



Hostelling International-Canada  
Pacific Mountain Region  
200-1155 West Pender Street  
Vancouver, BC V6E 2P4  
T. 604.684.7111  
[www.hihostels.ca](http://www.hihostels.ca)



HOSTELLING INTERNATIONAL-CANADA  
PACIFIC MOUNTAIN REGION  
ANNUAL REPORT 2011

## ENDS POLICIES

A community of travellers, when experiencing the people, places, and cultures in Western Canada and the world, have as many genuine hostelling options as the organization can sustain.

Travellers can experience Western Canada's unique geographical and cultural landscapes through a network of strategically-located hostels.

Travellers in the Pacific Mountain Region can participate, at levels negotiated annually by the CEO and Board, in a genuine hostelling experience.

Outbound travellers choose hostelling as a way to experience people, places, and cultures elsewhere.

## VISION STATEMENT

The Western Canada market leader in the provision of high quality, affordable and innovative network of hostelling accommodation and programs.

## VALUES STATEMENT

### Community

As good neighbours we will share with and contribute to our communities through learning, participation, volunteerism, and inclusion.

### People

As an open, collegial organization, everyone will be treated with consideration, respect, dignity, and fairness and will have opportunities to influence strategic direction and to participate in the governance process.

## Operational Excellence

As a responsible and responsive organization, we will strive for operational excellence to ensure financial sustainability and growth.

We will be leaders and innovators in the hostelling community committed to "finding a better way".

## Service Philosophy

Our success begins and ends with our guests and members. It is up to us to have an impact that enriches their travelling adventures.

## Work Environment

We provide an open and supportive work environment where honesty and constructive opinions are encouraged at all levels. We believe that empowering people leads to great things, including a work environment that people feel fortunate to be a part of.

## Environment

Our philosophy of being kind to the earth lives through our environmentally responsible operations and through our education of guests, members and staff.

# MESSAGE FROM THE CHAIR

It has been a pleasure to serve as the Chair of your Board of Directors during the past year. During the summer of 2010 our members elected two new directors to the Board—James Wyatt and Jason Demers, who have both made valuable contributions to the Board during their first year of service. All of your Directors have worked hard over the past year to ensure that your Association continues to move in the direction desired by our members. I also commend our regional and hostel staff for their hard work over the past year.

The Board of Directors continues to provide governance leadership and oversight for the Association. While we have made progress on many fronts over the past year, we will continue our work to ensure that further progress is made in the coming year. I wish to thank departing directors Mark Sowinski, Claire Johnson and Alexandra Gunn for their service to the membership and to hostelling in our region.

The Board of Directors is grateful to those members that participated in our Believe in Hostelling initiative. As a result of the feedback received, your Board was able to confidently make adjustments to the future direction of your Association. Some of the key changes include strengthening participation and volunteerism by members as well as increasing the use of our wilderness hostels. Hostelling has deep roots in Western Canada and your Board wants to ensure that we celebrate and respect the history of the Association while we move forward to provide enriching hostelling experiences throughout our region.

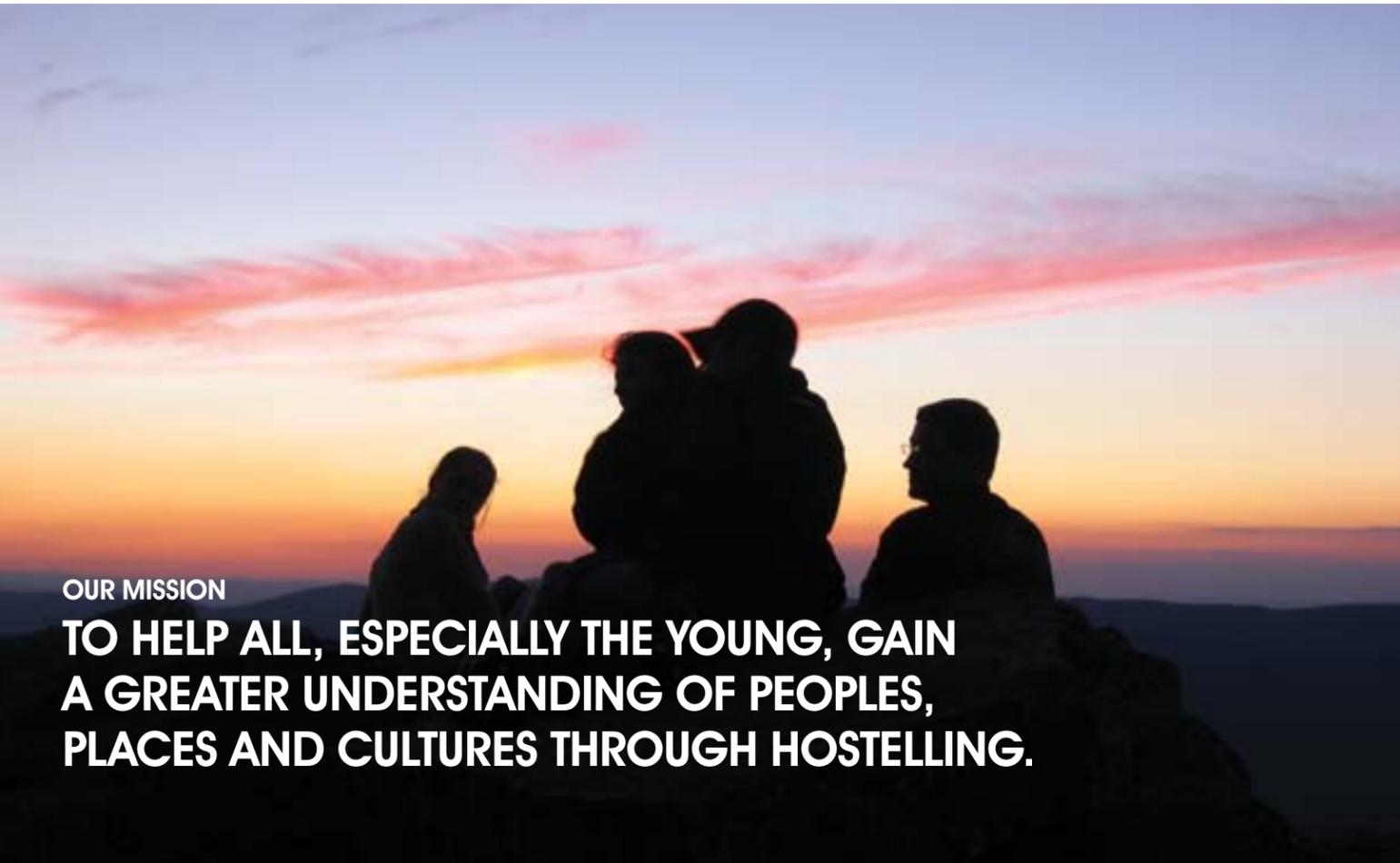


HI-C-Pacific Mountain Region continues to provide leadership in HI-Canada both at the governance and operational levels. Members of our staff and board continue to serve on national and international committees and workgroups. One of the key ongoing national projects is the enhancement of environmental sustainability throughout the network. HI-C-Pacific Mountain Region is a leader in this area; some examples of our region's renewed focus on environmental sustainability include tracking our greenhouse gas emissions and building facilities like the new HI-Whistler to LEED standards.

I hope that you will join me in participating in a genuine hostelling experience at one of our many hostels in the Pacific Mountain Region.

Sincerely,

**Peter Nietresta**  
Chair  
Hostelling International-Canada  
Pacific Mountain Region



**OUR MISSION**  
**TO HELP ALL, ESPECIALLY THE YOUNG, GAIN**  
**A GREATER UNDERSTANDING OF PEOPLES,**  
**PLACES AND CULTURES THROUGH HOSTELLING.**

# MESSAGE FROM THE CEO

This Annual Report looks at the many achievements and challenges we have experienced in the past year, and at the new beginnings in store for the coming years. On Canada Day 2010, HI-C-Pacific Mountain opened Canada's newest hostel in the region—the purpose-built HI-Whistler. Your Board of Directors and staff have had a busy year working hard for you, our members, our staff and our guests.

We continued to feel the ongoing effects of the global economic downturn and the strong Canadian dollar in our occupancy levels, particularly in the resorts and urban centres. Despite the recent trend of Canadians travelling abroad due to our strong dollar, Canadian usage of our hostels remains strong; and is a direct result of regional marketing initiatives and provincial government marketing of stay-home vacations. As a not-for-profit organization, we re-invest any surpluses into hostel upgrades, network expansion and other benefits for our members and guests. We also re-invest all funds earned at our two Alberta casino licenses into capital projects at our Alberta hostels. These casino events are largely staffed by HI members and volunteers and we thank them for their effort and time.

## NATIONAL & INTERNATIONAL INVOLVEMENT

We continue to operate under the Association Ends policy that cascades down to a five-year strategic plan and annual individual hostel business plans. This year, our Director of Partnerships began acting as HI-Canada's sustainability representative with Hostelling International, while I sit on an international e-membership project. We continue to be involved in national workgroups both at the operations and board levels.

We also continue our involvement in the international level of hostelling especially with key partners like HI-USA, YHA Australia and YHA New Zealand.



## SUSTAINABILITY & NEW PROGRAMS

Sustainability initiatives continue to grow as a focus for our association. Two years ago we studied our green house gas (GHG) emissions across the region, and our future business and capital plans take into consideration methods to reduce these GHG levels. Our new property in Whistler and its neighbourhood were constructed with the environment in mind—from heating to water usage. At this June's HI-Canada Annual General Meeting, sustainability was highlighted as a focus for the National Association moving forward.

This year also brought about new programs through our partnership with Parks Canada, including an initiative that introduces new Canadians to our National Parks. This past winter we hosted a group of new Canadians at the HI-Mosquito Creek Wilderness Hostel and the program will be introduced in Jasper National Park next winter.

## VOLUNTEER SUPPORT

I would like to thank those volunteers across the region who have donated over 7,600 hours of their time, their talents and their stories to our region—a BIG thank you. You have brought memorable experiences to our fellow members and guests from around the world. You have made a difference in their lives. Be proud of that.

Volunteers gave their time to hostel programs, to the regional office and at special events. I would like to pass on my thanks to one particular long-time volunteer—Erik Graff from Vancouver—who not only put in 594 hours this year leading tours of Vancouver for our members and guests, but also reached a major milestone this April with his 15,000th tour participant.

Through this devotion from our volunteers and our staff, we make a difference. With their commitment, we continue to impact people here and around the world, inspiring greater awareness, compassion and connection with each other, the Earth and its people. We believe that when members and travellers connect with one another

across cultures, belong to a global community and have the tools necessary to take action, they can—and will—make a significant and sustainable difference in the world.

## REGION-WIDE RECOGNITION

Our region was recognized this past year by HI-Canada and was presented with the following awards

- **Richard Schirrmann Award** (Best Region)
- **Ivy Devereux Award:** HI-Vancouver Jericho Beach (best hostel +10,000 overnights)
- **Catherine & Mary Barclay Award:** Alastair Campbell (Board Director + volunteer)

I look forward to meeting you in my travels across our region this year.



**Alistair McLean**

CEO

Hostelling International-Canada  
Pacific Mountain Region

# OUR HOSTEL NETWORK

## OUR HOSTELS

At peak season, HI-C-PM Region has 2,076 beds available to travellers across the region. Thirty hostels span British Columbia, Alberta and the Yukon from the shores of Tofino to downtown Vancouver, Calgary and Edmonton, across B.C.'s interior, throughout the Rockies and up north to Dawson City.

There's a hostel for every traveller's taste—bustling locations in urban centres; small, rustic wilderness properties in three different National Parks; mountain-side lodges; and cozy small-town charmers. The Association owns and operates 22 of these hostels, while travel-savvy affiliates own the remaining eight.

The revenue generated by the Association goes directly back into this vast network to constantly improve and expand it for travellers from Canada and around the globe.

## HOSTELLING INTERNATIONAL IN WHISTLER

On July 1, 2010, Hostelling International opened a purpose-built hostel in Whistler that was originally used as part of the Athletes' Village during the 2010 Winter Olympic Games. HI-Whistler sets a new standard in hostelling in Canada, featuring an on-site café, a lounge with a fireplace, outdoor decks with spectacular mountain views, state of the art bike and ski storage and more.

With a total capacity of 188 in 40 four-bed multi-share rooms and 14 private ensuite rooms, the new hostel increased Hostelling International's capacity in Whistler nearly eightfold. In the hostel's first eight months of operation, it recorded just over 30,000 overnights compared to 4,850 that the former HI-Whistler at Alta Lake recorded during the same period the year before.

To date, the hostel has garnered significant interest and very positive reviews from our guests, the media and travel trade. It is now ranked as the top-rated hostel in HI-C-PM Region's network across various travel websites.



New HI-Whistler Hostel in Cheakamus Crossing (Opened July 1, 2010)

Hostelling International has had a presence in Whistler since 1969 when they purchased a small fishing lodge on the shores of Alta Lake. When HI-Whistler on Alta Lake opened, the Whistler ski area was only three years old and featured three lifts, but the hostel registered an impressive 2,000 overnights for the year.

Over the years, demand for hostel accommodations would greatly outstrip supply. By 2010, Whistler/Blackcomb's 38 lifts were hoisting more than 60,000 skiers and snowboarders per hour and the 25-bed home of HI-Whistler on Alta Lake could no longer meet the demand of budget travellers drawn to the all-season destination.

On July 1, 2010, the little hostel on the Alta Lake closed while the new, purpose-built HI-Whistler opened its doors. With this new property, Hostelling International is better positioned to meet the strong demand for affordable and quality accommodation in Whistler for years to come.

## Sale of Edmonton Office

Another significant development within the network was the sale of our Edmonton office property. The Association sold the property that used to accommodate the regional office for HI-Northern Alberta and The Travel Shop. The sale was completed in September 2010 for a price of \$995,000. The proceeds of the sale have been currently designated for a new hostel proposed for Jasper.



Former HI-Whistler hostel on Alta Lake

# HOSTEL HIGHLIGHTS

## PROPERTY UPGRADES

Despite the challenging operating environment in 2010-11, HI-C-PM Region continued to invest in its hostels. Improving members' and guests' experience continues to be the top priority. Funds generated by the Association's casino licenses and the HI-K100 race help to pay for the capital improvements in the Alberta hostels.

### HI-ATHABASCA WILDERNESS HOSTEL

A new system for disposing of the hostel's greywater was installed. This will reduce the environmental impact of the property, fulfilling the goals of HI-C-PM Region and Parks Canada.

### HI-VANCOUVER JERICHO BEACH

The water-heating system was replaced with a new high-efficiency system that will reduce energy consumption and operating expenses at the property.

### HI-VANCOUVER DOWNTOWN ROOFTOP PATIO

In the spring of 2010, HI-Vancouver Downtown's rooftop patio was made accessible to guests thanks to the hard work of the hostel's maintenance department. The previously unused space has been decked out with outdoor furniture, a barbeque and plants (including herbs and strawberries for guests' use).

Since then, the rooftop patio has played host to a number of events including a volunteer recognition night and wine and cheese parties. The space provides another common area for guests to meet, socialize and relax in the open air and with great views.



### HI-NORDEGG, SHUNDA CREEK HOSTEL

The emergency exit doors were replaced, an initiative that is consistent with the Association's goal of ensuring all properties provide a safe environment for our members.

### HI-VANCOUVER DOWNTOWN

Four washrooms were completely renovated, including new tiling, fixtures and ventilation system. The hostel also refurbished the rooftop patio of the east building and opened up the space to guests.

## CALGARY DEVELOPMENT

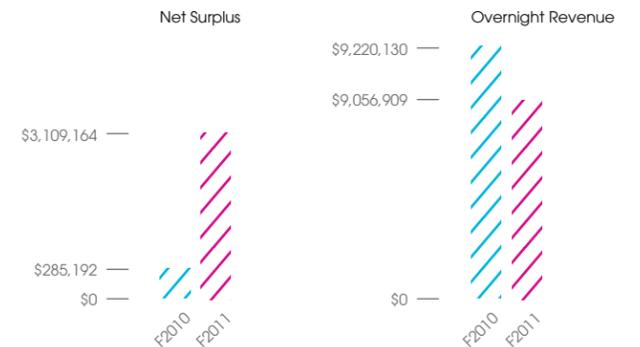
As part of the redevelopment of Calgary's East Village neighbourhood, the City of Calgary will not be renewing the lease for HI-Calgary. The lease expires in December 2015. Discussions have taken place with the City, commercial real estate agents and property owners as staff investigate options to relocate the hostel. All parties have been supportive of the Association's effort to find a new home for Hostelling International in the community.

## REGIONAL OCCUPANCY & PERFORMANCE

In Fiscal 2011, there were 378,275 overnight stays within the HI-C-PM Region network. This represents a 3.5 percent increase over the previous fiscal year. Much of the growth in overnights can be explained by the increased bed capacity resulting from the opening of the new HI-Whistler hostel. Otherwise, occupancy levels continue to experience declines in several key markets across Western Canada, including Vancouver, Banff and Lake Louise.

### Net Surplus vs Total Revenue

A net surplus of \$3.1 million was achieved on \$14.7 million in total revenue. The increase in net surplus in Fiscal 2011 is accounted for by the sale of two properties. The Edmonton property that was used by the HI-Northern Alberta office accounts for \$995,000. The sale of the original HI-Whistler property accounts for \$2.7 million.



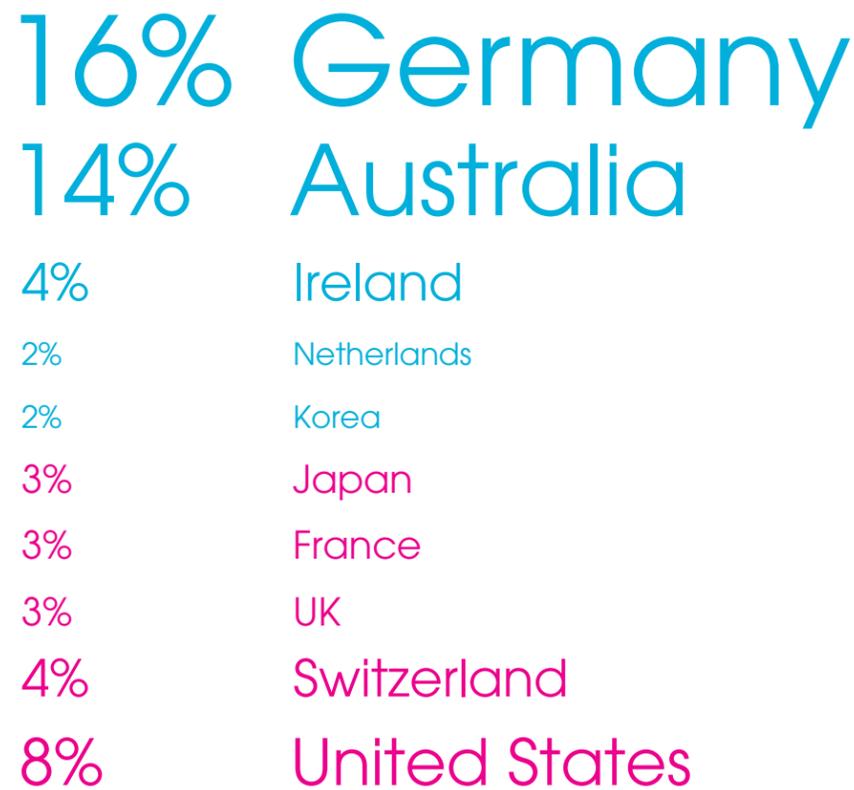
## Overnights

Region	Capacity	Fiscal Year	Overnights
Alberta	= 50,000	F2009	216,573
		F2010	195,242
		F2011	188,455
Regional Total	= 50,000	F2009	411,464
		F2010	378,363
		F2011	387,487
British Columbia	= 50,000	F2009	194,891
		F2010	183,121
		F2011	199,392
Average Occupancy	= 15%	F2009	62.6%
		F2010	53.7%
		F2011	55.0%

**OUR GUESTS**

International visitors comprise over two-thirds of the market, with the Canadian market showing minimal change in overnights. The small declines in international visitors were offset by a strong upturn in group overnights.

Germany, the region's number one inbound market continued to grow this year, posting a 14% increase from the previous fiscal year. Germany now represents 16% of the total international visitors to the region. Australia, Ireland, Korea and the Netherlands also posted solid increases in overnights. In contrast, the strong Canadian dollar continues to negatively impact overnight visits from the UK, US and Japan.



■ Growth over last year  
 ■ Decline over last year  
 % Share of total international market

**ONLINE PRESENCE**

Internet bookings are increasingly important for the region, now accounting for over 41% of total overnight revenue. Bookings on [www.hihostels.ca](http://www.hihostels.ca) showed modest growth but hostels saw significant increases in bookings through third-party websites like Hostelworld, [www.hihostels.com](http://www.hihostels.com) and Hostelbookers.

	F2010	F2011
Overnight Revenue from Online Bookings	\$3,411,448	\$3,713,333
Total Overnight Revenue	\$9,220,130	\$9,056,909
<b>Percentage of total overnight revenue generated through online bookings</b>	<b>37%</b>	<b>41%</b>

**PROGRAMS**

Because hostels are much more than just a place to sleep, every hostel in the region offers some form of programming for guests. This allows guests to get to know fellow travellers and this part of Canada during their stay.

Despite lower occupancy in the past two years at Vancouver hostels, participation in programs is up. In 2010, 6,635 guests joined in on HI-Vancouver's 528 tours, which is up 13% from the previous year.

A snapshot of programs across the region:

**Vancouver**

Activities at hostels in Vancouver are aimed at guests at all three hostels in the city so there's plenty on offer. Erik's Tour is by far the most popular activity, and for a low price guests can follow the intrepid tour guide on a walking tour of the city and then either to Lynn Canyon or the Capilano Suspension Bridge. There are also museum tours, hockey nights, Granville Island tours and seasonal parties—just to name a few.

**Whistler**

HI's brand new Whistler hostel is barely a year old but has managed to build quite a list of weekly activities in that short amount of time. Guests can join in on movie nights and pancake breakfasts or show off their skills in the hostel's yoga classes and foosball tournaments.

**Banff**

With its on-site pub, HI-Banff Alpine Centre is a hive of activity—from open mic nights to karaoke nights to pool competitions. So there's no need to even leave the hostel, but you can, on Sundays, for the hostel's pub crawl.



Yoga at HI-Whistler, Photo: 2011—C Gardiner Photography

# OUR MEMBERS

Hostelling International runs on the support of its members. As such, it's important for HI to give back to its members. HI-C-PM Region is constantly looking to add more value to the HI memberships it sells—whether that's to local members from British Columbia, Alberta and the Yukon, or travellers from other parts of the world who become members when they visit the region.

Beyond a nightly discount at every hostel in the region, members can tap into a growing network of member discounts on travel must-haves like transportation, attractions, services and activities. And like all good travel buddies, HI stays in regular communication with its members through monthly e-mails and social media.

## MEMBERSHIP

Hostelling International-Canada-Pacific Mountain Region has 21,935 members in British Columbia, Alberta and the Yukon, representing a modest one percent increase in the region's membership base over the previous year. An additional 17,079 international memberships were sold this year with more non-Canadian members joining upon arrival into Canada from other parts of the world. This doubles last year's sales of 8,599.

Twenty-five percent of Canadian members joined or renewed online at [www.hihostels.ca](http://www.hihostels.ca) but the vast majority of members, both Canadian and international, joined at the hostels.

MEMBERSHIP TYPE	2009/2010	2010/2011	% CHANGE
Adult members	14,787	14,495	-2%
Youth members	1,391	1,323	-5%
Lifetime members	5,550	5,897	7%
Group members	134	220	65%
<b>Total Canadian members</b>	<b>21,864</b>	<b>21,935</b>	<b>1%</b>

## BETTER VALUE FOR MEMBERS

There was a real push this fiscal year to add more value to the HI-Membership. Member discounts not only help travellers save money while they explore the region, they also allow local members to experience their own backyard.

New this year, HI members can save money inside the National Parks in the region with a 10% discount on Parks Canada Passes, including the annual pass. HI-C-PM Region also introduced the Wilderness Season Pass, which gives members unlimited stays at HI-Wilderness Hostels from November to May for only \$200.

The opening of HI-Whistler also prompted a big member discount push and Spa Scandinave, Whistler Brewing Company and the Squamish Lil'wat Cultural Centre are some of the new discount partners in the area.

As always, getting around this big region is important and HI members get discounts on various travel options including Greyhound, Moose Travel Network, Snow Bus and Tofino Bus.

## MEMBER COMMUNICATION

HI-C-PM Region continues to build bridges with its member community by communicating through a variety of channels, including a monthly e-newsletter, a regularly updated blog, a branded section in every issue of Outpost magazine and through social media sites like Facebook and Twitter.

The Backpacker Buzz e-newsletter delivers new content from the blog to readers' inboxes once a month. Over 23,300 subscribers receive the newsletter, of which over 90% are current or former HI members.

Outpost magazine goes out every two months to over 10,500 current HI members as a benefit included in their membership. Each issue contains six pages dedicated to Hostelling International and its hostels and activities in Canada and around the world.

## MEMBERSHIP SALES AGENTS

A widespread network of membership sales agents (MSAs) continues to promote the HI-Membership to a big portion of the Canadian travel market. Outlets like Flight Centre, Mountain Equipment Co-op, Travel CUTS and more sell memberships directly from their stores.

## MEMBERSHIP MARKETING

From sponsored events to consumer shows, a range of marketing promotions was rolled out in Fiscal 2011. HI reps spread the travel word at the Flight Centre Travel Expo, which attracted 6,000 eager travellers, as well as at the Go Abroad Travel Show, which drew 4,500 young people planning to head abroad for work, education or travel.

HI-C-PM Region continued to sponsor William Jans' hugely popular travel talks. This year, the energetic travelling photographer took his lively show to Vancouver, Seattle and Victoria and included mention of HI-Membership and the new HI-Whistler to a total audience of about 3,000 inspired travellers.

The student market has always been a key market for Hostelling International. This year, HI attended six full-day trade shows hosted by UBC and SFU student unions, in partnership with Travel CUTS. The Association continued to work with Travel CUTS' on-campus student representatives to promote HI in colleges and universities around British Columbia and Alberta, and even sponsored a student version of So You Think You Can Dance, a popular reality TV series, at the University of Victoria.

## MSA SPOTLIGHT: GREYHOUND

Greyhound is now the top-selling MSA across the region with a 46% increase in sales over the past year. Travellers, both domestic and international, can purchase a membership directly from a Greyhound station, which has the added incentive of an immediate 25% discount on Greyhound bus travel. This sales opportunity introduces hostelling to a new market of travellers that may not have previously considered staying at an HI hostel but who are inspired to with their membership purchase, which comes with information about the organization and a map of hostel locations across Canada.



## OUR PEOPLE

When employees see how they fit into the organization's mission and vision, the whole organization is more likely to have happier, more engaged employees.

### **SUPERVISOR/LEADERSHIP DEVELOPMENT**

A needs assessment was completed in early 2011 to identify training and development gaps across the association. More than 82% of front-line staff and every manager identified the need for a more standardized and comprehensive leadership development program. This program is set to launch in September 2011, and will include a variety of learning opportunities for high-performing individuals. Topics include health & safety, people planning & performance management, situational leadership, marketing, finance and human resources. It will be offered as in-person classroom modules, on-line webinars, and one-on-one mentoring.



## ORIENTATION PROGRAM

For Hostelling International to fully realize its mission and vision, it is vital that new employees have an understanding of the organization's operations, what is expected of them and how their work contributes to the organization. The purpose of orientation is to introduce and welcome new employees to HI-C-PM Region and to their specific hostel location. The orientation process provides information to new employees so that they may:

- Relate HI's mission, vision, values, ends and strategic goals to their role in the organization;
- Perform their duties using safe work procedures;
- Demonstrate an understanding of employee policies and procedures;
- Develop goals for personal customer service excellence.

When employees see how they fit into the organization's mission and vision, the whole organization is more likely to have happier, more engaged employees. Their employment with HI is as much an investment in their future as their manager's decision to hire them was an investment in HI's success.

## HOSTELCAREERS.CA

HI-C-PM Region's dedicated career site, [hostelcareers.ca](http://hostelcareers.ca), is a one-stop online shop for job opportunities across the region. This year, the site attracted 39,164 unique visits, a 14% increase over the previous year's traffic. On the site, visitors can view job postings for all vacancies from front line work to upper management and apply directly on the site, or they can read about HI-C-PM Region's culture, check out profiles of current employees or chat live with a HR representative.

The site received 3,880 job applications this fiscal year, in response to 107 job opportunities posted on the site. Most of the site visitors surf in from across Canada, but the top five visitor origins also include the United States, United Kingdom, Australia and Germany. Visits from Canada and Australia in particular have increased 20% in the past year.

## ENGAGEMENT SURVEY

The 2010 Employee Engagement Survey closed on Friday, August 27th after two weeks and 186 completed submissions. Human Resources ran two surveys, one for hostel managers and another for front-line employees, supervisors and assistant managers. The response rate for the two surveys combined was 69%—a very good response rate.

The survey's goals were to improve employee engagement by:

- Benchmarking employee engagement through a baseline survey process;
- Conducting hostel employee meetings and creating action plans to address survey results;
- Creating organizational level response to survey data.

Survey follow-up meetings were conducted in all properties during the month of October. Managers received a meeting planner that included speaking points and an action plan template for these meetings.

## LENGTH OF SERVICE RECOGNITION

### 5 years

- **Tom Hodgkinson**, Maintenance
- **Adam Schroeder**, Front Desk Agent
- **Juan Barbera**, Night Supervisor
- **Lin Xu**, Director of Finance
- **Stephen Campbell**, Hostel Manager
- **Gordon Sippert**, Front Desk Agent
- **Heather Russell**, Front Desk Agent
- **Graham Burgoyne**, Membership Assistant
- **Oren Fisher**, Front Desk Agent
- **Lisa Vella Rayman**, Alberta Marketing & Sales Coordinator

### 10 years

- **Jason Wong**, Hostel Manager
- **Caroline Krauss**, Housekeeper

### 15 years

- **Lisa Grey-Dreaper**, Hostel Manager

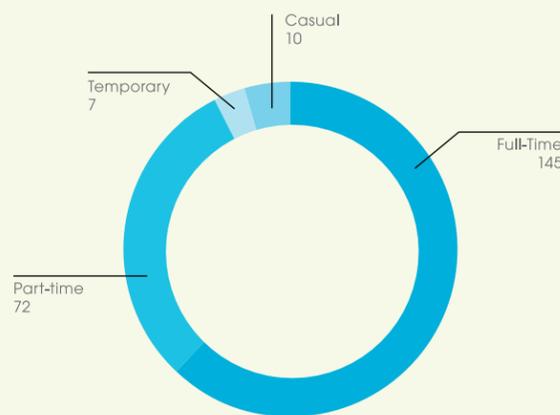
### 20 years

- **Robb Cryder**, COO

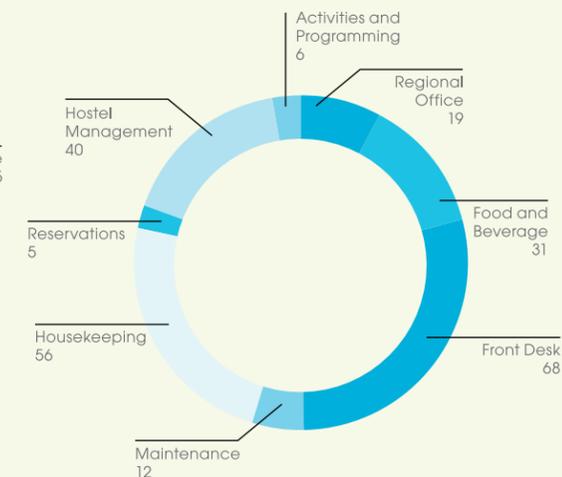


Robb Cryder, 20 years

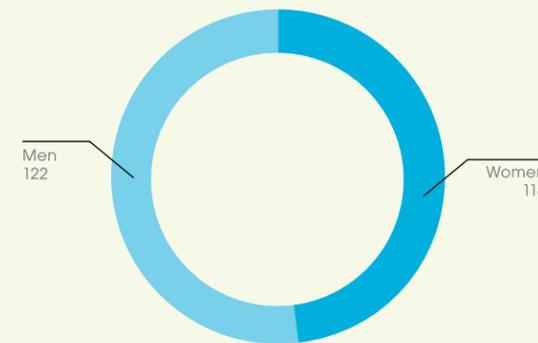
## STAFFING FACTS, AS OF MARCH 31, 2011: 236 TOTAL STAFF



EMPLOYEES—BY STATUS



EMPLOYEES—BY DEPARTMENT



EMPLOYEES—BY GENDER

# OUR COMMUNITY



2010 Palestinian and Israeli Coed Soccer Team



## HI PARTNERS WITH VANCOUVER INTERNATIONAL SOCCER FESTIVAL

In July 2010, HI-Vancouver Jericho Beach was pleased to host a ten-member Palestinian and Israeli Coed Soccer Team participating in the Vancouver International Soccer Festival. To help kick off the team's ten-day stay at HI-Vancouver Jericho Beach, Hostelling International hosted a welcome BBQ celebration for the five players from Palestine and five players from Israel who had flown to Vancouver to advocate peace through soccer. They met for the first time at the hostel, and furthered their peaceful aims by sharing accommodation and meals within the hostel.

## AWARD OF EXCELLENCE FOR HI-VANCOUVER DOWNTOWN

HI-Vancouver Downtown was recently awarded an 'Award of Excellence' from the New View Society, in partnership with Fraser Health. The award recognizes employers that give opportunities to the society's clients who are recovering from mental illness.

Since 2007, HI-Vancouver Downtown has employed an employee with a mental disability on a part-time basis in the housekeeping department, a role that benefits the hostel as much as it benefits the employee. She said: "Hostelling International has helped me become someone who can contribute to society. My co-workers have made me feel like I belong. Hostelling International has given me the confidence to carry on with my life."

The hostel's manager, Maicke Andresen added: "We are so proud to receive this award and to be able to give employment to her. She is a valuable part of the team and it is fantastic to see how this opportunity has really made a difference in her everyday life."



## 2010 RACES

A full roster of fundraising races attracted eager participants across the region this past year. First up, the HI-Spring Trio 5/10/15 km races in April brought out the running shorts despite it taking place between two springtime snowstorms in Calgary.

In June, the popular HI-Kananaskis 100-Mile Relay Race (HI-K100) drew participants from across the country and the U.S. as usual but also attracted an enthusiastic team from KLM in the Netherlands who were impossible to miss with their bright orange costumes and noisemakers.

In the fall, the HI-Banff Ekiden Relay took over Banff for the second year under HI-C-PM Region's watch and drew 20% more participants than the previous year's event and anticipates similar growth for 2011. Thanks goes out to Strides Running Store and Centaur Subaru for their sponsorship support of this event.

Before the snow fell again, the HI-Last Chance Half Marathon took place in mid-November and met its 500-person cap through online registrations only. A \$500 first-place prize was introduced for both men's and women's categories, thanks to support from Impact Magazine.

None of these races would be possible without the help of over 500 dedicated volunteers who dedicate their time over the race season. Thank you also to all of the sponsors and, in particular BDO, Gord's Running Store and Big Rock, all of whom support all of the races throughout the year.

All the funds raised from the HI-K100 and other races are designated for various capital improvements in the Alberta hostels.



## OUR VOLUNTEERS



This year, the Association will implement a tracking system to better track volunteer hours and activities. We thank all of our dedicated volunteers for their passion and assistance.

HI-C-PM Region wouldn't be able to do what it does without the help of almost 400 volunteers who donated thousands of hours of their time to assist with programming, events, community initiatives and administration across the region this year. From office work to leading travellers on tours, these volunteers come from all walks of life but have a passion for travel in common.

In Vancouver, long-time volunteer Erik Graff spent 594 hours this year leading his famous walking tours around Vancouver, Lynn Canyon and the Capilano Canyon. The spritely 75-year-old Dane greeted his 15,000th guest this past April. At HI-Vancouver Jericho Beach, staff and volunteers have been active in the Jericho Park Stewardship program and assist with park clean-up and greening efforts.

In Alberta, HI-Calgary City Centre welcomes volunteers from a local seniors centre to staff their Info Desk in the summer, while over 300 volunteers help with the annual HI-K100 fundraising race.

This year, the Association will implement a tracking system to better track volunteer hours and activities. We thank all of our dedicated volunteers for their passion and assistance.

At last year's AGM, HI-C-PM Region re-introduced Regional Volunteer Awards to recognize the dedication and hard work of notable volunteers. This year, Erik Graff of Vancouver and Kate Reeves of Calgary were recognized for their long service and outstanding commitment to the Association.



Erik leads HI-Vancouver guests on his popular Lynn Canyon Tour



Volunteers and runners at the HI-K100



## OUR PARTNERS

HI-C-PM Region works to establish strategic partnerships as a way to broaden the awareness of Hostelling International as a non-profit organization, beyond normal operating practices, to facilitate connections with the geographic and cultural landscapes that the hostels are a part of.

### Parks Canada

Parks Canada has worked with Hostelling International since the mid-1970s. In the past year, HI-C-PM Region worked to enhance that relationship through the signing of a Memorandum of Understanding with 100-year-old Parks Canada. In Jasper National Park, the Association is currently working with the Palisades Centre to create curriculum-based modules suitable for students and teachers in the Alberta school system. In Banff, HI offered one night in a hostel and a snow-shoeing excursion to ten people who'd recently become citizens, in an effort to introduce the parks network to new Canadians.

### Indigenous Peoples of BC and Alberta

This year, HI-C-PM Region became a stakeholder with the Aboriginal Tourism Association of British Columbia (ATBC). This organization has helped put HI-C-PM in touch with the Musqueam Nation in Vancouver, with the hopes of developing a cultural interpretive program out of HI-Vancouver Jericho Beach during the summer months.

### Profiling Sustainability

The work done by HI-C-PM Region to reduce its ecological footprint has been recognized nationally. As a result, HI-Canada has adopted a Do-it-Yourself Energy Audit workbook developed by HI-C-PM's Environmental Strategy Work Group. At a hostel level, innovative ideas have been put into practice in the form of a composting program at HI-Vancouver Central and an aggressive recycling program at most other properties.

### Alberta Government, Historic Resources Management Branch

Hostelling in Canada has its origins in Bragg Creek, Alberta, so it is only fitting that this proud history should attract the attention of the Historic Resources Management Branch of the Alberta Government. As a result, a weather-worn and deteriorating highway information sign that marks the location of the first Canadian hostel just outside the village of Bragg Creek is being replaced by a new and redesigned edition. It is expected to be in place before the snow flies in 2011.

### New Canadians experience Hostelling in Canada

On a winter day at HI-Mosquito Creek Wilderness Hostel, a group of new Canadians experienced a series of firsts—the winter splendour of Banff National Park and hostelling in the Rockies! Their activity filled day included a day of snowshoeing, a campfire and the chance to meet Atar, the parks Canada Avalanche dog. Hostelling International, in partnership with Parks Canada, looks forward to introducing more new Canadians to the mountains and parks of Western Canada.





# GOVERNANCE

The Board welcomes any and all members wishing to help shape the future of the Pacific Mountain Region in the coming months and years.

Because HI-C-PM Region is a membership-based association operating under a policy governance framework, its Board of Directors is responsible for providing high-level direction to the CEO that reflects the priorities of the membership. In order for the Board to be “in the know” about these priorities, it’s important to engage members in the governance work of the association. The Ownership Linkage Committee is a standing committee that is primarily entrusted with creating and maintaining these communication channels between our engaged members (also called owners) and the Board of Directors.

The Board recently approved a multi-year plan for this committee. In order for the plan to be successful and for the voices of owners to be reflected in the priorities of the association, we need to hear from our owners.

Some of the highlights of the three-year plan for the Ownership Linkage Committee include:

- Annual reporting on the progress of the association towards the priorities established by the Board (Ends Progress)
- Annual updates on all ownership linkage activities
- Comprehensive survey of all members (2011) and review of same by the committee which will include a small group of owners with recommendations to the Board and subsequent reporting to the membership
- Regional focus groups with owners to verify priorities (2012) with recommendations to the Board
- Weekend sessions with owners at a non-urban hostel to gather input with recommendations to the Board

We invite members to review the regional website [www.hihostelspm.ca/board](http://www.hihostelspm.ca/board) for more information on these opportunities. Direct contact with the Board can also be made at [board.pm.dialogue@hihostels.ca](mailto:board.pm.dialogue@hihostels.ca).



It’s important that this input is reflected in the products and services provided by the association, which is ensured through an annual monitoring process. Achieving results does take time, as incorporating shifting priorities into strategic and operational plans as well as a budget is a process that does not occur overnight. Nonetheless, the Board’s role is to ensure that progress does indeed occur and to report on this progress to our owners. The Board welcomes any and all members wishing to help shape the future of the Pacific Mountain Region in the coming months and years.

# FINANCIALS



Combined Financial Statements of

TRUE NORTH HOSTELLING ASSOCIATION  
O/A HOSTELLING INTERNATIONAL – CANADA  
PACIFIC MOUNTAIN REGION

Year ended March 31, 2011

Auditors' Report

To the Directors of True North Hostelling Association  
O/A Hostelling International – Canada  
Pacific Mountain Region

We have audited the accompanying combined financial statements of True North Hostelling Association O/A Hostelling International – Canada – Pacific Mountain Region, which comprise the combined statement of financial position as at March 31, 2011 and the combined statements of operations and net assets and cash flows for the year then ended, and the related notes including a summary of significant accounting policies.

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures

selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in 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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of True North Hostelling Association O/A Hostelling International – Canada – Pacific Mountain Region as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements of True North Hostelling Association O/A Hostelling International – Canada – Pacific Mountain Region, as at and for the year ended March 31, 2010, were audited by another auditor who expressed an unmodified opinion on those financial statements on May 13, 2010.

*PricewaterhouseCoopers LLP*

Chartered Accountants

COMBINED STATEMENT OF FINANCIAL POSITION

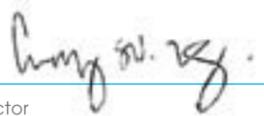
As at March 31, 2011

	2011	2010
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 406,425	\$ 1,119,452
Short-term investments (note 3)	2,239,283	1,992,072
Accounts receivable	316,783	276,441
Inventory	143,211	200,569
Prepaid expenses	190,046	182,764
	3,295,748	3,771,298
Restricted cash (note 10)	5,000	5,000
Capital assets (notes 4 and 8)	27,635,991	17,089,923
	\$ 30,936,739	\$ 20,866,221
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 948,865	\$ 1,076,233
Unearned revenue and deposits	150,842	130,861
Loans payable (note 5)	8,308,815	2,262,156
	9,408,522	3,469,250
Deferred contributions (note 6)	66,104	—
Deferred capital contributions (note 7)	852,251	946,272
	10,326,877	4,415,522
Net assets:	20,609,862	16,450,699
	\$ 30,936,739	\$ 20,866,221

Commitments and contingencies (note 10)

See accompanying notes to these combined financial statements.

Approved on behalf of the Board:

  
Director

  
Director

COMBINED STATEMENT OF OPERATIONS AND NET ASSETS

For the year ended March 31, 2011

	2011	2010
<b>Revenue:</b>		
Overnights	\$ 9,056,909	\$ 9,220,130
Memberships	747,997	514,492
Other, including food, beverage and merchandise	2,543,964	2,941,070
	12,348,870	12,675,692
<b>Expenses:</b>		
Hostel	\$ 9,893,400	\$ 9,791,916
Administration and membership	1,308,349	1,623,069
Amortization	1,180,681	869,654
	12,382,430	12,284,639
(Deficiency) excess of revenue over expenses from operations	(33,560)	391,053
<b>Other expenses (income)</b>		
Interest	\$ 189,399	\$ 88,358
Reorganization costs	—	17,500
Gain on sale of capital assets	(3,332,122)	—
	(3,142,723)	105,858
Excess of revenue over expenses for the year	\$ 3,109,163	\$ 285,195
Net assets, beginning of year	16,450,699	16,165,504
Contributed land (note 8)	1,050,000	—
Net assets, end of year	20,609,862	16,450,699
<b>Cash provided by (used in)</b>		
<b>Operating activities:</b>		
Excess of revenue over expenses for the year	\$ 3,109,163	\$ 285,195
Items not involving cash:		
Amortization of capital assets	1,180,681	869,654
Amortization of deferred capital contributions	(94,021)	(63,846)
Gain on sale of capital assets	(3,332,122)	—
	863,701	1,091,003
<b>Changes in non-cash working capital:</b>		
Accounts receivable	(40,342)	(163,360)
Inventory	57,358	(35,390)
Prepaid expenses	(7,282)	13,424
Accounts payable and accrued liabilities	(127,368)	(265,453)
Unearned revenue and deposits	19,981	(221,722)
Deferred contributions	66,104	(77,054)
	832,152	341,448

COMBINED STATEMENT OF CASH FLOWS

For the year ended March 31, 2011

	2011	2010
Financing activities:		
Proceeds from loan issuance	\$ 6,520,000	\$ —
Repayment of loans payable	(473,341)	(191,929)
	6,046,659	(191,929)
Investing activities:		
Purchase of short-term investments	(247,211)	(122,176)
Decrease in restricted cash	—	45,000
Purchase of capital assets	(11,067,424)	(1,471,472)
Proceeds on sale of capital assets	3,722,797	—
	(7,591,838)	(1,548,648)
Decrease in cash and cash equivalents	(713,027)	(1,399,129)
Cash and cash equivalents, beginning of year	1,119,452	2,518,581
Cash and cash equivalents, end of year	406,425	1,119,452
Supplementary information:		
Interest paid, net of interest received	189,399	24,333

See accompanying notes to these combined financial statements.

1. Operations:

The True North Hostelling Association, o/a Hostelling International – Canada – Pacific Mountain Region (the "Association") is a group of not-for-profit organizations whose mission is to "help all, especially the young, gain greater understanding of people, places and cultures through hostelling". The Association is a not-for-profit organization under the Income Tax Act and accordingly is exempt from income taxes. The Association's investments in 1025 Granville Street Trust and The Travel Shop Ltd. are not tax exempt entities. However, these entities have not generated taxable income.

2. Significant accounting policies:

a. Basis of presentation

The combined financial statements of the Association are the representation of management prepared in accordance with Canadian generally accepted accounting principles for not-for-profit entities as prescribed by the Canadian Institute of Chartered Accountants ("CICA"). The combined financial statements include the combined accounts of the True North Hostelling Association, the Canadian Hostelling Association – British Columbia Region, 1025 Granville Street Trust, the Canadian Hostelling Association – Southern Alberta Region, the Canadian Hostelling Association – Northern Alberta District, and The Travel Shop Ltd. Transactions between these entities have been eliminated upon combination.

The Association accounts for its investment in a 69.57% owned joint venture, which operates as the Canadian Alpine Center and International Hostel at Lake Louise ("CAC"), by the proportionate consolidation method whereby the Association's proportionate share of the assets, liabilities and the related revenue and expenses of the CAC joint venture are included in the combined financial statements (note 12).

COMBINED STATEMENT OF CASH FLOWS

For the year ended March 31, 2011

b. Cash and cash equivalents:

The Association considers deposits in banks, certificates of deposit and short-term investments with original maturity of three months or less as cash and cash equivalents.

c. Investments:

Short-term investments consist of guaranteed investment certificates, term deposits, corporate bonds and fixed income securities which can be realizable within one year. Investments are classified as held for trading and measured at fair value.

d. Inventory:

Inventory is stated at the lower of cost, on a first-in, first-out basis, and net realizable value. Cost includes all costs of purchase and net realizable value is the estimated selling price in the ordinary course of operations less the estimated costs necessary to make the sale.

e. Capital assets:

Capital assets are stated at cost less accumulated amortization. Except as described below for the Calgary Hostel, amortization is provided over their estimated useful lives using the declining balance method at the following rates:

Asset	Rate
Buildings and leasehold improvements	5%
Automobiles	30%
Computer equipment and software	30%-50%
Furniture and equipment	20%

Buildings include certain properties located on Federal, Provincial or Municipal lands whereby the Association has Licenses of Occupancy. These licenses are typically for a term of 10 years, with a nominal annual fee and historically have been renewed without issue. Therefore, the Association amortizes these buildings over the estimated useful life instead of the underlying land license. The Association reviews its properties annually, and if the useful life is determined to be shorter, will adjust the amortization prospectively.

The Association has received notice that Calgary Hostel license will be terminated by the City of Calgary, effective September 30, 2015. In the prior year, the Association has prospectively adjusted the amortization for this building to a straight-line basis over the remaining life of the hostel. The Association is currently investigating alternative sites in Calgary, Alberta.

f. Revenue recognition:

The Association follows the deferral method of accounting for contributions. Unrestricted contributions, including government grants, are recorded as revenue when received or receivable if the amounts can be estimated and collection is reasonably assured. Other unrestricted revenue, including revenue from hostel operations, is reported as revenue at the time the services are provided or the products are delivered. Revenue from the sale of memberships is recognized in the year the memberships are purchased. Investment income is recognized as revenue when it is earned.

Externally restricted contributions are reported as revenue when the restrictions imposed by the contributors on the use of the monies are satisfied as follows:

- i. Non-capital contributions for specific purposes are recognized as revenue in the year in which the related expense is incurred.
- ii. Contributions of or for the purchase of capital assets having a limited life are recognized as revenue on the same basis as the amortization expense related to the capital asset purchased is recorded. Where the capital asset involved is land to be held-for-use by the Association, the contribution is reported as a direct increase in net assets rather than as revenue.

For the year ended March 31, 2011

iii. Some of the contributions received by the Association are restricted for certain activities without the contributor specifying which portion is to be used to acquire capital assets. These contributions are recognized as revenue when spent for the particular purpose covered by the restriction, regardless of the fact that some of the expenses may relate to the purchase of capital assets.

Volunteers contribute a significant amount of time each year to assist the Association in carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services are not recognized in these combined financial statements.

**g. Financial instruments:**

The Association designated its cash and cash equivalents and short-term investments as held for trading and therefore are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and loans payable are classified as other financial liabilities and are measured at amortized cost.

The Association has elected to continue to apply the financial instrument disclosure and presentation standards in accordance with Section 3861, Financial Instruments – Disclosure and Presentation.

**h. Use of estimates:**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant areas of estimate include useful lives of capital assets and contingent liabilities. Actual results could differ from those estimates.

	2011	2010
Corporate bonds and fixed income securities	\$ —	\$ 418,267
Guaranteed investment certificates and term deposits	2,239,283	1,573,805
	2,239,283	1,992,072

**4. Capital assets:**

	Cost	Accumulated amortization	Net	Net
Land	\$ 5,713,574	\$ —	\$ 5,713,574	\$ 4,462,863
Buildings & leasehold improvements	29,495,081	9,103,193	20,391,888	11,358,354
Automobiles	230,620	151,015	79,605	86,649
Computer equipment & software	827,581	661,262	166,319	179,536
Furniture and equipment	4,004,763	2,731,036	1,273,727	743,488
	40,271,619	12,646,506	27,625,113	16,830,890
Hostel development planning & assets under construction	10,878	—	10,878	259,033
	40,282,497	12,646,506	27,635,991	17,089,923

\$10,878 in 2011 relates to the future hostel development planning in Jasper, Alberta. The assets under construction of \$259,033 in 2010 relate to a hostel in Whistler, British Columbia. The hostel is being amortized since June 2010 and is now included within buildings and leasehold improvements.

	2011	2010
Line of credit (a)	\$ 20,000	\$ —
CAC loan payable (b)	157,458	228,486
Whistler mortgage (c)	6,243,087	—
Fixed term loan (d)	1,888,270	2,033,670
	8,308,815	2,262,156

**5. Loans payable:**

a. The Association has a line of credit with a maximum limit of \$500,000, bearing interest at prime plus 0.75% per annum. As at March 31, 2011 the line of credit balance is \$20,000.

b. This demand term loan represents the Association's share of the CAC loan payable. It bears interest at prime plus 0.75% per annum, and matures July 31, 2013 with blended bi-weekly payments of \$4,300. Both this loan and the line of credit in a) are secured by the Lake Louise Hostel assets, and a debenture covering a fixed charge on the leases for land.

c. This demand term loan was obtained to finance the acquisition of the Whistler property. It bears interest at 2.95% per annum with blended monthly payments of \$45,600.

d. The demand term loan bears interest at 2.95% per annum, with blended monthly payments of \$17,000.

The loans a, c and d are secured by the following:

- i. General security agreement covering a first ranking security interest in all property of the Association;
- ii. Guarantee and postponement of claims in full amount each provided by the Canadian Hostelling Association – British Columbia Region, Northern Alberta District and Southern Alberta Region, supported by a general security agreement covering all present and after-acquired property and a floating charge on land;
- iii. Certificate of insurance on the 1025 Granville St. Hostel, New Whistler Hostel and Downtown Hostel showing the bank as a first mortgagee; and
- iv. Collateral mortgage in full amount constituting a first fixed charge on the lands and improvements on the above three hostels.

Notwithstanding certain of the loans are repayable on demand and/or maturing in the next twelve months, the Association is currently scheduled under the above debt agreements to make periodic payments over a period beyond one year. Principal repayments required on loans payable over each of the next four fiscal years and thereafter, assuming renewal at similar terms and conditions, are estimated as follows:

2012	\$ 596,448
2013	582,041
2014	539,315
2015	543,148
Thereafter	6,047,863
	8,308,815

	2011	2010
<b>6. Deferred contributions:</b>		
Balance, beginning of year	\$ —	\$ 77,054
Contributions received during the year	66,104	—
Contributions utilized for operating expenses	—	(77,054)
<b>Balance, end of year</b>	<b>66,104</b>	<b>—</b>

**7. Deferred capital contributions:**

Balance, beginning of year	946,272	1,010,118
Amortization during the year	(94,021)	(63,846)
<b>Balance, end of year</b>	<b>852,251</b>	<b>946,272</b>

**8. Contributed land:**

During the year, the Association received contributed land in connection with the purchase of the hostel in Whistler, British Columbia. The estimated fair value of the land was \$1,050,000 at the time it was contributed to the Association. The fair value of the land was determined by a third party appraisal.

**9. Capital management:**

The Association defines capital to be its net assets. In carrying out its purpose, the Association uses its capital to fund the annual capital upgrades to current facilities, fund future expansion projects and to meet its "End Statements". The Association is not subject to any other external capital requirements or restrictions.

**10. Commitments and contingencies:**

**a. Operating leases**

The Association leases certain premises under operating leases that will expire in fiscal 2028. Minimum annual rental payments under these premises leases are as follows:

2012	\$	102,107
2013		79,913
2014		2,776
2015		2,776
Thereafter		36,084

**b. National levy**

The Association pays a levy to the Canadian Hostelling Association based on membership sales and overnights recorded for the last completed fiscal year. The levy paid in 2011 totalled \$433,717 (2010—\$416,512) and is recorded in Hostels' expenses.

**c. Letter of credit**

A letter of guarantee of \$5,000 has been issued by the Association's bank for the Association's line of credit. The security for the letter of guarantee has been provided by \$5,000 restricted cash on deposit with the bank.

**d. Jasper Hostel**

The Association may be required to restore the site of a hostel in Jasper National Park under certain conditions. The extent of the restoration and the related cost is not reasonably determinable at this time and the Association has not accrued the potential cost in these combined financial statements.

**e. Litigation**

From time to time, in connection with its operations, the Association is named as defendant in actions for damages and costs allegedly sustained by the plaintiffs, usually related to employment matters. As the outcome is indeterminable, no provision has been made. Similar actions in the past have generally been resolved with minimal damages or expenses in excess of amounts covered by insurance. Settlements of claims, in excess of those provided, are accounted for as current period transactions.

**11. Financial instruments:**

**a. Credit risk**

Due to the nature of the hostel business, the Association does not face any significant concentrations of credit risk. The Association mitigates its exposure to credit risk by only dealing with reputable third parties.

**b. Interest rate risk**

The Association is exposed to interest rate risk as the demand term loan bears interest at variable rates and fluctuates with movements in the prime lending rate and as the loan payable rate is fixed annually upon renewal and fluctuates with the prevailing rates at the time of renewal.

**c. Fair value**

The carrying values of accounts receivable, accounts payable and accrued liabilities and demand term loan payable approximate fair values due to the relatively short periods to maturity of these items. The carrying values of the revolving line of credit and the loan payable approximate their fair values as the loans bear interest at floating rate or are set annually based on the current market rates.

12. Investment in joint venture:

The combined financial statements include the Association's proportionate share of the revenue, expenses, assets and liabilities of the CAC joint venture as follows:

	2011	2010
<b>Assets:</b>		
Current assets	\$ 156,016	\$ 102,351
Capital assets	2,181,163	2,311,891
	<u>2,337,179</u>	<u>2,414,242</u>
<b>Liabilities and Net Assets:</b>		
Accounts payable and other current liabilities, excluding current portion of loans payable	\$ 55,321	\$ 136,290
Loan payable	157,458	228,486
Deferred contributions	442,895	466,206
Net assets	<u>1,681,505</u>	<u>1,583,260</u>
	<u>2,337,179</u>	<u>2,414,242</u>
<b>Revenue</b>	<u>1,285,665</u>	<u>1,281,885</u>
<b>Excess of revenue over expenses</b>	<u>\$ 8,707</u>	<u>\$ 12,086</u>
Cash flow from operations	\$ 79,432	\$ 145,241
Cash flow from financing	(17,742)	(137,310)
Cash flow from investing	(5,166)	(69,672)

## LIST OF HOSTELS

**BC**

- HI-Vancouver Jericho Beach
- HI-Vancouver Downtown
- HI-Vancouver Central
- HI-Victoria
- HI-Penticton
- HI-Whistler
- HI-Yoho National Park—Wilderness Hostel

**Affiliate BC Hostels**

- HI-Tofino
- HI-Nanaimo
- HI-Shuswap Lake
- HI-Nelson
- HI-Cranbrook
- HI-Fernie

**Affiliate YT Hostel**

- HI-Dawson City

**AB**

- HI-Jasper
- HI-Banff Alpine Centre
- HI-Lake Louise Alpine Centre
- HI-Calgary
- HI-Edmonton
- HI-Nordegg
- HI-Rampart Creek

**Wilderness Hostels**

- HI-Athabasca Falls
- HI-Beauty Creek
- HI-Castle Mountain
- HI-Hilda Creek
- HI-Kananaskis
- HI-Maligne Canyon
- HI-Mosquito Creek
- HI-Mt Edith Cavell

**Affiliate AB Hostels**

- HI-Canmore



OUR MISSION

**TO HELP ALL, ESPECIALLY THE YOUNG, GAIN  
A GREATER UNDERSTANDING OF PEOPLE,  
PLACES AND CULTURES THROUGH HOSTELLING.**