We are
Community, Building, Partnering, Growing, Educating, Stewardship
Letter from our Board President
Erv Klaas

Council Members, Staff and Supporters,
When I agreed to serve as President of the Council two years ago, I knew that it would require a lot of meetings and thought. And it has. But it has been personally satisfying to build on past successes and initiate a new 3-year strategy that incorporated the future vision of the Council and staff. I believe the future looks even brighter for this organization.

One of our most important accomplishments this year has been the formation of three working committees: Finance, Program, and Local Food Systems. Each of these committees is composed of council members and volunteers from the community who have special expertise. I thank all of the volunteers who have helped improve our operation. The Finance Committee has met quarterly with Treasurer Reed Riskedahl to improve our accounting procedures and reporting. The Program Committee has been meeting regularly for several months to plan for the Conservation Expo for Kids in August 2013 at the Iowa Expo site in Boone County. The Local Food Committee, in partnership with Iowa State University Extension, is just getting started and will include representatives from Boone, Story, and Hardin Counties. Our holiday open house in December attracted a record number of visitors.

Prairie Rivers continues to serve the region in a growing number of ways. In 2012, we assisted in the formation of the Squaw Creek Watershed Authority and provided logs and assistance for raised planter in school gardens and six beautiful oak log cabins in Hamilton County. We offered technical assistance to small alternative farmers and acted as fiscal agent for several organizations. These include the development of school gardens and promotion and education for the Lincoln Highway Heritage Byway. Additionally, we are the originator and primary sponsor of the 2013 Conservation Expo for Kids.

Despite these accomplishments, we are just scratching the surface of what is possible. I challenge you to join in a bigger vision: to build worker-owned cooperatives that will help solve some of the most pressing issues of our time, such as improving local economies and public health through food and better nutrition, reducing soil erosion and flooding through better watershed management, and reducing greenhouse gas emissions through solar energy.

As I complete my two years as President of the Council, I thank the Council for giving me the opportunity to serve. I have had a great working relationship with our Executive Director, Penny Brown-Huber and other members of the staff as well as the many volunteers who serve on committees. I especially thank Carman Rosberg for her dedication and efficient management of the office. I look forward to serving Prairie Rivers in another capacity in the coming year.

Alone we can do little, together we can do much. Together We Are Prairie Rivers.

Ervi Klaas, Board President
Statement From our Treasurer
Reed Rakedahl

We are... Stewardship

Prairie Rivers of Iowa is a carefully managed entity with tight fiscal controls in place. After the change from a quasi governmental organization to a 501c3 group just over one year ago, the leadership has done an outstanding job of identifying revenue producing flows while keeping expenses in control.

Prairie Rivers of Iowa is a down to earth group of folks from all walks of life who honestly work on conservation challenges in mid Iowa. We are constantly evolving with new projects and ideas, and our discussions are lively!

Prairie Rivers of Iowa RC & D Profit & Loss
January through December 2012

<table>
<thead>
<tr>
<th>Income</th>
<th>Jan - Dec 12</th>
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<tbody>
<tr>
<td>State Contract</td>
<td>151,405.26</td>
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<tr>
<td>State Grants</td>
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<td>Gifts &amp; Donations</td>
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<td>Program Income</td>
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<td>Rent Revenue - Nondiet Prop</td>
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<td>Total Income</td>
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<table>
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<tr>
<th>Expense</th>
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<tr>
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<td>Salaries &amp; Wages</td>
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<td>Total Expense</td>
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Net Ordinary Income
-40,840.04

Net Income
-40,840.04

Letter from our Executive Director
Penny Brown Huber

2012 was the year when a lot of organizational growth happened at Prairie Rivers of Iowa!

At the end of 2011, the Board approved a three-year strategic plan that will guide our work from 2012 to the end of 2015.

As we began implementing this new strategic plan, it required the organization spending a great deal of energy and capital re-positioning our programming. What did this look like: expanding current projects into full programs, removing projects that weren't effective, creating and hiring new staff positions and beginning to build the organization's presence in communities across Iowa.

As you look through this Annual Report, the commitment by our Board and staff is very apparent. There is much to celebrate as we reached out to educate the young and old about our natural resources. There have been many great moments from watching a child pull a carrot for the first time, to seeing a teacher utilize a garden to bring authentic learning to a child, to helping niche farm entrepreneurs plan for a profitable future for their business, to travelling down an historic highway that remind us of our past and how important the journey is over time. We were incredibly excited to see the log cabin built at Briggs Woods County Park, and celebrated the efforts of engaging people in the environment. So much was accomplished in 2012!

Every journey must have many to help along the way and we have tried to honor those partners in this report for their resources of time, money and support. Without these partners, we would not have the dynamic programming and unique educational opportunities to offer to Iowans while serving the natural resource. I invite you to visit our website, Facebook pages, talk with the Board and staff, and join in our efforts in creating a dynamic not-for-profit in 2013!

Thank you for your interest and support of Prairie Rivers of Iowa.

Sincerely,

Penny L. Brown Huber, Executive Director
Board Accomplishments

We are... Growing

Throughout the year, our Board of Directors were engaged and working hard for Prairie Rivers of Iowa. This engagement is truly reflected in the Board’s commitment to working on committees and with staff on programs and projects. Their time and energies have made a big difference in 2012!

Some of their major accomplishments included:

Board Capacity
- Developed and approved a Conflict of Interest Policy
- Approved an Accounting Policies and Procedures Manual
- Expanded the number of Board and Committee members from 13 members to 16 members
- Created two new standing committees: Finance and Program, each with approved committee charters
- First year that County Board Members hosted Board meetings in their area and provided a learning opportunity locally for their Board colleagues
- Program Committee invited four community members to join the committee and began meeting quarterly to plan a conservation event, laid out in our strategic plan, for 2013

Financial Capacity
- Approved the first year-long budget for the organization
- Provided on-going oversight on our monthly financials
- First time the organization engaged an outside accounting firm to complete a review of our financials -- no concerns were found, and the firm issued a clean review
- Finance Committee invited two community members to join the committee and began meeting quarterly to review the financials
- Expanded our Fiscal Agent representation, adding Iowa Agricultural Finance Committee invited four community members to join the Finance and Program committees and began meeting quarterly to review the financials.
- Expanding our Prairie Rivers of Iowa website
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Marketing Capacity including Hosted Events
- Expanded our Prairie Rivers of Iowa website
- Intentionally began meeting with potential partners to share Prairie Rivers story
- Developed a fact sheet on Prairie Rivers programs
- Sponsored a joint Open House with Hamilton County Conservation Board, Prairie Bloom Farm, Squaw Creek Coalition, Wabi Sabi Farm, Ames Convention and Visitors Bureau
- Board of Directors for the new cabin built at Briggs Woods County Park
- Held an Open House in December with 75 partners attended

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Key Partners and Supporters

Grow Your Small Market Farm”, School Garden and Regional Foods System Program
- AmeriCorps VISTA, Ames Izak Walton League, Ames Main Street - Farmers Market, Beginning Farmers, Diversity Farms, Door and Fence Store, Griggs Strategies, Iowas Hops Company, Iowa Small Business Development Centers, Iowa State University Compost, Iowa State University Extension, Jax Outdoor Gear, Kate Mitchell Elementary School, Practical Farmers of Iowa, Prairie Bloom Farm, Reichert’s Dairy Air, Sawyer Elementary School, SFJ Farm, Volunteer Center of Story County, United Way of Story County, University of Northern Iowa, USDA Rural Development, USDA Natural Resource Conservation Service Beginning Farmer and Rancher Development Program of the National Institute of Food and Agriculture, USDA, Grant # 2010-49400-21843, Wheatfield Coop, Women Food and Agriculture Network, numerous community citizens and volunteers,

Lincoln Highway Heritage Byway Program
- Alliant Energy Foundation, Ames Resource Recovery System, Byways of Iowa Coalition, Byways of Iowa Foundation, Central Iowa Tourism Region, Iowa Department of Natural Resources REAP Conservation Education Program, Iowa Department of Transportation, Iowa Energy Center, Iowa Lincoln Highway Association, Iowa Valley RC&D, ISU Gaffers Guild, ISU PrISUm, Kate Mitchell Elementary School, Shivers Nature Sanctuary, Story County Conservation, University of Northern Iowa Center for Energy & Environmental Education, Upper Iowa University Environmental Issues Instruction, Volunteer Center of Story County, Youngville Highway History Association, numerous community groups and volunteers

Log Products Program
- Batey Ltd., Hamilton County Conservation Board

Prairie Rivers of Iowa
- Iowa Agricultural Mitigation Bank, Iowa Department of Natural Resources-Forestry Division, Iowa Environmental Council, Iowa League of RC&Ds, Klatt and Associates, Prairie Bloom Farm, Squaw Creek Coalition, Wabi Sabi Farm, Ames Convention and Visitors Bureau
- Boards of Supervisors of Boone, Hamilton, Hardin, Marshall, Story, and Webster Counties

Soil and Water Conservation Districts of Boone, Hamilton, Hardin, Marshall, Story, and Webster Counties

County Conservation Boards of Boone, Hamilton, Hardin, Marshall, Story, and Webster Counties

Contributing Photographers for this Report
- Tom Agar, Shaun Chandler, Peter Hoehnle, Mike Kelly, Carl Kurtz, Francis O’Leary, Angie Tomka, Mike Whye

“Being on the Board of Directors for Prairie Rivers of Iowa gives me the opportunity to make a difference locally with important natural resources and economical development projects. I think of Prairie Rivers as a “think tank”. We are a diverse group of professionals with a common passion for making our local communities better places to live.”

Kevin Griggs,
Board, Program Committee Chair
The major accomplishment of 2012 was the completion of a 1,220 square foot log cabin with Hamilton County Conservation Board (HCCB). Although the official role of Prairie Rivers Log Products (PRLP) was to provide the molded, white oak log cabin logs, the lack of experience by local building contractors resulted in unrealistic prices for construction of the cabin. The decision was made to utilize a partnership between HCCB and PRLP to do the construction of the cabin. HCCB provided the labor for the construction and PRLP provided the training and technical assistance. The resulting cabin provides a great addition to the wide range of opportunities for the public in Hamilton County parks and a great demonstration model for PRLP.

In marketing cabin logs to organizations such as County Conservation Boards, it becomes very obvious that the ability to find the financial resources to build cabins can be a very limiting factor in the decision to build cabins. In an attempt to address this issue with counties, PRLP was able to develop several financial models to assist in the decision making process. These models looked at construction cost, rental rates, occupancy rates, financing cost and opportunities, and cash flow scenarios. Having access to these financial models was instrumental in helping HCCB secure funding for the construction of five cabins to be built in 2013.

Late in 2012, we were informed that cabins that are rented to the public must meet the State of Iowa Energy Efficiency Standards. As part of this standard, the walls of a commercial structure must have an energy efficiency rating of an R-13. PRLP log have only 1 R-value point per inch of thickness, or about a R-5 to R-6 value. Although the thermal efficiency and the viability of using PRLP log is commercial log cabin construction.
We are...Educating

Grow Your Small Market Farm™ Accomplishments

This program’s purpose is to provide strategic business solutions for small, niche and specialty farms. Our vision is to support the development of successful small, niche and specialty farm businesses around the region that will contribute to building and supplying their local food systems while creating sustainable communities.

Grow Your Small Market Farm™ program celebrated its 12th year in existence since its inception in 2001. The 2012 class consisted of eight businesses who wished to build agricultural-based niche businesses in Iowa. Those participating were interested in raising fruits, vegetables and livestock, creating and selling value-added products, consulting on conservation tools, and creating agri-entertainment opportunities for the public. Each business received business skill trainings to develop their own business plan, plus one-on-one support through visits, training with a Quick Books trainer and extra Quick Books support as needed, and help with developing their business budgets and financials.

In June, we found out that a group of farmers that we helped launch, called the Iowa Hops Company, was awarded their first USDA Value-added grant. They hired Prairie Rivers to help conduct the secondary research, write their feasibility study and business plan for their new company. In September, Penny Brown Huber presented at the ISU Conference entitled: Putting the Pieces Together – Building Partnerships in the Iowa Food System. The topic was, The Challenges Finding the Money Resources to Launch a Food and Farm Business in Iowa. The room was filled withExtension people looking for ideas. Late in 2012, we were informed that Women Food and Agriculture Network would be supporting five scholarships for beginning women farmers for the 2013 program.

School Gardens Accomplishments

Our School Garden Program benefits elementary and middle school students, teachers and parents by providing an authentic learning lab in Story County schools that can be utilized in any part of the CORE curriculum and serve as a model for schools throughout Iowa. This project creates a more sustainable agricultural system by (1) engaging children in raising their own fruits and vegetables, (2) helping kids, parents, teachers and school administrators understand the food system and make informed food choices, (3) allowing connections between local farmers and schools and helps each school hold a farmers market in the fall, and (4) conducting other outreach activities to engage the community in building their local food system.

In 2012, we continued to develop the Kate Mitchell Community Garden, working with the principal, teachers and students to plant, weed, and care for the garden. Lots of learning went on in the garden using it to support the schools core curriculum. Examples of learning:

- Kids used their artistic talents to draw images on seed packets, then added the seeds and sold the packets as a fundraiser for their garden. It was a great exercise in learning about promotion, and even the kindergartners learned math skills by counting the seeds out that went into each packet. In the fall, the students held their second annual farmers market and even though it was a windy and rainy day, the students made over $400.

- The Sawyer School Garden was launched in May, just in time to get some seeds into the ground before summer recess. Kids and their parents, community members and our Ameri-Corps leaders helped keep the garden going until the kids returned in August. In September, the kids had a watermelon feed, eating some grown in their school garden and supplemented by Prairie Bloom Farm in Ames. They also held their first farmers market, with an extraordinary turnout by kids, parents and community members.

And finally, we began planning for a school garden at Ames Middle School. This garden promises to be full of opportunity for kids to learn, share and enjoy the bounty of their work too.

We are...Community

Lincoln Highway Heritage Byway

John Mazzello, Byway Coordinator

The Lincoln Highway Heritage Byway is one of 11 byways in Iowa, traversing more than 460 miles from the Mississippi River to Missouri River. As Iowa’s only heritage byway, with an emphasis on its historical character, the byway is unique among the state’s designated roadways. Based on the route of the Lincoln Highway, the first coast-to-coast improved highway in the United States, the byway tells the story of the people who have lived and traveled the road since its inception in 1913, and of the places and events along its route.

2012 Accomplishments

Increased our capacity for byway coordination by hiring the first full-time Lincoln Highway Heritage Byway Coordinator, hosting a successful summer internship, and hiring a part-time Marketing Coordinator and Program Assistant.

Launched an online marketing campaign on the web and through social media. By year-end, the Lincoln Highway Heritage Byway had 287 Facebook “likes”, a weekly reach of approximately 1,000 people and 3-4 new content posts per week.

Provided initial content for a new, interactive website, www.IowaByways.org, that allows travelers to plan trips, explore attractions and events along the byway, and print custom itineraries. New content will be added to this site on an ongoing basis.

Piloted “Kids on the Byway,” a program to support environmental education along the Lincoln Highway. Funded by the Iowa DNR’s REAP Conservation Education Program, Kids on the Byway connects teachers and students with resources along the byway that directly support school curriculum goals and content areas. The first Kids on the Byway unit, on “energy and our environment,” culminated with a successful field trip to the Ames Resource Recovery Plant, Iowa State University, and a small farm powered solely by wind and solar energy.

Introduced the Byway and Prairie Rivers of Iowa’s role through a series of meetings with stakeholders in communities across Iowa. Developed a close relationship with the Iowa Lincoln Highway Association.

Increased the Byway’s profile through advertising, press coverage, and contributions to Iowa Tourism marketing materials. Announced the sponsorship of a photo category at the 2013 Iowa State Fair in honor of the Lincoln Highway’s 100th anniversary.

Find us on Facebook
Lincoln Highway Heritage Byway
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Partners and partnerships are key to the success for any new business. Hamilton County Conservation Board has been invaluable and their support of PRLP in building their cabin has been critical. Batey Ltd. as a key partner has been critically important in the success of PRLP. We applaud their willingness to work through the problems of getting the Pendu molder operational and into production. Having a source for white oak logs in inventory and the ability to produce molded logs on demand, has made the supply side of PRLP much more flexible and manageable.
Board Accomplishments

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Some of their major accomplishments included:

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- Expanded our Fiscal Agent representation, adding Iowa Agricultural Mitigation Bank as a new partner

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- Developed a fact sheet on Prairie Rivers programs
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Betley Ltd., Hamilton County Conservation Board

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Board, Program Committee Chair
Prairie Rivers of Iowa is a carefully managed entity with tight fiscal controls in place. After the change from a quasi-governmental organization to a 501c3 group just over one year ago, the leadership has done an outstanding job of identifying revenue producing flows while keeping expenses in control.

Prairie Rivers of Iowa is a down to earth group of folks from all walks of life who honestly work on conservation challenges in mid Iowa. We are constantly evolving with new projects and ideas, and our discussions are lively!

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**Statement From our Treasurer**

Reed Rakedahl

We are...Stewardship

January through December 2012

<table>
<thead>
<tr>
<th>Ordinary Income/Expense</th>
<th>Jan - Dec 12</th>
<th>% of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Contract</td>
<td>151,405.26</td>
<td>45.33%</td>
</tr>
<tr>
<td>State Grants</td>
<td>32,154.61</td>
<td>9.06%</td>
</tr>
<tr>
<td>Gifts &amp; Donations</td>
<td>4,177.68</td>
<td>1.24%</td>
</tr>
<tr>
<td>Administrative Income</td>
<td>11,038.20</td>
<td>3.11%</td>
</tr>
<tr>
<td>Program Income</td>
<td>133,442.99</td>
<td>39.95%</td>
</tr>
<tr>
<td>Rent Revenue - Nondebt Prop</td>
<td>820.72</td>
<td>0.25%</td>
</tr>
<tr>
<td>Total Income</td>
<td>333,999.46</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>159.92</td>
<td>0.05%</td>
</tr>
<tr>
<td>Equip. &amp; Maintenance</td>
<td>278.00</td>
<td>0.08%</td>
</tr>
<tr>
<td>Scholarship</td>
<td>750.00</td>
<td>0.23%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>707.25</td>
<td>0.22%</td>
</tr>
<tr>
<td>Class Space Rental</td>
<td>1,000.00</td>
<td>0.3%</td>
</tr>
<tr>
<td>Conference, Convention, Meeting</td>
<td>1,388.47</td>
<td>0.42%</td>
</tr>
<tr>
<td>Board Expenses</td>
<td>2,161.37</td>
<td>0.65%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3,124.95</td>
<td>0.93%</td>
</tr>
<tr>
<td>Rent</td>
<td>3,060.00</td>
<td>0.91%</td>
</tr>
<tr>
<td>Marketing &amp; Promotions</td>
<td>3,978.91</td>
<td>1.19%</td>
</tr>
<tr>
<td>Travel</td>
<td>6,791.73</td>
<td>2.03%</td>
</tr>
<tr>
<td>Admin Fees</td>
<td>6,983.00</td>
<td>2.09%</td>
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<tr>
<td>Insurance - Liability</td>
<td>8,280.26</td>
<td>2.48%</td>
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<tr>
<td>Supplies</td>
<td>18,787.74</td>
<td>5.63%</td>
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<tr>
<td>Professional services</td>
<td>21,865.00</td>
<td>6.55%</td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>292,932.90</td>
<td>87.71%</td>
</tr>
<tr>
<td>Total Expense</td>
<td>374,839.50</td>
<td>112.22%</td>
</tr>
</tbody>
</table>

Net Ordinary Income: -40,840.04

Net Income: -40,840.04

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**Letter from our Executive Director**

Penny Brown Huber

2012 was the year when a lot of organizational growth happened at Prairie Rivers of Iowa!

At the end of 2011, the Board approved a three-year strategic plan that will guide our work from 2012 to the end of 2015.

As we began implementing this new strategic plan, it required the organization spending a great deal of energy and capital re-positioning our programming. What did this look like: expanding current projects into full programs, removing projects that weren't effective, creating and hiring new staff positions and beginning to build the organization's presence in communities across Iowa.

As you look through this Annual Report, the commitment by our Board and staff is very apparent. There is much to celebrate as we reached out to educate the young and old about our natural resources. There have been many great moments from watching a child pull a carrot for the first time, to seeing a teacher utilize a garden to bring authentic learning to a child, to helping niche farm entrepreneurs plan for a profitable future for their business, to travelling down an historic highway that remind us of our past and how important the journey is over time. We were incredibly excited to see the log cabin built at Briggs Woods County Park, and celebrated the efforts of engaging people in the environment. So much was accomplished in 2012!

Every journey must have many to help along the way and we have tried to honor those partners in this report for their resources of time, money and support. Without these partners, we would not have the dynamic programming and unique educational opportunities to offer to Iowans while serving the natural resource. I invite you to visit our website, Facebook pages, talk with the Board and staff, and join in our efforts in creating a dynamic not-for-profit in 2013!

Thank you for your interest and support of Prairie Rivers of Iowa.

Sincerely,

Penny L. Brown Huber, Executive Director

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**Prairie Rivers of Iowa**

**Mission:**

To promote community-based stewardship that will improve the quality of life of our citizens, preserve the ecological integrity of the land, and meet the economic aspirations of landowners and communities.

**Vision:**

We have been serving citizens across Iowa and in Boone, Story, Marshall, Hardin, Hamilton, and Webster Counties since 2001.

We are committed to:

Effectively working with individuals and organizations to improve social, economic and environmental opportunities in our region.

Concentrating on conservation of land on developing and improving our quality of life.

Emphasizing the effectiveness of local people working together to solve problems and create opportunities.

Prairie Rivers of Iowa is an innovative and creative organization that acts and thinks protectively and addresses natural resources issues as they arise. Using good science and common sense, we continually focus on goals that will maximize results.
Letter from our Board President

Erv Klaas

Council Members, Staff and Supporters,

When I agreed to serve as President of the Council two years ago, I knew that it would require a lot of meetings and thought. And it has. But it has been personally satisfying to build on past successes and initiate a new 3-year strategy that incorporated the future vision of the Council and staff. I believe the future looks even brighter for this organization.

One of our most important accomplishments this year has been the formation of three working committees: Finance, Program, and Local Food Systems. Each of these committees is composed of council members and volunteers from the community who have special expertise. I thank all of the volunteers who have helped improve our operation. The Finance Committee has met quarterly with Treasurer Reed Riskedahl to improve our accounting procedures and reporting. The Program Committee has been meeting regularly for several months to plan for the Conservation Expo for Kids in August 2013 at the Iowa Expo site in Boone County. The Local Food Committee, in partnership with Iowa State University Extension, is just getting started and will include representatives from Boone, Story, and Hardin Counties. Our holiday open house in December attracted a record number of visitors.

Prairie Rivers continues to serve the region in a growing number of ways. In 2012, we assisted in the formation of the Squaw Creek Watershed Authority and provided logs and assistance for raised planter in school gardens and six beautiful oak log cabins in Hamilton County. We offered technical assistance to small alternative farmers and acted as fiscal agent for several organizations. These include the development of school gardens and promotion and education for the Lincoln Highway Heritage Byway. Additionally, we are the originator and primary sponsor of the 2013 Conservation Expo for Kids.

Despite these accomplishments, we are just scratching the surface of what is possible. I challenge you to join in a bigger vision: to build worker-owned cooperatives that will help solve some of the most pressing issues of our time, such as improving local economies and public health through food and better nutrition, reducing soil erosion and flooding through better watershed management, and reducing greenhouse gas emissions through solar energy.

As I complete my two years as President of the Council, I thank the Council for giving me the opportunity to serve. I have had a great working relationship with our Executive Director, Penny Brown-Huber and other members of the staff as well as the many volunteers who serve on committees. I especially thank Carman Rosberg for her dedication and efficient management of the office. I look forward to serving Prairie Rivers in another capacity in the coming year. Alone we can do little, together we can do much. Together We Are Prairie Rivers.

Erv Klaas, Board President
We are
Community, Building, Partnering, Growing, Educating, Stewardship