POTLATCH CORP
Form 11-K
June 18, 2015

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

Form 11-K

(Mark One)
x Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2014
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 Hourly 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 Hourly 401(k) Plan

December 31, 2014 and 2013

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Plan Administrator
Potlatch Hourly 401(k) Plan

We have audited the accompanying statements of net assets available for benefits of Potlatch Hourly 401(k) Plan (Plan) as of December 31, 2014 and 2013, 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, 2014 and 2013, 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, 2014, 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 17, 2015

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

Assets	December 31, 2014	2013
Participant directed investments at fair value		
Registered investment company funds:		
Vanguard Institutional Index Fund	$8,202,247	$7,708,071
Vanguard Total Bond Market Index Fund	7,219,415	6,103,522
Vanguard Total International Stock Index Fund Institutional Class	6,749,307	6,824,619
Vanguard Extended Market Index Fund Institutional Shares	3,223,179	3,783,941
Dodge & Cox Stock Fund	1,545,009	1,492,767
Mainstay Large Cap Growth Fund	1,143,150	1,192,583
PIMCO Total Return Fund	1,089,719	1,359,570
Artisan Mid-Cap Fund Institutional	800,589	743,029
Artisan Mid-Cap Value Fund	578,049	616,283
Timesquare Mid-Cap Growth Fund	344,840	372,217
Dodge & Cox International Fund	326,472	379,634
Artisan International Fund Institutional	174,504	189,154
Conestoga Small Cap Fund	156,463	163,761
T.Rowe Price Emerging Market Stock Fund	14,224	28,325
PIMCO All Asset Fund Institutional	705	800
Neuberger and Berman High Income Bond Fund	117,867	83,798
T. Rowe Price Retirement Balanced Fund	6,221	3,369
T. Rowe Price Retirement 2010 Fund	119,388	113,719
T. Rowe Price Retirement 2015 Fund	398,838	300,664
T. Rowe Price Retirement 2020 Fund	490,727	440,159
T. Rowe Price Retirement 2025 Fund	602,403	513,395
T. Rowe Price Retirement 2030 Fund	683,376	556,182
T. Rowe Price Retirement 2035 Fund	202,836	173,176
T. Rowe Price Retirement 2040 Fund	195,526	144,988
T. Rowe Price Retirement 2045 Fund	336,126	250,286
T. Rowe Price Retirement 2050 Fund	601,449	436,467
T. Rowe Price Retirement 2055 Fund	430,747	321,743
Collective investment funds:		
Putnam Stable Value Fund	5,642,283	6,297,713
Wells Fargo Stable Return Fund	338,662	—
Common stock:		
Potlatch Stock Fund	6,165,563	7,295,924
Total	47,899,884	47,889,859
Notes receivable from participants	1,095,789	1,227,209
Cash and cash equivalents	103	103
Net assets available for benefits, at fair value	48,995,776	49,117,171
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(108,799)	(81,503)
Net assets available for benefits	$48,886,977	$49,035,668

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

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

	Years Ended December 31, 2014	2013
Investment income:		
Interest income	$102,618	$122,649
Dividend income	1,355,821	1,085,904
Net appreciation of fair value of investments	850,652	5,558,717
Net investment income	2,309,091	6,767,270
Interest income on notes receivable from participants	41,510	43,326
Contributions:		
Participant	1,652,518	1,519,844
Employer	902,507	802,343
Total additions	2,555,025	2,322,187
Less distributions, fees, and transfers to other accounts:		
Distributions to participating employees:		
Cash	(4,910,362)	(4,382,743)
Market value of shares distributed in settlement of participants' accounts	(41,839)	(2,060)
Loan and administrative fees	(102,116)	(101,630)
Total distributions, fees, and transfers to other accounts	(5,054,317)	(4,486,433)
Net (decrease) increase prior to transfers	(148,691)	4,646,350
Transfers of Plan assets to Potlatch Salaried 401(k) Plan	—	(135,079)
Net (decrease) increase	(148,691)	4,511,271
Net assets available for benefits:		
Beginning of year	49,035,668	44,524,397
End of year	$48,886,977	$49,035,668

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

Potlatch Hourly 401(k) Plan
Notes to Financial Statements

Note 1: Description of Plan

The following description of the Potlatch Hourly 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 - Employees are eligible to participate (Eligible Employee) on the date the Regular Employee first performs duties for which he or she is paid or entitled to earnings as an Eligible Employee. Non Regular employees, employees hired for part-time work, become Eligible Employees 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. Notwithstanding the foregoing, each Regular Employee whose employment is covered by a collective bargaining agreement shall become an Eligible Participant on the first day of the month following the later of the date such Regular employee completes a ninety (90) day Period of Service or the date such Regular Employee becomes an Eligible Employee.

The Plan provides that each eligible hourly employee may elect a deferred contribution up to 25% of his or her monthly earnings on a pre-tax basis. The Company makes matching contributions to the Plan on behalf of each Plan participant equal to the matching rate (ranging from 50% of deferred contributions, not in excess of 5% for Warren Hourly Bargained employees, to 70% of deferred contributions, not in excess of 6% for all other hourly employees) specified in the appendix applicable to the participant's unit. Participants may also make rollover contributions representing distributions from other qualified plans. Eligible participants age 50 or older may elect additional catch-up contributions.

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

Regular Employees, with the exception of Warren Hourly Bargained employees, 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.

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. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. 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 any amount equal to any whole percentage increment into the investment options offered under the Plan, including registered investment company funds, collective investment funds, 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	
Less than 1	0	%
1 but less than 2	20	%
2 but less than 3	40	%
3 but less than 4	60	%
4 but less than 5	80	%
5 or more	100	%

A participant's interest in his or her matching account becomes 100% vested if the Plan terminates, or if the participant attains age 65 as an employee of the Company, becomes totally and permanently disabled, or dies while an employee. The portion of a participant's matching account not vested will be forfeited when the participant's employment terminates.

As of the end of each year, forfeitures and the earnings of such forfeitures not used to restore the matching accounts of former participants rehired during the year are credited against matching contributions for the following year, used to pay Plan expenses, or a combination thereof. Participant forfeitures for the years ended December 31, 2014 and 2013, totaled $41,182 and $24,632, respectively. Forfeitures used for the years ended December 31, 2014 and 2013, totaled $34,892 and $25,945, respectively.

Notes receivable from participants - Participants may borrow up to 50% of their vested account balance up to a maximum of $50,000 as provided by the Plan. The loans are secured by the balance in the participant's account and bear interest at a market rate, which has been determined for the applicable loans during the applicable periods to be the prime rate in effect at the beginning of the month in which the loan is taken. Repayment of principal and interest is paid ratably through payroll deductions. Loans outstanding at December 31, 2014 bear interest at various rates ranging from 3.25% to 8.50% and mature at various times through November 2027.

Distributions and benefits - On termination of employment, participants may elect to receive payment in a lump sum equal to the participant's vested interest in his or her account, roll their account balances into an individual retirement account (IRA) or another employer's plan, or maintain their accounts in the Plan, subject to certain restrictions. If a terminated participant's vested account balance is $5,000 or less, they are generally not permitted to leave their account balance in the Plan. Therefore, depending on the value of the vested account balance, one of the following will occur:

- If the vested value is $5,000 or less, but greater than $1,000, a participant's account will be automatically rolled over to a Putnam Automatic Rollover IRA unless they elect otherwise.

- If the vested value is less than $1,000 and the participant does not elect to have such distribution paid to an eligible retirement plan in a direct rollover, the participant will receive the distribution directly in a single lump sum in cash, less associated taxes and penalties.

Participants are permitted to receive hardship distributions while still employed by the Company under certain conditions specified under the Plan, including the purchase of a primary residence, tuition payments, medical and funeral expenses, and disabilities. A participant's right to contribute to the Plan is suspended for six months upon receiving a hardship distribution.

Plan and administrative fees - Plan expenses are generally paid by the Company except to the extent those expenses are paid from participant forfeitures of employer matching contributions. Loan service fees and fees associated with processing of qualified domestic relations orders are paid by the participant.

Party in interest and related party transactions - Certain Plan investments are managed by Mercer. These transactions and transactions within the Company Common Stock Fund are considered party in interest transactions.

Note 2 : Summary of Significant Accounting Policies

Basis of accounting - The financial statements of the Plan are prepared on the accrual basis of accounting. Distributions to participants are recorded when paid.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the Plan sponsor to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets available for benefits during the reporting period. Actual results could differ from those estimates and assumptions.

Investment valuation - Investment contracts held by a defined contribution plan are required to be reported at fair value; however, contract value is the relevant measurement attribute for that portion of the net assets available for benefits that is attributable to fully-responsive investment contracts. Contract value is the amount Plan participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Fully benefit-responsive guaranteed investment contracts (GICs), security-backed investment contracts (SBICs), synthetic guaranteed investment contracts (Synthetic GICs) and separate account guaranteed investment contracts (Separate Account GICs) (Investment Contracts) included in the Putnam Stable Value Fund and Wells Fargo Stable Return Fund are valued at fair value and adjusted to contract value, which represents the principal balance of the Investment Contracts, plus accrued interest at the stated crediting rate, less payments received and contract charges by the insurance companies. There are no redemption restrictions for participants in these funds.
Prior to October 31, 2014 the Plan invested in the Putnam Stable Value Fund, a collective investment fund that invests in high-quality GICs and similar contracts issued by insurance companies, banks and other financial institutions. The Fund also invests up to 75% of its assets in SBICs, including Separate Account GIC products of insurance companies.

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During the years ended December 31, the weighted average yield and crediting interest rates for the Putnam Stable Value Fund was as follows:

	2014		2013	
Average Yield	1.65	%	1.94	%
Crediting Interest Rate	2.03	%	1.86	%

Effective October 31, 2014 the Plan closed the Putnam Stable Value Fund to new investments and introduced the Wells Fargo Stable Return Fund as a replacement. The Wells Fargo Stable Return Fund invests in the Wells Fargo Stable Value Fund C, a collective investment fund that invests in high-quality GICs, Synthetic GICs and Separate Account GICs.

During the year ended December 31, 2014, the weighted average yield and crediting interest rate for the Wells Fargo Return Fund was as follows:

	2014	
Average Yield	1.40	%
Crediting Interest Rate	1.64	%

Investments in shares of the stock funds and registered investment company funds are stated at fair value, based on quoted market prices. Investments in collective investment funds are stated at fair value based on the quoted value of the underlying investments and are expressed in units.

Income recognition - Net appreciation (depreciation) in fair value of investments represents realized gains and losses and the change in fair value of investments from one period to the next. Interest is recorded on accrual basis. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade date basis.

Notes receivable from participants - Notes receivable from participants are measured at amortized cost, which represents the unpaid principal balance plus accrued but unpaid interest, and are classified as notes receivable. Delinquent notes receivable from participants are reclassified as distributions upon the occurrence of a distributable event, based on the terms of the Plan Agreement.

Subsequent events - The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits but arose after the statement of net assets available for benefits date and before the financial statements are issued.

The Plan has evaluated subsequent events through June 17, 2015, which is the date the financial statements were issued.

Recent accounting pronouncement - In April 2015, the Financial Accounting Standards board (FASB) issued Accounting Standards Update (ASU) 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). The ASU is effective for public business entities for fiscal years beginning after December 15, 2015, with earlier application permitted.

Note 3: Investments

During the years ended December 31, the Plan's investments appreciated (including gains and losses on investments sold during the period and the change in unrealized gains and losses at the end of the year) as follows:

	2014	2013
Registered investment company funds	$800,245	$4,988,538
Potlatch Stock Fund	49,997	570,179
Collective investment fund	410	—
Net appreciation of fair value investments	$850,652	$5,558,717

Fair value measurements - The Plan classifies its investments based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at December 31, 2014 and 2015.

Following is a description of the valuation methodologies used for assets measured at fair value:

- Registered investment company funds are valued at the net asset value (NAV) of shares held by the Plan and are valued at the closing price reported on the active market on which the individual securities are traded.
- Company stock is valued at the closing price reported on the active market on which the individual securities are traded.
- Investments in the collective investment funds (Putnam Stable Value Fund and Wells Fargo Stable Return Fund) are recorded at fair value and adjusted to contract value. See Investment Valuation in Note 2: Summary of Significant Accounting Policies for further discussion.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the Plan's assets at fair value, by level within the fair value hierarchy:

	Assets at Fair Value as of December 31, 2014			
	Level 1	Level 2	Level 3	Total
Registered investment company funds:				
Index funds	$11,425,426	$—	$—	$11,425,426
Balanced funds	4,068,342	—	—	4,068,342
Growth funds	3,990,051	—	—	3,990,051
Value funds	578,049	—	—	578,049
Fixed income funds	8,427,001	—	—	8,427,001
International funds	7,250,283	—	—	7,250,283
Emerging Market funds	14,224	—	—	14,224
Total registered investment company funds	35,753,376	—	—	35,753,376
Common stocks:				
Consumer sector	6,165,563	—	—	6,165,563
Total common stocks	6,165,563	—	—	6,165,563
Collective investment funds:				
Putnam Stable Value Fund	—	5,642,283	—	5,642,283
Wells Fargo Stable Return Fund	—	338,662	—	338,662
Total collective investment funds	—	5,980,945	—	5,980,945
Total assets at fair value	$41,918,939	$5,980,945	$—	$47,899,884

	Assets at Fair Value as of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Registered investment company funds:				
Index funds	$11,492,012	$—	$—	$11,492,012
Balanced funds	3,254,948	—	—	3,254,948
Growth funds	3,964,357	—	—	3,964,357
Value Funds	616,283	—	—	616,283
Fixed income funds	7,546,890	—	—	7,546,890
International funds	7,393,407	—	—	7,393,407
Emerging Market funds	28,325	—	—	28,325
Total registered investment company funds	34,296,222	—	—	34,296,222
Common stocks:				
Consumer sector	7,295,924	—	—	7,295,924
Total common stocks	7,295,924	—	—	7,295,924
Collective investment funds:				
Putnam Stable Value Fund	—	6,297,713	—	6,297,713
Total collective investment funds	—	6,297,713	—	6,297,713
Total assets at fair value	$41,592,146	$6,297,713	$—	$47,889,859

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2014, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 4: Investment Risk

The Plan invests in shares of mutual funds, collective investment funds, and the Company Common Stock Fund. The underlying investments of such funds, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with such investments, it is reasonably possible that changes in the values of underlying investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Certain funds invest in securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations, and commercial mortgage backed securities, including securities backed by subprime mortgage loans. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

Note 5: Plan Termination

Although the Company expects to continue the Plan indefinitely, inasmuch as future conditions cannot be foreseen, the Company reserves the right to amend or terminate the Plan at any time subject to the rules of ERISA. In the event of Plan termination, participants will become 100% vested in their employer accounts.

Note 6: Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated August 4, 2011, that the Plan is designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is designed and is currently operated in compliance with the applicable requirements of the IRC.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

Note 7: Reconciliation of Financial Statements to the Form 5500

The following is a reconciliation of the net assets available for benefits per the financial statements to the Form 5500 at December 31:

	2014	2013
Net assets available for benefits per the financial statements	$48,886,977	$49,035,668
Loans in deemed distributed status	—	(172,395)
Adjustment from contract value to fair value of fully benefit-responsive investment contracts	108,799	81,503
Net assets available for benefits per Form 5500	$48,995,776	$48,944,776

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500 for the years ended December 31:

	2014	2013
Net (decrease) increase in net assets available for benefits prior to transfers per the financial statements	$(148,691)	$4,646,350
Change in deemed distributed loans	172,395	902
Reversal of prior year adjustment from contract value to fair value for fully benefit-responsive investment contracts	(81,503)	(262,907)
Plus current year adjustment from contract value to fair value for fully benefit-responsive investment contracts	108,799	81,503
Total net income per Form 5500	$51,000	$4,465,848

Potlatch Hourly 401(k) Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

Plan Sponsor's EIN: 82-0156045
Plan Number: 106

	(b)	(c)	December 31, 2014	
(a)	Identify of Issue, Borrower, Lessor, or Similar Party	Description, Including Maturity Date, Rate of Interest, Par, Maturity Value, Number of Shares	(d) Cost	(e) Current Value
	Shares in registered investment company funds:			
	Vanguard Funds	Vanguard Institutional Index Fund	**	$8,202,247
	Vanguard Funds	Vanguard Total Bond Market Index Fund	**	7,219,415
	Vanguard Funds	Vanguard Total International Stock Index Fund Institutional Class	**	6,749,307
	Vanguard Funds	Vanguard Extended Market Index Fund Institutional Shares	**	3,223,179
	Dodge & Cox Funds	Dodge & Cox Stock Fund	**	1,545,009
	Mainstay Funds	Mainstay Large Cap Growth Fund	**	1,143,150
	PIMCO Funds	PIMCO Total Return Fund	**	1,089,719
	Artisan Funds	Artisan Mid-Cap Fund Institutional	**	800,589
	Artisan Funds	Artisan Mid-Cap Value Fund	**	578,049
	Timesquare Funds	Timesquare Mid-Cap Growth Fund	**	344,840
	Dodge & Cox Funds	Dodge & Cox International Fund	**	326,472
	Artisan Funds	Artisan International Fund Institutional	**	174,504
	Conestoga Funds	Conestoga Small Cap Fund	**	156,463
	Neuberger & Berman Funds	Neuberger and Berman High Income Bond Fund	**	117,867
	T. Rowe Price Funds	T. Rowe Price Emerging Market Stock Fund	**	14,224
	PIMCO Funds	PIMCO All Asset Fund Institutional	**	705
	T. Rowe Price Funds	T. Rowe Price Retirement Balanced Fund	**	6,221
	T. Rowe Price Funds	T. Rowe Price Retirement 2010 Fund	**	119,388
	T. Rowe Price Funds	T. Rowe Price Retirement 2015 Fund	**	398,838
	T. Rowe Price Funds	T. Rowe Price Retirement 2020 Fund	**	490,727
	T. Rowe Price Funds	T. Rowe Price Retirement 2025 Fund	**	602,403
	T. Rowe Price Funds	T. Rowe Price Retirement 2030 Fund	**	683,376
	T. Rowe Price Funds	T. Rowe Price Retirement 2035 Fund	**	202,836
	T. Rowe Price Funds	T. Rowe Price Retirement 2040 Fund	**	195,526
	T. Rowe Price Funds	T. Rowe Price Retirement 2045 Fund	**	336,126
	T. Rowe Price Funds	T. Rowe Price Retirement 2050 Fund	**	601,449
	T. Rowe Price Funds	T. Rowe Price Retirement 2055 Fund	**	430,747
	Collective investment funds:			
	Putnam Investments	Putnam Stable Value Fund	**	5,642,283
	Wells Fargo Funds	Wells Fargo Stable Return Fund	**	338,662
	Common stock:			
*	Potlatch Corporation	Potlatch Stock Fund	**	6,165,563
*	Plan participant loans	Participant loans with interest from 3.25% to 8.50% and mature through November 2027		1,095,789
				$48,995,673

*Represents a party in interest at December 31, 2014.
**The cost of participant-directed investments is not required to be disclosed.

Potlatch Hourly 401(k) Plan
Signatures

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the administrator of the Plan has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized:

Potlatch Hourly 401(k) Plan

By /s/ Jerald W. Richards
Jerald W. Richards, Vice President and Chief Financial Officer
On behalf of the administrator
Date: June 18, 2015