



Fondation  
Hydro-Québec  
pour l'environnement

# ANNUAL REPORT 2014



## CONTENTS

1	Message from Management	10	Rivers and Lakes
2	The Foundation	14	Wetlands
4	Geographical Distribution of Projects Supported by the Foundation in 2014	16	Awareness and Education
		18	Review of Operations
		22	Financial Statements
6	Lands and Forests	28	Board of Directors 2014

## Abbreviations, acronyms and symbols

AGIR	Alliance pour une gestion intégrée et responsable
ATV	all-terrain vehicle
ha	hectare
IBA	Important Bird Area
km	kilometre
MRC	regional county municipality
ZIP	area of prime conce

# MESSAGE FROM MANAGEMENT

For the past 14 years, the Fondation Hydro-Québec pour l'environnement has embodied Hydro-Québec's desire to help improve the environment and preserve Québec's natural heritage by supporting initiatives that protect and enhance natural areas.

In 2014, the Foundation contributed \$393,000 to 12 projects by nonprofit organizations or municipalities in seven of Québec's administrative regions. Since its inception in 2001, the Foundation has granted a little over \$12 million to 222 projects with an estimated total value of more than \$39 million.

Thanks to its partners' energy and determination, the Foundation supports high-quality projects. This year's initiatives were mainly located in Québec's populated areas. They focused on restoring sites used by the public and raising awareness about the importance of protecting such areas. We wish to commend the organizations involved and their volunteers for their inspiring dedication.

From the Laurentides, through Mauricie and Bas-du-Fleuve, to the Îles-de-la-Madeleine, all the projects selected received strong support from local communities. One fine example is the initiative at Îlets-Jérémie, near Baie-Comeau, which included the Pessamit Innu community among its many partners. Promoting nature and culture, the project will provide information on bird species in the area, the seal haul-out nearby, and Innu traditions associated with the site.

We would like to express our gratitude to the advisory committee experts and the members of the Board of Directors for their invaluable collaboration, and acknowledge the contribution of Martin Doucet, whose mandate ended this year. Finally, our very sincere appreciation goes to Catherine Leconte, Executive Director of the Foundation from 2004 to 2014, for her extensive and remarkable contribution.

**/s/ Stella Leney**  
President

**/s/ Michelle Dyke**  
Executive Director

*Ostrich fern, a species vulnerable to harvest*  
© Martine Hamel

On the cover: *Eelgrass, Rimouski*  
© Martine Hamel

Other photo sources are provided at the end of the report.

# THE FOUNDATION

## Mission

The Fondation Hydro-Québec pour l'environnement is a nonprofit organization whose mission is to help Québec communities develop a sense of ownership of their environment, enjoy it responsibly and pass on this natural heritage to future generations.

## Objectives

The Foundation funds tangible initiatives in local communities across Québec, whose environmental and social benefits serve community interests. The projects it supports are the result of collaboration at the local level and have the following aims:

- To protect, restore and enhance natural areas
- To educate target publics about local environmental issues

These objectives go hand in hand: an environmental protection or rehabilitation project will have no enduring effect if the people who have an impact on the site do not feel concerned. Similarly, the message of an awareness-raising or educational activity will go unheeded if it does not give people a way to take action.

Educating the public about general environmental issues is not part of the Foundation's mission. The Foundation supports projects that are likely to have direct, positive impacts on specific natural areas. Educational projects satisfy this criterion if they focus on changing the behavior of clearly defined target groups with respect to the natural areas they use.

## Principles

- Support local initiatives that reflect the desire of communities to steward their environment
- Focus on joint projects that have the active support of a number of partners
- Fund initiatives with positive and tangible environmental and social impacts

## Conditions of participation

Within the limits of the funding allocated each year by Hydro-Québec, the following are eligible for a grant from the Foundation:

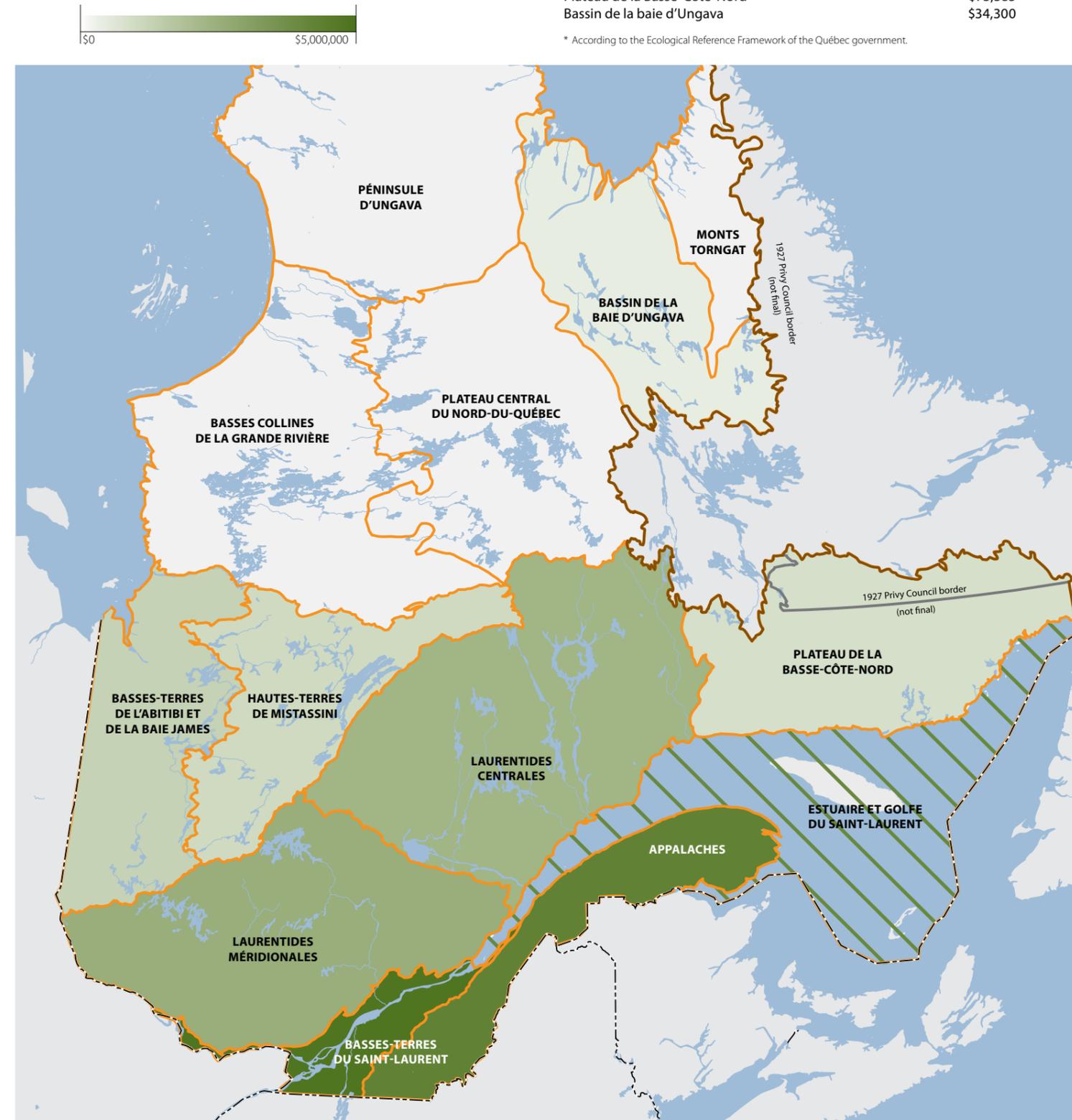
- Nonprofit organizations duly registered in Canada and able to show that their projects are not personal or for profit but serve community interests
- Projects that are in line with the Foundation's mission and principles and that contribute to the achievement of its objectives

These conditions apply to projects presented by municipalities, MRCs and band councils.

## Breakdown of the Foundation's contributions (2001–2014)\*

Basses-terres du Saint-Laurent	\$4,947,478
Appalaches	\$2,638,912
Estuaire et golfe du Saint-Laurent	\$2,077,321
Laurentides méridionales	\$1,221,699
Laurentides centrales	\$966,502
Basses-terres de l'Abitibi et de la baie James	\$115,750
Hautes-terres de Mistassini	\$98,481
Plateau de la Basse-Côte-Nord	\$73,385
Bassin de la baie d'Ungava	\$34,300

\* According to the Ecological Reference Framework of the Québec government.



# GEOGRAPHICAL DISTRIBUTION OF PROJECTS SUPPORTED BY THE FOUNDATION IN 2014



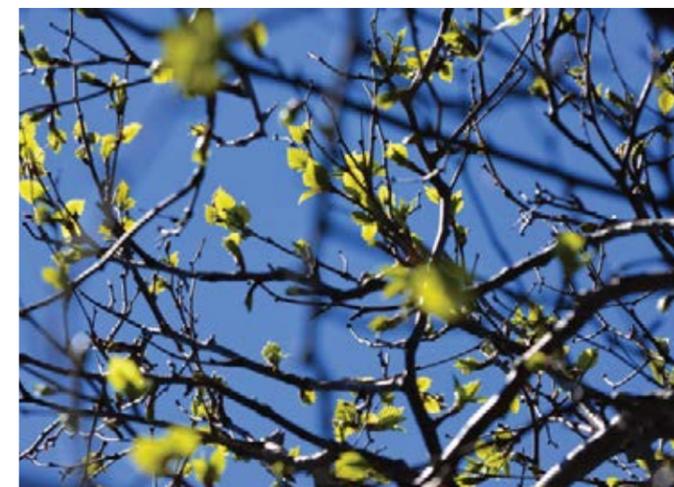
Swamp, Venice-en-Québec



Purple sandpiper, Rimouski



Hikers, Parc régional du Massif-du-Sud



Paper birch, Iles-de-la-Madeleine

## Lands and Forests

1. Development and enhancement of Parc des Sillons on Havre aux Maisons
2. Restoration and enhancement of the Rivière Brochu mouth
3. Restoration and protection of the natural environment along the Inter-Centre hiking trail (Laurentides region)
4. Enhancement of wildlife habitats on the Îlets-Jérémie and protection awareness

## Rivers and Lakes

5. Restoration and enhancement of natural habitats in Parc écotouristique de la MRC-des-Laurentides
6. Restoration and access management of Rimouski beaches
7. Management of boating practices and enhancement of the Rivière Saint-Maurice

## Wetlands

8. Enhancement of two nature reserves in the Venice-en-Québec wetlands
9. Wildlife habitat discovery on Île Saint-Quentin

## Awareness and Education

10. Enhancement of bird habitats in the Réserve naturelle Clarke-Sydenham
11. Awareness of wildlife habitats and ecosystems in Parc régional du Massif-du-Sud
12. Education about wildlife habitat protection in Parc de la Rivière-Batiscan

# LANDS AND FORESTS



Birch leaf, Îles-de-la-Madeleine



American dune grass, mouth of Rivière Brochu



Hiker, Parc des Sillons

Project	Area (ha)	Proponent	Expected Total Cost (\$)	Foundation's Contribution (\$)
Development and enhancement of Parc des Sillons on Havre aux Maisons	3.4	Société de conservation des Îles-de-la-Madeleine	48,555	25,000
Restoration and enhancement of the Rivière Brochu mouth	0.69	Comité ZIP Côte-Nord du Golfe	141,730	29,300
Restoration and protection of the natural environment along the Inter-Centre hiking trail (Laurentides region)	14	Sentier de grande randonnée des Laurentides	58,080	49,600
Enhancement of wildlife habitats on the Îlets-Jérémie and protection awareness	2.5	Comité ZIP de la rive nord de l'estuaire	34,140	24,800
<b>TOTAL</b>	<b>81.09*</b>		<b>282,505</b>	<b>128,700</b>

\* Includes forests affected by the Venise-en-Québec marsh project (6.5 ha) in the Wetlands class and by the Saint-Faustin-Lac-Carré creek project (54 ha) in the Rivers and Lakes class.

## Development and enhancement of Parc des Sillons on Havre aux Maisons

Located on Île du Havre aux Maisons, Les Sillons (the furrows) consists of about 30 dry sand dune ridges held together by vegetation and separated by damp troughs. This Îles-de-la-Madeleine landscape is the largest complex of ancient coastal dunes in eastern Canada.

An unusual geological formation, Les Sillons is an exceptional natural site, home to a rare combination of special-status plants and birds. Plant species include broom crowberry and Magdalen Islands juniper. The yellow rail is among the bird species present.

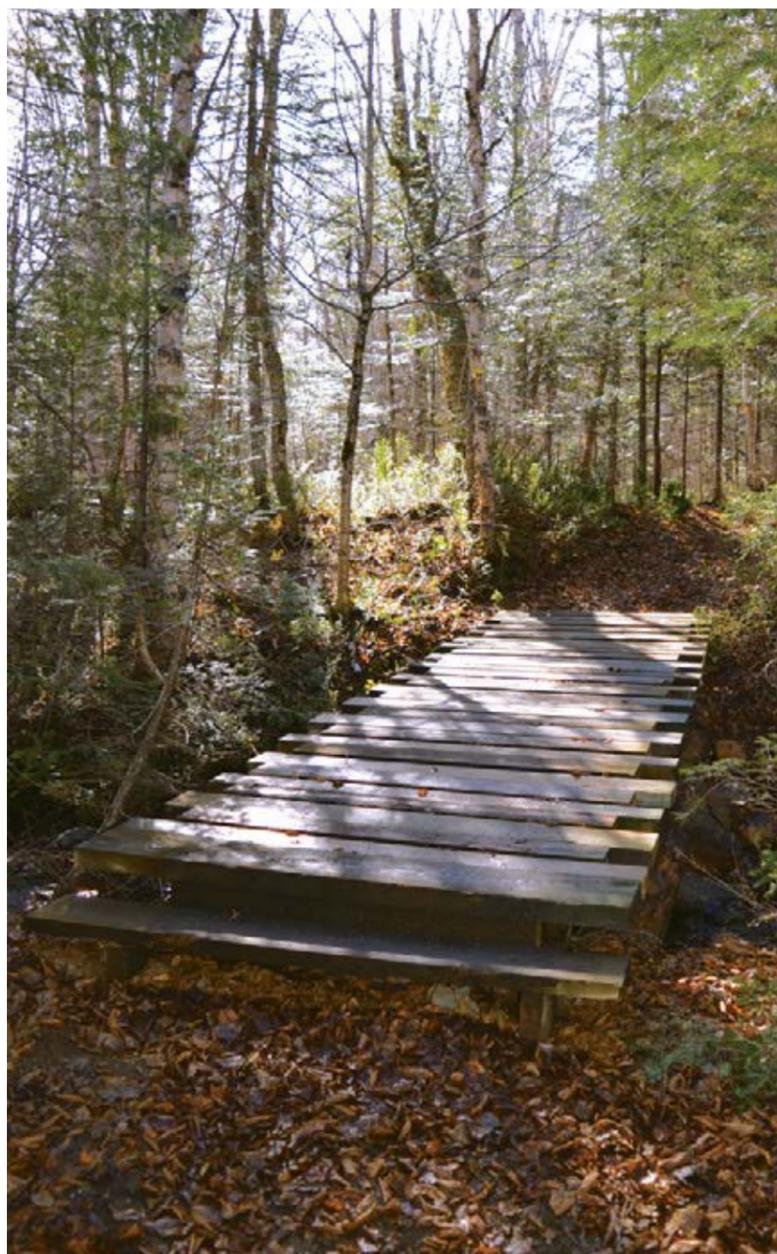
Parc des Sillons, located between Les Sillons and the island's urbanized area, provides a spectacular view of the coastal dunes. The Société de conservation des Îles-de-la-Madeleine and its partners will develop a hiking trail with observation platforms, interpretation panels and a welcome sign to enable visitors to enjoy this unique landscape without damaging the natural environment. A vegetation barrier and wooden fence will channel ATV access to the park and markers will guide ATV traffic.

## Restoration and enhancement of the Rivière Brochu mouth

The mouth of the Rivière Brochu is an environmentally valuable area that includes a salt marsh used by a wide range of bird species and a sandspit where a large colony of common terns nests.

For many years, the site has been subjected to severe anthropogenic pressure. Repeated off-road vehicle traffic on the sandspit has caused significant environmental damage, threatening the terns' nesting habitat and greatly decreasing the natural efficiency of American dune grass in countering bank erosion.

The Comité ZIP Côte-Nord du Golfe will plant dune grass on 6,900 m<sup>2</sup> of disturbed area with the help of students from Notre-Dame school in Gallix. In addition to marking and protecting these areas, the committee will offer educational workshops on salt marsh and sandspit protection to inform visitors about the negative effects of trampling habitats for wildlife and plants. An educational guide will also be produced.



Boardwalk, Inter-Centre hiking trail



Workers, Inter-Centre hiking trail



Beach pea, Côte-Nord



Coastline, Îlets-Jérémie

### Restoration and protection of the natural environment along the Inter-Centre hiking trail (Laurentides region)

The number of hikers on the Inter-Centre trail, in use for over 35 years, is constantly growing. This popular 52-km linear hiking trail in the Laurentian mountains is part of the Québec section of the National Hiking Trail of Canada.

Over the years, heavy traffic has caused substantial soil erosion—worsened by rain and runoff—leading to excessive sedimentation in streams. In poorly drained areas, visitors step off the paths, destroying plant habitats and enlarging the pockets of erosion.

The Sentier de grande randonnée des Laurentides group and its partners plan to restore and protect the natural environment along the damaged parts of the trail. Two trail sections, totaling 13 km, will be restored and equipped with interpretation panels to educate visitors about the importance of protecting the habitats of such species as brook trout, Bicknell's thrush and tree-nesting ducks. The project will provide sustainable solutions to the environmental damage and erosion issues.

### Enhancement of wildlife habitats on the Îlets-Jérémie and protection awareness

In addition to being an Innu place of worship, the Îlets-Jérémie section of the municipality of Colombier is an ecologically rich coastal habitat on the north shore of the Saint-Laurent estuary. It encompasses a salt marsh, a sand bar and a partly wooded rocky coast. There are three waterfowl gathering areas nearby, as well as sites harboring a wide diversity of plant species.

The Comité ZIP de la rive nord de l'estuaire plans to enhance the wildlife habitats in this tourist area and educate the local public on the need to protect them. To preserve the plants and animals, an observation platform will be built near the rocky point. Interpretation panels will also inform visitors about the bird species in the area, the seal haul-out and Innu traditions.

# RIVERS AND LAKES



Fish farm dam, Saint-Faustin-Lac-Carré



Creek by the fish farm, Saint-Faustin-Lac-Carré

Project	Number of Rivers and Lakes	Proponent	Expected Total Cost (\$)	Foundation's Contribution (\$)
Natural habitat restoration and enhancement in Parc écotouristique de la MRC-des-Laurentides	1 river (creek)	AGIR pour la Diable	22,675	17,700
Restoration and access management of Rimouski beaches	1 river	Comité ZIP du Sud-de-l'Estuaire	39,300	38,800
Management of boating practices and enhancement of the Rivière Saint-Maurice	1 river	Bassin versant Saint-Maurice	109,000	60,000
<b>TOTAL</b>	<b>3 rivers</b>		<b>170,975</b>	<b>116,500</b>

## Natural habitat restoration and enhancement in Parc écotouristique de la MRC-des-Laurentides

The Parc écotouristique de la MRC-des-Laurentides is located on the grounds of Saint-Faustin's former fish farm, a site with significant historical, natural and cultural heritage. The 90-ha park encompasses a mixed forest, streams and wetlands. A trail takes visitors along a creek all the way to its source, where a small dam that used to supply water to the fish farm still stands.

The project undertaken by AGIR pour la Diable will educate park users about protection and enhancement of the site's natural ecosystems, particularly the creek and its wetlands. With interpretation panels and the restored forest trail, hikers will learn more about wetlands, forests and aquatic ecosystems without disturbing the natural environment.



Coastline, Rimouski



Rivière Saint-Maurice, Saint-Jean-des-Piles



Rugosa rose, Rimouski

### Restoration and access management of Rimouski beaches

In recent years, the city of Rimouski has actively promoted access to the Fleuve Saint-Laurent (St. Lawrence River) by building very popular promenades along the Baie de Rimouski. This bay is an important migration stopover for waterfowl and shorebirds (IBA and waterfowl gathering area) and is frequented by a number of at-risk species (short-eared owl, peregrine falcon, Barrow's goldeneye and harlequin duck). Natural beaches make up 42% of the IBA coastline. The public's use of fragile coastal areas results in trampling that is highly detrimental to riparian plants and soil stability.

The Comité ZIP du Sud-de-l'Estuaire plans to restore vegetation, channel pedestrian traffic and educate visitors about the impacts of their behavior on coastal vegetation and erosion. To achieve its goals, the group will build boardwalks to control the flow of visitors and install many signs and interpretation panels. It will also create audio guides and host lectures at the site.

### Management of boating practices and enhancement of the Rivière Saint-Maurice

Increased traffic on the Rivière Saint-Maurice between Grand-Mère and La Tuque is liable to threaten or weaken numerous environmentally valuable riparian or insular wetlands. The areas affected include a wood turtle habitat.

To limit riverbank erosion and threats to related ecosystems in the Saint-Maurice watershed, the Bassin versant Saint-Maurice group and its partners will produce a best-practices guide for boating and mixed use. The guide will encourage the adoption of boating practices that protect the vulnerable ecosystems in the river between Grand-Mère and La Tuque. In addition, interpretation panels will be installed at rest stops and marinas and near boat ramps. Signs will be posted close to sensitive areas, and educational activities will be offered.

# WETLANDS



Boardwalk, Venise-en-Québec



Scaly polypore fungi, Île Saint-Quentin



Marsh, Venise-en-Québec

Project	Area (ha)	Proponent	Expected Total Cost (\$)	Foundation's Contribution (\$)
Enhancement of two nature reserves in the Venise-en-Québec wetlands	17	Société d'initiative touristique et économique du Lac-Champlain	177,700	50,000
Wildlife habitat discovery on Île Saint-Quentin	11.6	Comité ZIP les Deux Rives	37,000	30,000
<b>TOTAL</b>	<b>207.9*</b>		<b>214,700</b>	<b>80,000</b>

\* Includes wetlands affected by two Lands and Forests projects—3.3 ha on Îles-de-la-Madeleine and 172 ha on Îlets-Jérémie—and wetlands affected by one of the Rivers and Lakes projects—4 ha in Saint-Faustin-Lac-Carré (Laurentides region).

## Enhancement of two nature reserves in the Venise-en-Québec wetlands

The Pointe-Fontaine and Tourbière-de-Venise-Ouest nature reserves cover 6.6 ha of forest and 17 ha of wetlands. The municipality of Venise-en-Québec is very popular with vacationers, attracting cyclists, outdoor enthusiasts, birdwatchers and boaters.

However, human activity exerts heavy pressure on the rich biodiversity of wetlands. With funding from the Foundation, the Lac-Champlain Société d'initiative touristique et économique (SITE) has developed infrastructure that enables visitors to discover the marsh adjacent to Ruisseau McFee, near two peatlands. This interpretation area now needs to be expanded, as the edges of the marsh are being jeopardized by visitor traffic.

To protect the wetland while facilitating access to it, SITE and its partners will build a trail, with boardwalks, which will start at Ruisseau McFee. The panels installed along the trail will educate visitors about the ecological importance of wetlands and the different habitats they contain. These developments will benefit the yellow water buttercup, a plant species likely to be designated threatened or vulnerable.

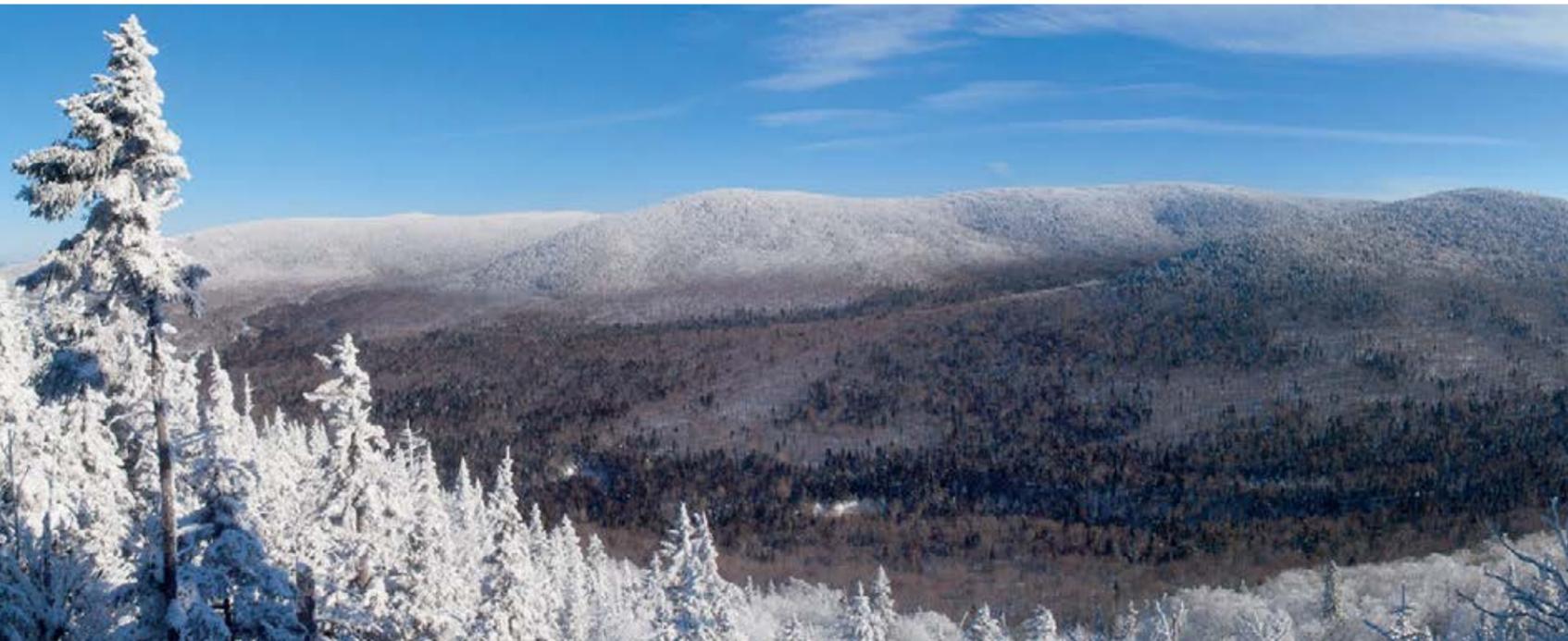
## Wildlife habitat discovery on Île Saint-Quentin

The Parc de l'Île-Saint-Quentin is a recreation and tourism centre located in urban Trois-Rivières. This environmentally important 41.4-ha park welcomes over 200,000 visitors every year. On a bright summer day, up to 3,000 people may go to the island, putting tremendous pressure on the environment, breaking branches, collecting wood and disturbing wildlife. The site has a 720-m interpretation boardwalk that crosses a wetland where a number of wildlife habitats need to be protected.

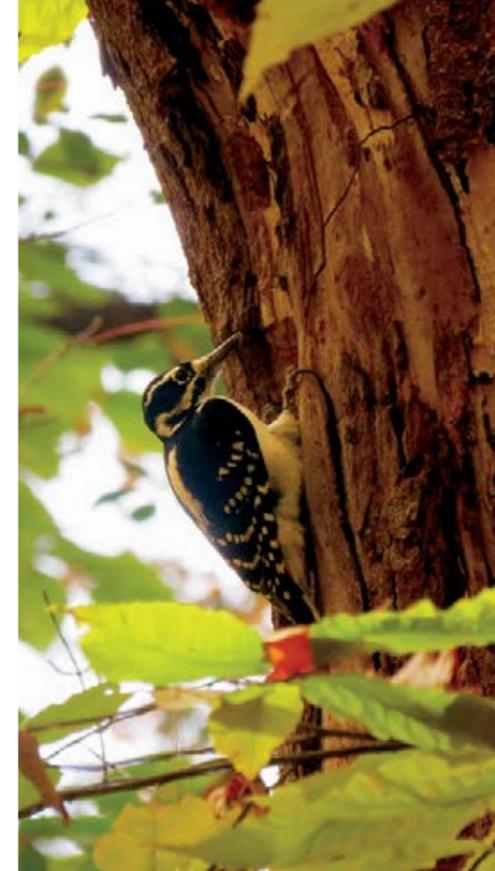
This project will install new interpretation and education panels on the boardwalk. In addition to providing information on the surrounding natural environment, the panels will tell visitors about the island ecosystem's plants, wildlife and fragility. Visitors will not only discover outstanding wildlife habitats, they will also learn how important responsible behavior is for preserving habitats.

The Comité ZIP les Deux Rives is spearheading the project with the help of the park's owner, the city of Trois-Rivières, the Corporation de développement de l'Île-Saint-Quentin, Granby Zoo and the Université du Québec à Trois-Rivières.

# AWARENESS AND EDUCATION



Mixed forest, Parc régional du Massif-du-Sud



Woodpecker, Réserve naturelle Clarke-Sydenham



Blue-spotted salamander, Parc de la Rivière-Batiscan

Project	Proponent	Expected Total Cost (\$)	Foundation's Contribution (\$)
Enhancement of bird habitats in the Réserve naturelle Clarke-Sydenham	Centre de réhabilitation Le Nichoir inc.	29,295	16,000
Awareness of wildlife habitats and ecosystems in Parc régional du Massif-du-Sud	Corporation d'aménagement et de développement du Massif-du-Sud	29,344	15,500
Education about wildlife habitat protection in Parc de la Rivière-Batiscan	Parc de la Rivière-Batiscan	46,745	36,300
<b>TOTAL</b>		<b>105,384</b>	<b>67,800</b>

## Enhancement of bird habitats in the Réserve naturelle Clarke-Sydenham

A little-known gem, the Réserve naturelle Clarke-Sydenham is a small, 19-ha conservation area in Hudson. A diversity of bird habitats can be found there, including fields that are mowed regularly to maintain a prairie habitat. Various types of forest, temporary ponds and transition habitats also lie within the reserve, and the juxtaposition of these different environments provides habitats that attract a wide variety of birds. The gray catbird and great crested flycatcher have nested there for years, and there is ample food for chimney swifts and barn swallows. Colorful birds like the indigo bunting and scarlet tanager are also seen in the reserve.

Le Nichoir, a local wild bird rehabilitation centre, is working with other organizations to enhance the nature reserve. The organization will design and install interpretation panels about the reserve's birds and habitats so that visitors can appreciate them. A group excursion program will also be created, including a kit with specimens, questionnaires and other items. Le Nichoir cares for injured and orphaned wild birds. Its mission is to preserve wild birds as part of our natural heritage for future generations.

## Awareness of wildlife habitats and ecosystems in Parc régional du Massif-du-Sud

Overlapping the MRCs of Bellechasse and Etchemins, the Parc régional du Massif-du-Sud is a favorite destination for outdoor enthusiasts, school groups, campers and sporting events. The Corporation d'aménagement et de développement du Massif-du-Sud wants to raise visitors' awareness of the presence of wildlife habitats that need protecting—those of Bicknell's thrush and spruce grouse for example—and to promote environmentally responsible practices during hikes in the forest.

Three trails from the existing 71-km network of walking trails will be developed for hiking with specific themes. One trail will visit an old-growth forest containing 300-year-old birch trees, the second will teach visitors about brook trout, and the third will cover moose and their habits. The trails will include interpretation panels with instructions on how to be environmentally responsible. Five interpretation hubs will be created at the intersections of the most popular trails. Finally, a brochure explaining the new trails will be created and made available to the public at the park entrances and online.

## Education about wildlife habitat protection in Parc de la Rivière-Batiscan

One of Mauricie's treasures is Parc de la Rivière-Batiscan, which promotes conservation and education in addition to its recreational mission. The park will be hosting a new exhibit in the reception building's interpretation room. Using revamped interactive modules and new showcases, the exhibit will display various ways to protect local wildlife. Snakes, bats, fish, monarch butterflies and amphibians are subjected to pressure from the park's 42,000 visitors every year.

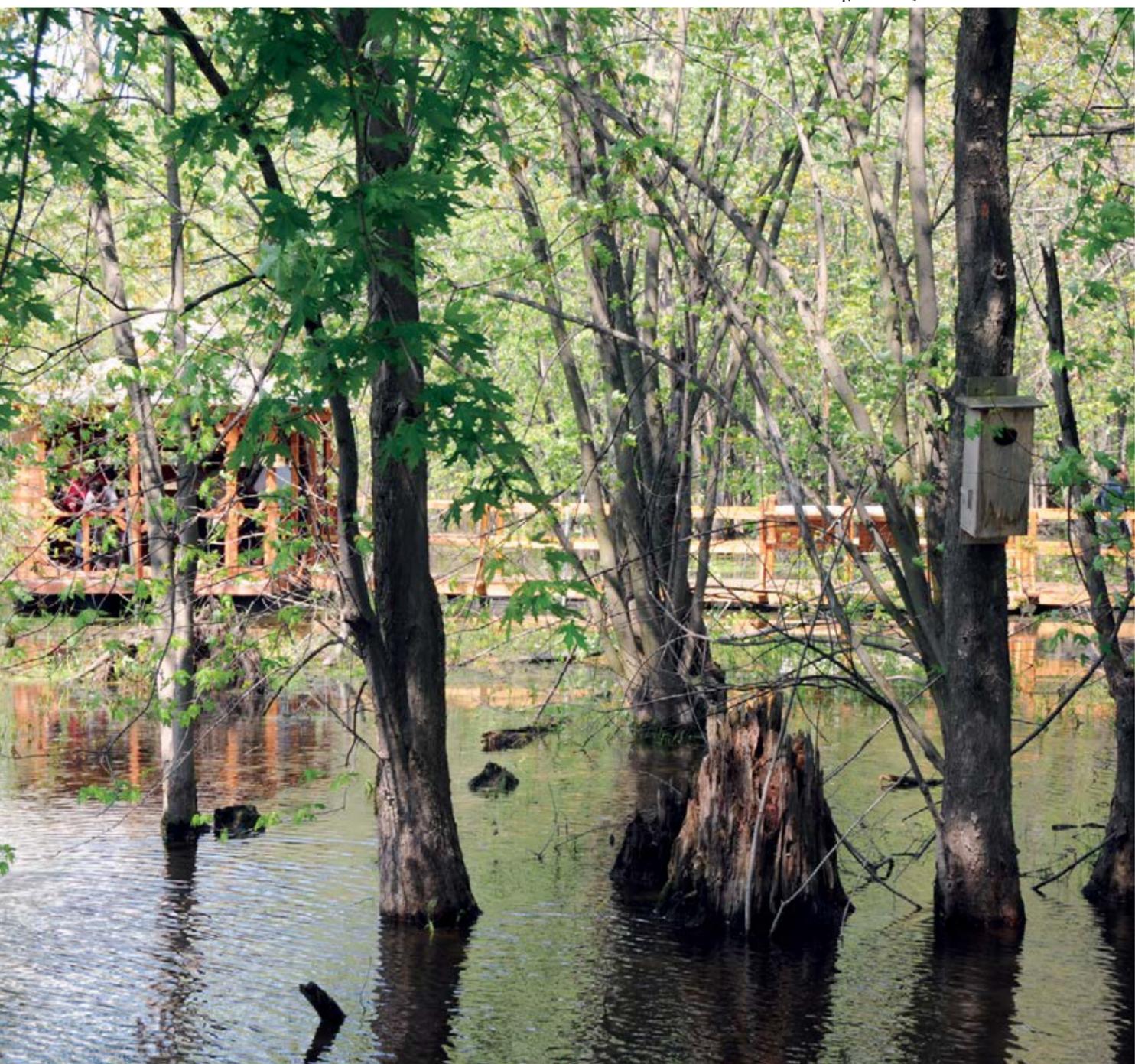
The project's proponents want to teach the public environmentally responsible behavior in order to preserve the more sensitive wildlife species. They want visitors to understand the importance of everything they do. The exhibit will interest the park's visitors and campers, as well as schools and other groups.

# REVIEW OF OPERATIONS



Planting American dune grass, mouth of Rivière Brochu

Swamp, Venise-en-Québec



Since its inception in 2001, the Foundation has granted \$12.17 million in funding to 222 projects with an estimated total value of \$39.14 million.

The framework for reviewing grant applications submitted to us has always reflected our desire to support initiatives that have substantial impacts on the conservation of Québec's natural heritage.

The tables below show the projects funded by the Foundation in each project class since 2001, with the area and type of environment.

Dragonfly and its exuvia



## Grant distribution by class

Project categories	Number of Projects in 2014	Number of Projects since 2001	Amounts Granted to Partners (\$) in 2014	Amounts Granted to Partners (\$) since 2001
<b>LANDS AND FORESTS</b>	4	61	128,700	4,426,693
<b>RIVERS AND LAKES</b>	3	54	116,500	2,803,677
<b>WETLANDS</b>	2	56	80,000	3,281,533
<b>AWARENESS AND EDUCATION</b>	3	51	67,800	1,661,930
<b>TOTAL</b>	<b>12</b>	<b>222</b>	<b>393,000*</b>	<b>12,173,833</b>

\* The amount of \$370,300 appearing in the financial statements excludes funding for a 2014 project for which the grant agreement was signed before December 31, 2013. The amount of \$370,300 includes the initial grant to a 2014 project; this amount was subsequently reduced by \$7,300.

## Protection, restoration and enhancement of lands and forests

### Area of Lands and Forests Targeted by the Projects

Period	Area (ha)
2014	81.09
<b>Total since 2001</b>	<b>9,236.84*</b>

\* In some areas, several projects have been funded by the Foundation. In these cases, the areas concerned have been included in the table only once.

## Protection, restoration and enhancement of rivers and lakes

### Number of Rivers and Lakes Targeted by the Projects

Period	Number of Rivers	Number of Lakes	Total Number of Rivers and Lakes
2014	3	0	3
<b>Total since 2001</b>	<b>74</b>	<b>64</b>	<b>138*</b>

\* Some rivers and lakes have benefited from several projects funded by the Foundation. These cases have been included in the table only once.

## Protection, restoration and enhancement of wetlands

### Area of Wetlands Targeted by the Projects

Period	Area (ha)
2014	207.9
<b>Total since 2001</b>	<b>8,660.34*</b>

\* In some areas, several projects have been funded by the Foundation. In these cases, the areas concerned have been included in the table only once.

## Awareness and education

### Natural Environments Targeted by the Projects

Period	Number of Projects*	Projects Related to Lands and Forests	Projects Related to Rivers and Lakes	Projects Related to Wetlands
2014	3	2	1	0
<b>Total since 2001</b>	<b>51</b>	<b>18</b>	<b>26</b>	<b>20</b>

\* A project may involve several types of environment.



Butternuts



Wood turtle



Ostrich fern



Bicknell's thrush

### Protection of threatened and vulnerable species or species likely to be so designated

The biological diversity guidelines<sup>1</sup> adopted by the Québec government in 2013 are based on the *Strategic Plan for Biodiversity 2011–2020* and the Aichi Biodiversity Targets. These government guidelines aim to achieve concrete results with respect to the conservation and sustainable management of biological diversity for present and future generations.

In 2014, 12 threatened or vulnerable species and 18 species likely to be so designated, according to the classification in the *Act respecting threatened or vulnerable species*,<sup>2</sup> benefited from projects supported by the Foundation.

Since 2001, the Foundation has contributed to the protection of 60 of the 116 plant and animal species designated threatened or vulnerable under this Act (as at October 2, 2014).

In addition, from 2003 to 2005, the Foundation supported a project to bring striped bass back to the Fleuve Saint-Laurent (St. Lawrence River). This fish, extirpated in Québec in the mid-1960s, was reintroduced using stocks from the Miramichi River.

### Number of Threatened or Vulnerable Species Targeted by Foundation-Funded Projects since 2001\*

Extirpated community	1
Threatened or vulnerable species	60
Species likely to be designated threatened or vulnerable	154

\* Each species is counted only once although some have benefited from several projects. Species status reflects the designation in effect when the project involving it was accepted by the Foundation.

1. [www.mddelcc.gouv.qc.ca/biodiversite/orientations/Orientations.pdf](http://www.mddelcc.gouv.qc.ca/biodiversite/orientations/Orientations.pdf) [in French only]  
2. Act adopted by the Québec government in 1989.

### Foundation's contribution to the protection of plant and animal species in 2014

#### THREATENED OR VULNERABLE SPECIES

Plants	SPECIES	STATUS	PARTNERS
	broom crowberry	threatened	1
	ostrich fern	vulnerable to harvest	9

#### Birds

SPECIES	STATUS	PARTNERS
<i>anatum</i> peregrine falcon	vulnerable	6
Barrow's goldeneye	vulnerable	6, 4
horned grebe	threatened	1
Bicknell's thrush	vulnerable	3
cerulean warbler	threatened	9
bald eagle	vulnerable	6, 4
yellow rail	threatened	1

#### Reptile

SPECIES	STATUS	PARTNER
wood turtle	vulnerable	7

#### Fish

SPECIES	STATUS	PARTNERS
American shad	vulnerable	6
rainbow smelt	vulnerable	6

NUMBER OF SPECIES: 12

#### PARTNERS IN 2014

- Société de conservation des Îles-de-la-Madeleine
- Comité ZIP Côte-Nord du Golfe
- Sentier de grande randonnée des Laurentides
- Comité ZIP de la rive nord de l'estuaire
- AGIR pour la Diable
- Comité ZIP du Sud-de-l'Estuaire
- Bassin versant Saint-Maurice
- Société d'initiative touristique et économique du Lac-Champlain inc.
- Comité ZIP Les Deux Rives
- Centre de réhabilitation Le Nichoir inc.
- Corporation d'aménagement et de développement du Massif-du-Sud
- Parc de la Rivière-Batiscan

#### SPECIES LIKELY TO BE DESIGNATED THREATENED OR VULNERABLE

Plants	SPECIES	PARTNERS
	Connecticut beggar-tick	1
	swamp white oak	8
	golden whitlowgrass	6
	Magdalen Islands juniper	1
	rock veilwort	5
	butternut	7
	Vasey's pondweed	5
	yellow water buttercup	8
	hidden-fruited bladderwort	1, 5

#### Birds

SPECIES	PARTNERS
<i>rufa</i> red knot	6
Nelson's sharp-tailed sparrow	6
common nighthawk	9, 6
short-eared owl	1
chimney swift	6
Canada warbler	9, 6
rusty blackbird	1, 6

#### Mammals

SPECIES	PARTNER
red bat	2

#### Fish

SPECIES	PARTNER
American eel	6

NUMBER OF SPECIES: 18

#### Definitions

Threatened: species whose extirpation is feared.  
Vulnerable: species whose survival is precarious, but for which extirpation is not expected.  
Vulnerable to harvest: species subject to harvest pressure owing to its commercial value.

# FINANCIAL STATEMENTS

## Management's report

The financial statements of the Fondation Hydro-Québec pour l'environnement as well as all information contained in this report fall under the responsibility of Management and are approved by the Board of Directors. This responsibility involves choosing the appropriate accounting policies that comply with Canadian generally accepted accounting principles.

To fulfill its responsibilities, Management maintains a control system designed to provide reasonable assurance as to the protection of assets, the accounting of transactions and the reliability of the financial statements.

The Fondation Hydro-Québec pour l'environnement acknowledges its responsibility in managing its affairs in accordance with the governing legislation.

The financial statements of the Fondation Hydro-Québec pour l'environnement have been audited by independent auditors KPMG LLP in accordance with generally accepted auditing standards in Canada. The auditors' report discusses the nature and extent of this audit and expresses their opinion.

**/s/ Michelle Dyke**  
Executive Director

Montréal, Québec  
March 31, 2015

## Independent auditors' report

### To the Directors of the Fondation Hydro-Québec pour l'environnement

We have audited the accompanying financial statements of the Fondation Hydro-Québec pour l'environnement, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes containing a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

The Foundation's Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fondation Hydro-Québec pour l'environnement as at December 31, 2014, and the results of its operations, the changes in its net assets, and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

**/s/ KPMG LLP\***

Montréal, Québec  
March 31, 2015

\* CPA auditor, CA public accountancy permit No. A119245

## Statements of financial position

In Canadian dollars	As at December 31, 2014	As at December 31, 2013
<b>Assets</b>		
Cash	997,551	1,554,219
Contributions receivable from Hydro-Québec	34,997	37,400
Interest receivable	877	867
<b>Total assets</b>	<b>1,033,425</b>	<b>1,592,486</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 3)	19,498	14,990
<b>Net assets</b>		
Subject to internal restrictions for environmental projects	662,343	942,503
Unrestricted	351,584	634,993
<b>Total net assets</b>	<b>1,013,927</b>	<b>1,577,496</b>
<b>Total</b>	<b>1,033,425</b>	<b>1,592,486</b>

The attached notes are an integral part of the financial statements.

On behalf of the Board,

/s/ Stella Leney  
President

/s/ Armand Couture  
Director

## Statements of operations

Years ended December 31

In Canadian dollars	2014	2013
<b>Revenue</b>		
Contributions from a special fund	101,517	1,120,491
Interest income	12,692	8,070
Donation	—	78,589
<b>Total revenue</b>	<b>114,209</b>	<b>1,207,150</b>
<b>Expenditure</b>		
Environmental projects		
Approved during the year	135,563	411,294
Approved during previous years	507,381	413,702
<b>Total expenditure</b>	<b>642,944</b>	<b>824,996</b>
General overhead and project management	34,834	41,495
<b>Total</b>	<b>677,778</b>	<b>866,491</b>
<b>(Deficit) excess of revenue over expenditure</b>	<b>(563,569)</b>	<b>340,659</b>

The attached notes are an integral part of the financial statements.

## Statements of changes in net assets

Years ended December 31

In Canadian dollars	Subject to internal restrictions for environmental projects	Unrestricted	2014 Total	2013 Total
<b>Balance, beginning of year</b>	942,503	634,993	1,577,496	1,236,837
(Deficit) excess of revenue over expenditure	(642,944)	79,375	(563,569)	340,659
Internal restrictions for environmental projects approved in 2014	370,300	(370,300)	—	—
Transfer to unrestricted net assets	(7,516)	7,516	—	—
<b>Balance, end of year</b>	<b>662,343</b>	<b>351,584</b>	<b>1,013,927</b>	<b>1,577,496</b>

The attached notes are an integral part of the financial statements.

## Statements of cash flows

Years ended December 31

In Canadian dollars	2014	2013
<b>Operating activities</b>		
(Deficit) excess of revenue over expenditure	(563,569)	340,659
Change in non-cash working capital items		
Interest receivable	(10)	(667)
Contributions receivable from Hydro-Québec	2,403	1,007,671
Accounts payable and accrued liabilities	4,508	(10,678)
<b>Net change in cash</b>	<b>(556,668)</b>	<b>1,336,985</b>
<b>Cash, beginning of year</b>	<b>1,554,219</b>	<b>217,234</b>
<b>Cash, end of year</b>	<b>997,551</b>	<b>1,554,219</b>

The attached notes are an integral part of the financial statements.

## Notes to financial statements

Years ended December 31, 2014 and 2013

The Fondation Hydro-Québec pour l'environnement (the "Foundation") was constituted on January 19, 2001, under Part III of the Québec *Companies Act* and commenced operations on that date.

Its mission is to contribute to the long-term enhancement and protection of the environment; to promote the conservation, restoration and enhancement of fauna, flora and natural habitats; and to support local needs for stewardship of the environment. Its Board of Directors is composed of six Hydro-Québec officers and four outside directors. The Foundation is a nonprofit organization that is exempt from taxes within the meaning of the *Income Tax Act*.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook*.

#### a) REVENUE RECOGNITION

The Foundation uses the deferral method of accounting for contributions. Unrestricted contributions and donations are recognized as revenue when they are received and as receivables if the amount can be reasonably estimated and payment is reasonably assured. Restricted contributions are recognized as revenue in the fiscal year in which the related expenditures are incurred.

Revenue from the Hydro-Québec special fund consists of contributions from the fund and interest paid on the fund. Interest income is recognized when earned.

#### b) EXPENDITURE RECOGNITION

Expenditures related to environmental projects are recorded when the expenditures are incurred by the organizations and approved by the Foundation.

Overhead expenses are recorded as services are received.

#### c) FINANCIAL INSTRUMENTS

The Foundation measures financial assets and financial liabilities at fair value on initial recognition. It subsequently measures all financial assets and financial liabilities at amortized cost.

Financial assets and financial liabilities measured at amortized cost include cash, interest receivable, contributions receivable from Hydro-Québec and accounts payable and accrued liabilities.

Financial assets measured at amortized cost are tested for impairment if there is any evidence of a potential impairment loss. The amount of the decline in value is recognized in the results as an impairment loss. A previously recognized loss can be reversed. Such reversal is recognized in income in the year in which the reversal occurs.

## 2. FINANCIAL INSTRUMENTS

#### *Interest rate risk*

Cash bears interest at a variable rate; consequently, fluctuations in market interest rates will have an impact on the Foundation's interest income.

#### *Credit risk*

The Foundation's cash is held by a financial institution with high-quality credit ratings. As a result, the Foundation considers that this counterparty's risk of non-performance is negligible.

#### *Fair value*

The carrying value of interest receivable, contributions receivable from Hydro-Québec and accounts payable and accrued liabilities approximates their fair value due to their short-term maturities.

## 3. RELATED PARTY TRANSACTIONS

During the year, the Foundation did not receive a contribution (\$1 million in 2013) from the \$8-million (\$9-million in 2013) fund reserved by Hydro-Québec. Annual interest income of \$101,517 (\$120,491 in 2013) was earned on these amounts.

The Foundation incurred administrative overhead expenses totaling \$14,688 (\$16,047 in 2013), of which \$4,508 is included in accounts payable and accrued liabilities as at December 31, 2014 (none in 2013). Services provided by the various administrative units of Hydro-Québec for the benefit of the Foundation are billed on the basis of actual costs under agreements between the Foundation and these units.

# BOARD OF DIRECTORS 2014

## Stella Leney

President, Fondation Hydro-Québec pour l'environnement  
General Manager – Environment and Corporate Affairs  
Hydro-Québec

## Michel Bérubé

Manager – Environment Services  
Hydro-Québec Équipement et services partagés

## André Besner

Manager – Environment and Sustainable Development  
Hydro-Québec

## Armand Couture

Director

## Chantal d'Auteuil

General Director  
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Regional Manager – Manicouagan and Director – Production  
Hydro-Québec Production

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Director – Regional Affairs and Communities  
Hydro-Québec

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[Page 4] *Hikers, Parc régional du Massif-du-Sud*: Yan Turcotte.

[Page 5] *Swamp, Venise-en-Québec*: Martine Hamel. *Purple sandpiper, Rimouski*: Comité ZIP du Sud-de-l'Estuaire. *Paper birch, Îles-de-la-Madeleine*: Véronique Déraspe.

[Page 6] *American dune grass, mouth of Rivière Brochu*: Comité ZIP Côte-Nord du Golfe.

[Page 7] *Birch leaf, Îles-de-la-Madeleine*: Société de conservation des Îles-de-la-Madeleine. *Hiker, Parc des Sillons*: Société de conservation des Îles-de-la-Madeleine.

[Page 8] *Boardwalk, Inter-Centre hiking trail*: Anabel Martin Kaigle. *Workers, Inter-Centre hiking trail*: Luc Labrèche.

[Page 9] *Beach pea, Côte-Nord*: Martine Hamel. *Coastline, Îlets-Jérémie*: Comité ZIP de la rive nord de l'estuaire.

[Page 10] *Fish farm dam, Saint-Faustin-Lac-Carré*: AGIR pour la Diable.

[Page 11] *Creek by the fish farm, Saint-Faustin-Lac-Carré*: AGIR pour la Diable.

[Page 12] *Coastline, Rimouski*: Comité ZIP du Sud-de-l'Estuaire.

[Page 13] *Rivière Saint-Maurice, Saint-Jean-des-Piles*: René Le Brodeur. *Rugosa rose, Rimouski*: Comité ZIP du Sud-de-l'Estuaire.

[Page 14] *Boardwalk, Venise-en-Québec*: Martine Hamel.

[Page 15] *Scaly polypore fungi, Île Saint-Quentin*: Comité ZIP les Deux Rives. *Marsh, Venise-en-Québec*: Martine Hamel.

[Page 16] *Mixed forest, Parc régional du Massif-du-Sud*: Parc régional du Massif-du-Sud.

[Page 17] *Woodpecker, Réserve naturelle Clarke-Sydenham*: Centre de réhabilitation Le Nichoir inc. *Blue-spotted salamander, Parc de la Rivière-Batiscan*: Martin Savard.

[Page 18] *Planting American dune grass, mouth of Rivière Brochu*: Comité ZIP Côte-Nord du Golfe. *Swamp, Venise-en-Québec*: Martine Hamel.

[Page 19] *Dragonfly and its exuvia*: Martin Savard.

[Page 20] *Butternuts*: Environnement et terre d'Odanak. *Wood turtle*: Jeffrey MacDonald. *Bicknell's thrush*: Alain Hogue.

[Page 21] *Ostrich fern*: Martine Hamel.

[Page 28] *Snowshoeing in Parc régional du Massif-du-Sud*: Jocelyn Tanguay.



Snowshoeing in Parc régional du Massif-du-Sud

For more detailed information on the mission, priorities and operations of the Fondation Hydro-Québec pour l'environnement or on the projects it supports, please visit: [www.hydroquebec.com/fondation-environnement/en](http://www.hydroquebec.com/fondation-environnement/en)

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