTG	(i)	219,934	18,209	15,248	59,168	38,639	351,198	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
4Kater Hake VP Agncultural/Env Research	(i)	217,938	20,660	9,750	74,985	44,120	367,453	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
5Mark Messura SR VP Global Supply Chain	(i)	232,026	24,357	9,329	64,136	40,824	370,672	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
6Robert Tyndall VP Prod Dev & Implem	(i)	160,737	14,936	8,846	46,413	23,281	254,213	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
7Michael Watson VP Fiber Competition	(i)	162,115	11,537	5,420	46,338	34,642	260,052	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
8Kimberly S Kitchings VP , Corp Strategy	(i)	144,090	15,782	1,631	33,941	40,479	235,923	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
9Wentao ZhengManager, EFS	(i)	75,691	3,342	72,432	20,545	14,425	186,435	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
10Katsuro Ishida VP Marketing Asia	(i)	140,790	32,946	111,664	6,518	9,901	301,819	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
11John ChiavacciCTO	(i)	135,880	11,195	2,241	39,695	26,232	215,243	0
	(ii)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

**▶ Attach to Form 990 or 990-EZ.**

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

OMB No 1545-0047

**2015**

**Open to Public  
Inspection**

Name of the organization  
COTTON INCORPORATED

**Employer identification number**

62-0786018

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
FORM 990, PART I, LINE 1 DESCRIPTION OF ORGANIZATION 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.
FORM 990, PART VI, SECTION B, LINE 11	EXPLANATION: 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	EXPLANATION: ALL DIRECTORS ARE REQUIRED TO ATTEST THAT THEY ARE FREE OF ANY CONFLICTS OF INTEREST.
FORM 990, PART VI, SECTION B, LINE 15	EXPLANATION: An independent compensation committee determines compensation for all employees of the Company. The compensation committee engages an outside consultant to provide recommendations based on comparable pay information as well. Minutes of their meetings are maintained.
FORM 990, PART VI, SECTION C, LINE 19	EXPLANATION: 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	EXPLANATION: THERE HAVE BEEN NO CHANGES DURING THE YEAR IN THE PROCESS FOR OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS.
FORM 990, PART III, LINE 4D OTHER PROGRAM SERVICES	OTHER PROGRAM SERVICES INCLUDE research and development AND CORPORATE SERVICES.

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization  
COTTON INCORPORATED

Employer identification number  
62-0786018

Part I

Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II

Identification of Related Tax-Exempt Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1)Trolinder Trust Fund 6399 Weston Parkway  Cary, NC 27513 30-6017258	Cotton biotec	NC	501(c)(3)	11c	NA		No

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest, (ii)annuities, (iii)royalties, or(iv)rent from a controlled entity . . . . .

b

Gift, grant, or capital contribution to related organization(s) . . . . .

c

Gift, grant, or capital contribution from related organization(s) . . . . .

d

Loans or loan guarantees to or for related organization(s) . . . . .

e

Loans or loan guarantees by related organization(s) . . . . .

f

Dividends from related organization(s) . . . . .

g

Sale of assets to related organization(s) . . . . .

h

Purchase of assets from related organization(s) . . . . .

i

Exchange of assets with related organization(s) . . . . .

j

Lease of facilities, equipment, or other assets to related organization(s) . . . . .

k

Lease of facilities, equipment, or other assets from related organization(s) . . . . .

l

Performance of services or membership or fundraising solicitations for related organization(s) . . . . .

m

Performance of services or membership or fundraising solicitations by related organization(s) . . . . .

n

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) . . . . .

o

Sharing of paid employees with related organization(s) . . . . .

p

Reimbursement paid to related organization(s) for expenses . . . . .

q

Reimbursement paid by related organization(s) for expenses . . . . .

r

Other transfer of cash or property to related organization(s) . . . . .

s

Other transfer of cash or property from related organization(s) . . . . .

Yes

No

1a

No

1b

No

1c

No

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

Yes

1n

No

1o

No

1p

No

1q

No

1r

No

1s

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

Schedule R (Form 990) 2015

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
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