

TIMBERLAND BANCORP INC  
Form 11-K  
March 28, 2016

FORM 11-K  
U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the fiscal year ended September 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

Commission file number 0-23333

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

Timberland Bank Employee Stock Ownership and 401(k) Plan

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

Timberland Bank

624 Simpson Avenue  
Hoquiam, Washington 98550

Financial Statements and Exhibits

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Signature

The Plan: Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

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Administrator, Timberland Bank Employee Stock Ownership and 401(k) Plan

By: /s/Dean J. Brydon  
Dean J. Brydon (name)  
Chief Financial Officer (title)  
Timberland Bank (bank)

Date: March 28, 2016



Timberland Bank Employee Stock Ownership and 401(k) Plan

Financial Report  
September 30, 2015

Timberland

Bank

Employee

Stock

Ownership

And

401(k)

Plan

Financial

Report

September 30

2015

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Report of Independent Registered Accounting Firm

To the Plan Administrator, Investment and Benefit Committees  
of Timberland Bank Employee Stock Ownership and 401(k) Plan:

We have audited the accompanying statements of net assets available for benefits of the Timberland Bank Employee Stock Ownership and 401(k) Plan (the "Plan"), as of September 30, 2015 and 2014 and the related statement of changes in net assets available for benefits for the year ended September 30, 2015. 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. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes 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 Timberland Bank Employee Stock Ownership and 401(k) Plan as of September 30, 2015 and 2014, and the changes in its net assets available for benefits for the year ended September 30, 2015 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 supplemental schedule of Form 5500, Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of September 30, 2015 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 supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

PMB HELIN DONOVAN, LLP

/s/PMB HELIN DONOVAN, LLP

Seattle, Washington  
March 28, 2016





## Statements of Net Assets Available for Benefits

Timberland Bank Employee Stock Ownership and 401(k) Plan  
September 30, 2015 and 2014

|                                                                                                 | September 30, 2015   |                                   |              | Total        |
|-------------------------------------------------------------------------------------------------|----------------------|-----------------------------------|--------------|--------------|
|                                                                                                 | Participant Directed | Nonparticipant-Directed Allocated | Unallocated  |              |
| <b>Assets</b>                                                                                   |                      |                                   |              |              |
| Investments, at fair value:                                                                     |                      |                                   |              |              |
| Stable value common collective trust fund                                                       | \$968,624            | \$--                              | \$--         | \$968,624    |
| Other common collective trust fund                                                              | 8,940,649            | --                                | --           | 8,940,649    |
| Timberland Bancorp, Inc.<br>("Bancorp") common stock                                            | 3,093,011            | 6,041,159                         | 1,344,243    | 10,478,413   |
| Total investments                                                                               | 13,002,284           | 6,041,159                         | 1,344,243    | 20,387,686   |
| Cash                                                                                            | 34,984               | 743                               | 2,313        | 38,040       |
| Total assets                                                                                    | 13,037,268           | 6,041,902                         | 1,346,556    | 20,425,726   |
| <b>Liabilities</b>                                                                              |                      |                                   |              |              |
| Related party note payable                                                                      | --                   | --                                | 1,766,337    | 1,766,337    |
| Net assets available at fair value                                                              | 13,037,268           | 6,041,902                         | (419,781 )   | 18,659,389   |
| Adjustments from fair value to contract value for fully benefit-responsive investment contracts | (23,998 )            | --                                | --           | (23,998 )    |
| Net assets available for benefits                                                               | \$13,013,270         | \$6,041,902                       | \$(419,781 ) | \$18,635,391 |

See notes to financial statements.



## Statements of Net Assets Available for Benefits

Timberland Bank Employee Stock Ownership and 401(k) Plan  
September 30, 2015 and 2014

|                                                                                                 | September 30, 2014      |                                      |              |              |
|-------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------|--------------|--------------|
|                                                                                                 | Participant<br>Directed | Nonparticipant-Directed<br>Allocated | Unallocated  | Total        |
| <b>Assets</b>                                                                                   |                         |                                      |              |              |
| Investments, at fair value:                                                                     |                         |                                      |              |              |
| Stable value common collective trust fund                                                       | \$711,865               | \$--                                 | \$--         | \$711,865    |
| Other common collective trust funds                                                             | 9,579,589               | --                                   | --           | 9,579,589    |
| Bancorp common stock                                                                            | 3,191,111               | 5,945,741                            | 1,672,708    | 10,809,560   |
| Total investments                                                                               | 13,482,565              | 5,945,741                            | 1,672,708    | 21,101,014   |
| Cash                                                                                            |                         |                                      |              |              |
|                                                                                                 | 41,488                  | 730                                  | 2,333        | 44,551       |
| Total assets                                                                                    | 13,524,053              | 5,946,471                            | 1,675,041    | 21,145,565   |
| <b>Liabilities</b>                                                                              |                         |                                      |              |              |
| Related party note payable                                                                      | --                      | --                                   | 2,182,731    | 2,182,731    |
| Net assets available at fair value                                                              | 13,524,053              | 5,946,471                            | (507,690 )   | 18,962,834   |
| Adjustments from fair value to contract value for fully benefit-responsive investment contracts |                         |                                      |              |              |
|                                                                                                 | (1,557 )                | --                                   | --           | (1,557 )     |
| Net assets available for benefits                                                               | \$13,522,496            | \$5,946,471                          | \$(507,690 ) | \$18,961,277 |

See notes to financial statements.



## Statement of Changes in Net Assets Available for Benefits

Timberland Bank Employee Stock Ownership and 401(k) Plan  
Year Ended September 30, 2015

|                                                | Participant<br>Directed | Nonparticipant-Directed<br>Allocated | Unallocated  | Total        |
|------------------------------------------------|-------------------------|--------------------------------------|--------------|--------------|
| Additions to net assets                        |                         |                                      |              |              |
| Investment income:                             |                         |                                      |              |              |
| Net appreciation in fair value of investments: |                         |                                      |              |              |
| Stable value common collective trust fund      | \$20,275                | \$ -                                 | \$ -         | \$20,275     |
| Other common collective trust funds            | 22,576                  | -                                    | -            | 22,576       |
| Bancorp common stock                           | 97,215                  | 66,121                               | 105,844      | 269,180      |
| Interest and dividends                         | 74,570                  | 170,007                              | -            | 244,577      |
| Contributions:                                 |                         |                                      |              |              |
| Employer                                       | 312,985                 | -                                    | 418,865      | 731,850      |
| Participant                                    | 612,936                 | -                                    | -            | 612,936      |
| Allocation of 35,266 shares of                 |                         |                                      |              |              |
| Bancorp common stock                           | -                       | 264,324                              | -            | 264,324      |
| Total additions to net assets                  | 1,140,557               | 500,452                              | 524,709      | 2,165,718    |
| Deductions from net assets                     |                         |                                      |              |              |
| Interest expense                               | -                       | -                                    | 172,476      | 172,476      |
| Benefit payments                               | 1,649,783               | 405,021                              | -            | 2,054,804    |
| Allocation of 35,266 shares                    |                         |                                      |              |              |
| of Bancorp common stock                        | -                       | -                                    | 264,324      | 264,324      |
| Total deductions from net assets               | 1,649,783               | 405,021                              | 436,800      | 2,491,604    |
| Net (decrease) increase                        | (509,226 )              | 95,431                               | 87,909       | (325,886 )   |
| Net assets available for benefits              |                         |                                      |              |              |
| Beginning of year                              | 13,522,496              | 5,946,471                            | (507,690 )   | 18,961,277   |
| End of year                                    | \$13,013,270            | \$6,041,902                          | \$(419,781 ) | \$18,635,391 |

See notes to financial statements.



Notes to Financial Statements

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Timberland Bank Employee Stock Ownership and 401(k) Plan  
September 30, 2015 and 2014

Note 1 - Plan Description and Basis of Presentation

The following d