

POTLATCH CORP  
Form 11-K  
June 29, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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Form 11-K

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(Mark One)

Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2015

OR

Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-32729

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A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Potlatch Salaried 401(k) Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Potlatch Corporation  
601 West First Avenue, Suite 1600  
Spokane, Washington 99201

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Report of Independent Registered Public  
Accounting Firm and Financial Statements  
with Supplemental Schedule for

Potlatch Salaried 401(k) Plan

December 31, 2015 and 2014

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Plan Administrator  
Potlatch Salaried 401(k) Plan

We have audited the accompanying statements of net assets available for benefits of Potlatch Salaried 401(k) Plan (Plan) as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
(continued)

The supplemental information included in Schedule H, line 4(i) - Schedule of assets (held at end of year) as of December 31, 2015, has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. In our opinion, the supplemental information included in Schedule H, line 4(i) - Schedule of assets (held at end of year) is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Moss Adams LLP  
Spokane, Washington  
June 28, 2016

Potlatch Salaried 401(k) Plan  
Statements of Net Assets Available for Benefits

	December 31,	
	2015	2014
Assets		
Participant directed investments at fair value		
Registered investment company funds:		
Vanguard Institutional Index Fund	\$9,674,282	\$11,726,712
Vanguard Total Bond Market Index Fund	7,989,640	8,255,709
Vanguard Total International Stock Index Fund Institutional Class	6,065,228	7,457,290
Vanguard Extended Market Index Fund Institutional Shares	3,909,945	4,399,194
Mainstay Large Cap Growth Fund	3,454,007	3,067,996
Dodge & Cox Stock Fund	3,081,075	3,594,470
Loomis Sayles Core Plus Bond Fund	2,666,289	—
Artisan Mid-Cap Value Fund	1,128,061	1,517,331
Artisan Mid-Cap Fund Institutional	1,121,319	1,732,556
Artisan International Fund Institutional	1,092,426	1,172,035
Timesquare Mid-Cap Growth Fund	1,041,999	1,202,990
Dodge & Cox International Fund	804,107	1,120,521
Conestoga Small Cap Fund	723,460	610,431
T. Rowe Price Emerging Market Stock Fund	499,147	455,421
Neuberger and Berman High Income Bond Fund	170,342	360,141
Principal Diversified Real Asset Fund	11,651	—
PIMCO Total Return Fund	—	3,095,304
PIMCO All Asset Fund Institutional	—	6,029
T. Rowe Price Retirement Balance Fund	136,294	144,410
T. Rowe Price Target Date Retirement Funds (2010 - 2055)	6,977,730	6,070,388
Total registered investment company funds:	50,547,002	55,988,928
Collective investment funds:		
Wells Fargo Stable Return Fund	11,265,878	71,109
Putnam Stable Value Fund	—	11,391,853
Total collective investment funds:	11,265,878	11,462,962
Common stock: Potlatch Stock Fund	6,102,033	7,501,951
Total participant directed investments at fair value	67,914,913	74,953,841
Notes receivable from participants	526,614	405,296
Participant contribution receivable	59,874	—
Employer contribution receivable	76,958	20,922
Net assets available for benefit, at fair value	\$68,578,359	\$75,380,059

The accompanying notes are an integral part of these financial statements.

Potlatch Salaried 401(k) Plan  
 Statements of Changes in Net Assets Available for Benefits

	Years Ended December 31,	
	2015	2014
Investment income (loss):		
Interest income	\$153,007	\$224,742
Dividend income	2,494,405	2,216,148
Net appreciation (depreciation) of fair value of investments	(4,663,359 )	1,210,991
Investment income (loss)	(2,015,947 )	3,651,881
Interest income on notes receivable from participants	17,614	15,858
Contributions:		
Participant	2,374,501	2,185,149
Employer	1,260,537	1,117,206
Total additions	3,635,038	3,302,355
Less distributions and fees:		
Distributions to participating employees	(8,354,110 )	(10,817,148 )
Loan and administrative fees	(84,295 )	(79,209 )
Total distributions and fees	(8,438,405 )	(10,896,357 )
Net decrease	(6,801,700 )	(3,926,263 )
Net assets available for benefits:		
Beginning of year	75,380,059	79,306,322
End of year	\$68,578,359	\$75,380,059

The accompanying notes are an integral part of these financial statements.

Potlatch Salaried 401(k) Plan  
Notes to Financial Statements

Note 1: Description of Plan

The following description of the Potlatch (Company) Salaried 401(k) Plan (the Plan) is provided for general information. Participants should refer to the summary Plan description for the appropriate participating unit for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan established under the provisions of Section 401(a) of the Internal Revenue Code (IRC), which includes a cash or deferred arrangement under 401(k) of the IRC, and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Plan sponsor and administration - The Plan is administered by the Potlatch Benefits Committee. Mercer Trust Company and Mercer HR Services (collectively Mercer) serve as the Trustee and record keeper, respectively.

Eligibility and contributions - Regular Employees become Eligible Participants when they first perform duties for which they are paid or entitled to earnings. Non Regular Employees, employees hired for part-time work, become Eligible Participants after completing 1,000 hours of service in any period of twelve (12) consecutive months or the date the Non Regular Employee becomes a Regular Employee.

The Plan provides that each eligible salaried participant may elect a deferred contribution up to 80% of his or her monthly earnings on a pre-tax or after-tax basis. Participants may also make rollover contributions representing distributions from other qualified plans. Eligible participants age 50 or older may elect additional catch-up contributions.

Regular Employees hired by the Company are automatically enrolled in the Plan at a 3% deferral rate 30 days after the employee becomes eligible unless they elect otherwise. This deferral percentage is increased by 1% annually until the percentage has reached 6% unless the participant elects otherwise. Non Regular Employees are automatically enrolled in the Plan at a 3% deferral rate 30 days after becoming an Eligible Participant.

The Company makes matching contributions to the Plan equal to 70% of participating contributions, not in excess of 6%, although the Company may approve a higher or lower rate.

For employees hired between January 1, 2011 and June 1, 2015, the Company makes a nonelective base contribution of 3% of their eligible compensation to their respective 401(k) plans, in addition to the matching contribution. The benefit vests on the same schedule as his or her employer matching account as described below. The Plan was amended to remove this non-elective contribution effective June 1, 2015 for newly hired employees.

All contributions are limited by certain restrictions as defined by the IRC.

Participant accounts - A separate account is maintained for each participant of the Plan. Each account is credited with the participant and employer contributions and earnings thereon. Participant accounts are valued daily based on quoted market prices. Quarterly, participant accounts are charged a fixed fee for administrative expenses that are paid by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.



Investment options - Participants may direct their account balance in whole percentage increments into the investment options offered under the Plan. Participants may change their investment elections and make transfers between investment options daily subject to restrictions imposed by the registered investment companies.

The accounts of participants automatically enrolled in the Plan and not electing otherwise are invested in the T. Rowe Price Retirement Fund with the target date closest to, but not exceeding, the year in which the participant will reach age 65, which is the Plan's normal retirement age. Any contributions or other payments made to the Plan without investment instructions will be invested in the age-appropriate T. Rowe Price Retirement Fund until such time as the participant chooses to reinvest them.

Contributions may be temporarily held as cash prior to the execution of the investment according to the participant's direction.

Vesting - A participant's interest in all participant contribution accounts is fully vested and not forfeitable at any time. A participant's interest in his or her matching account and nonelective base contribution account becomes vested based on the participant's years of service as defined in the Plan as follows:

Years of Service	% Vested
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