

POTLATCH CORP  
Form 11-K  
June 23, 2014

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

---

Form 11-K

---

(Mark One)

Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934  
For the fiscal year ended December 31, 2013

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

---

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

---

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

Potlatch Salaried 401(k) Plan

December 31, 2013 and 2012

---

TABLE OF CONTENTS

	PAGE
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>1</u>
FINANCIAL STATEMENTS	
<u>Statements of Net Assets Available for Benefits</u>	<u>2</u>
<u>Statements of Changes in Net Assets Available for Benefits</u>	<u>3</u>
<u>Notes to Financial Statements</u>	<u>4</u>
SUPPLEMENTAL SCHEDULE REQUIRED BY THE DEPARTMENT OF LABOR	
<u>Schedule H, Line 4i - Schedule of Assets (Held at End of Year)</u>	<u>11</u>
<u>SIGNATURES</u>	<u>12</u>
EXHIBIT 23	
Consent of Independent Registered Public Accounting Firm	

---

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, 2013 and 2012, 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 the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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, 2013 and 2012, 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.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary Schedule H, Line 4i – Schedule of assets (held at end of year) as of December 31, 2013, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary 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 supplementary schedule is the responsibility of the Plan's management. The supplementary schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Spokane, Washington  
June 20, 2014

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

	December 31,	
	2013	2012
Assets		
Participants directed investments at fair value		
Registered investment company funds:		
Vanguard Institutional Index Fund	\$ 11,386,331	\$ 8,362,499
Vanguard Total International Stock Index Fund	8,347,525	7,414,675
Vanguard Total Bond Market Index Fund	7,664,550	7,080,675
Vanguard Extended Market Index Fund Institutional Shares	5,268,975	3,953,146
PIMCO Total Return Fund	3,758,115	4,872,181
Dodge & Cox Stock Fund	3,308,932	2,645,650
Mainstay Large Cap Growth Fund	2,648,846	2,407,756
Artisan Mid-Cap Value Fund	1,949,588	1,437,792
Artisan Mid-Cap Fund Institutional	1,766,536	1,441,696
Timesquare Mid-Cap Growth Fund	1,156,396	1,212,505
Artisan International Fund Institutional	1,136,371	694,309
Dodge & Cox International Stock Fund	1,122,683	815,674
Conestoga Small Cap Fund	917,287	—
Neuberger and Berman High Income Bond Fund	301,420	—
PIMCO All Asset Fund Institutional	8,434	—
TCW Small Cap Growth, Class I	—	480,153
T. Rowe Price Emerging Market Stock Fund	622,008	442,037
T. Rowe Price Retirement Income Fund	208,983	11,817
T. Rowe Price Retirement 2005 Fund	15,592	176,914
T. Rowe Price Retirement 2010 Fund	45,002	289,818
T. Rowe Price Retirement 2015 Fund	365,165	411,750
T. Rowe Price Retirement 2020 Fund	1,660,261	975,247
T. Rowe Price Retirement 2025 Fund	1,008,333	880,909
T. Rowe Price Retirement 2030 Fund	698,078	577,308
T. Rowe Price Retirement 2035 Fund	388,093	249,884
T. Rowe Price Retirement 2040 Fund	381,460	266,175
T. Rowe Price Retirement 2045 Fund	197,817	103,752
T. Rowe Price Retirement 2050 Fund	228,708	124,771
T. Rowe Price Retirement 2055 Fund	58,349	10,835
Common and collective trusts:		
Putnam Stable Value Fund	14,859,629	18,349,366
Common stock:		
Potlatch Stock Fund	7,519,091	7,974,154
Total	78,998,558	73,663,448
Notes receivable from participants	500,074	494,643
Cash and cash equivalents	—	20,935
Employer contribution receivable	—	34,403
Assets available for benefits	79,498,632	74,213,429
Adjustment from fair value to contract value for fully benefit-responsive investment contract	(192,310 )	(550,075 )
Net assets available for benefits	\$ 79,306,322	\$ 73,663,354

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

2

---

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

	Years Ended December 31,	
	2013	2012
Investment income:		
Interest income	\$275,966	\$362,827
Dividend income	1,780,367	1,619,822
Net appreciation of fair value investments	9,066,348	6,729,312
Net investment income	11,122,681	8,711,961
Interest income on notes receivable from participants	16,457	19,947
Contributions:		
Participant	2,148,230	1,832,068
Employer	999,049	922,444
Total contributions	3,147,279	2,754,512
Less distributions, fees, and transfers to other accounts:		
Distributions to participating employees:		
Cash	(8,675,897	) (6,160,717 )
Market value of shares distributed in settlement of participants' accounts	(17,963	) (51,269 )
Loan and administrative fees	(84,668	) (97,022 )
Total distributions, fees, and transfers to other accounts	(8,778,528	) (6,309,008 )
Net increase prior to transfers	5,507,889	5,177,412
Transfers of Plan assets from Potlatch Hourly 401(k) Plan	135,079	—
Net increase	5,642,968	5,177,412
Net assets available for benefits:		
Beginning of year	73,663,354	68,485,942
End of year	\$79,306,322	\$73,663,354

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 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 are eligible to participate on the date the regular employee first performs duties for which he or she is paid or entitled to earnings as an eligible employee.

The Plan provides that each eligible salaried employee may elect a deferred contribution up to 25% 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 status 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.

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 after January 1, 2011, the Company makes a nonelective base contribution of 3% of their eligible compensation to their respective 401(k) plans. The benefit vests on the same schedule as his or her employer matching account as described below.

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.

**Investment options** - Participants may direct their account balance in any amount equal to any whole percentage increment into the investment options offered under the Plan, including registered investment company funds, common and collective trusts, and the Potlatch Stock Fund. 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 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 and forfeitures - 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 becomes vested based on the participant's years of service as defined in the Plan as follows:

Years of Service	% Vested
------------------	----------