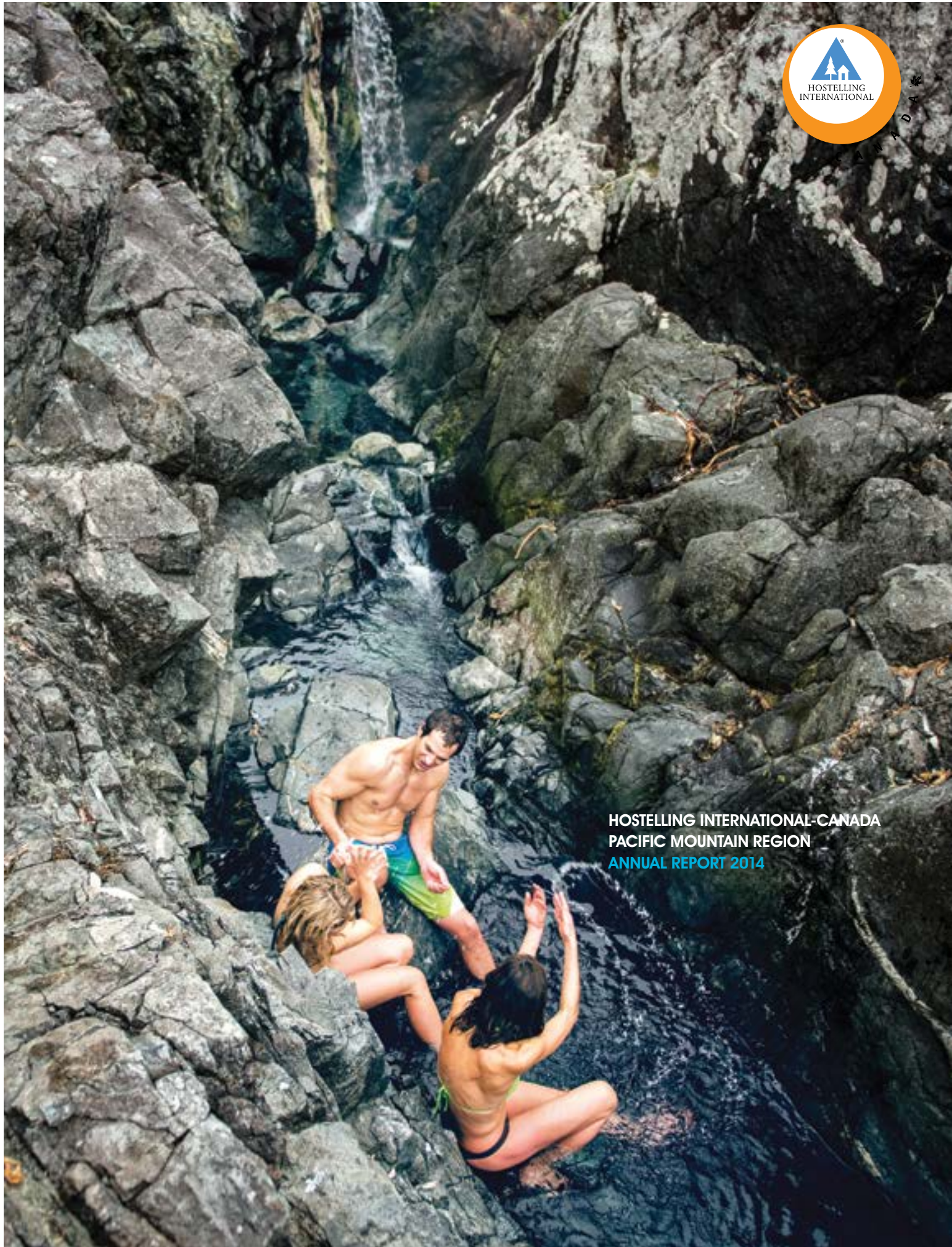




HOSTELLING INTERNATIONAL-CANADA  
PACIFIC MOUNTAIN REGION  
ANNUAL REPORT 2014





ENDS POLICIES

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

Members and travellers can experience Pacific Mountain Region’s unique geographical and cultural landscapes through a network of strategically-located hostels.

Members and travellers in the Pacific Mountain Region can participate in a genuine hostelling experience.

VISION STATEMENT

The Western Canada market leader in the provision of high quality, affordable and innovative network of hostelling accommo- dation 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



I am honoured to serve as the Chair of your volunteer Board of Directors as we wrap up our fiscal year. This is following the sudden passing on June 17, 2014, of our dear friend and colleague Brian Kelly, an incredibly talented and dedicated director who had just finished his 23rd year of volunteer board service to hostelling in our region and in Canada. The example Brian set was truly inspiring, and his mentorship will be a faithful guide as I now assume the duties as your Chair.

We welcomed four new directors in September 2013 and I am pleased to say that all—Charles Brown, Betty LaFave, Narmin Hassam-Clark and Michael Shui—have 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 the Association continues to reflect the values of HI-C-PM Region’s members. We continue to provide governance leadership and oversight for the Association while assuming leadership opportunities 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. I would like to commend our regional and hostel staff for their hard work over the past year.

The Board has been working on a number of initiatives and I am pleased to report that we have made substantial progress in the governance of the Association

on behalf of our members. Linking with the grass roots on governance issues is an important role for the Board in a member-based organization, and it’s one that we continued to prioritize over the past year. The Ownership Linkage Committee recently finished its three-year plan to engage with our members while seeking invaluable feedback around priorities that help us shape policy within the Association. I would like to thank our members who participated in linkage opportunities such as roundtable discussions, surveys and meet-ups over the last three years. Policy governance, environmental stewardship, partnerships, member engagement and volunteerism are but a few of the aforementioned initiatives.

I am also pleased to advise that we received several provincial and federal government grants for our accessibility projects in Alberta this year, as well as two member memorial donations, which have been designated for specific hostel projects to improve common area facilities improving member and guest interaction.

Furthermore, our recent move to electronic voting has allowed more members than ever to participate in decision-making, which was evident in the development of new Association bylaws. One major focus of the Board this year was re-incorporating under the Canadian Not-for-Profit Corporations Act (CNCA), which required the Association to enact these new bylaws. Members had the chance to review and comment on the bylaws in January and then they were voted on at a Special General Meeting in Calgary in May. The new bylaws were passed with 98% of voters in favour. Next, our legal counsel will complete the necessary application process and we hope more and more members will take the time to vote electronically for their governance leadership.

Finally, as one of the leaders in HI-Canada, we continue to strive to improve the function of the network and the effectiveness of our national organization. We continue to work with our regional and national partners to ensure that our work across Canada makes sense in today’s environment. We continue to make significant contributions to national projects both at the governance and operational levels.

As a fellow member and a passionate hosteller, I hope that you too will participate in a genuine hostelling experience at one of our many unique and special hostels in the Pacific Mountain Region this year. Sincerely,

*James Wyatt*

James Wyatt  
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 was another year of ups and downs for us in our region with the current uncertain global economic situation and the great June 2013 floods in Alberta. In 2013 and early 2014 we saw a continued upward trend in the Alberta hostels and HI-Whistler. Only recently we’ve seen a similar uptrend in Victoria with Vancouver still remaining up and down in their results. Overall, we have not only seen a regional market increase among our visitors but also a slight increase in our international guests this past year.

Staffing has remained very stable during the past year and several vacancies were filled via internal promotions. We introduced a new orientation program for new staff and continue to offer over 22 training programs throughout the region. We also trained new General Managers to act as program trainers as well.

Even with tight cash flow and the effects of the Alberta floods we were able to move forward on some capital projects at many of our properties, which you will read about later on in this report. I am pleased to say that we continue to look at expanding our network of hostels and are currently in discussions with several opportunities. Plans for future development at our Calgary and Jasper properties are in the works, and we hope to have some new announcements in early 2015.

We built on our external partnerships this year and I accepted the Canadian Tourism Commission’s invitation to chair their newly launched Youth Travel Program Council. We continue to meet with our local provincial and national members of government to introduce them to hostelling and its mission in our region.



The June 2013 floods in Alberta had a detrimental effect on our financial results, especially at HI-Calgary City Centre and thus onto our Rockies properties to a lesser degree. This hostel only reopened on June 1, 2014, nearly a year after it was forced to close due to floodwater damage. The total claim for the cleanup, rebuild and loss of business is over \$1.6M. On a positive note, we were able to add in three new private bedrooms during the renovations to the hostel’s basement floor. When you have a chance please drop in to see the new changes. There is still another upgrade phase to complete on the hostel once we are able to confirm a new lease for the property.

The flood also affected HI-Kananaskis Wilderness Hostel, but to a much lesser extent. The cleanup and repairs were completed last fall and the hostel was able to reopen on October 6, 2013.

In March 2014, under our memo of understanding with the Bavarian Region of the German Youth Hostel Association, a hostel manager from their region spent three weeks job shadowing in our regional office as well as urban, resort and wilderness hostels in both BC and Alberta. In May 2014, our HI-Vancouver Downtown manager, Maicke Andreson, spent three weeks in Germany carrying out a similar program in three Bavarian hostels and their regional office. Managers from both countries found this program very informative and a great learning and sharing experience.

### SUSTAINABILITY & NEW PROGRAMS

We continue to plan the next phase of implementing our three pillars of sustainability—environmental, financial and social—into our business plans.

### VOLUNTEER SUPPORT

I would like to extend a big thank you to our volunteers across the region who have donated over 5,200 hours to the association this year. You have helped our guests and your fellow members create lifelong memories and you should be very proud of that.

I would also like to thank the board members for their time and dedication to the region as well as all the staff.

I look forward to meeting you in my travels around the region during the upcoming year.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alistair McLean'.

**Alistair McLean**  
CEO  
Hostelling International – Canada  
Pacific Mountain Region



# BOARD BIOS



## JAMES WYATT—CHAIR

Vancouver, BC

Two-year term expires 2014 AGM

Having set foot on every continent except Antarctica, James has extensive travel experience and his passion for travel has always been present in his life. Born in England and raised in Canada, James has both British and Canadian citizenship. Currently residing in Vancouver where he works as a French teacher, he is well aware of the degree to which travelling and the subsequent socio-cultural experiences can enrich people’s lives.

He holds a B.P.E. from the University of Alberta, a B.Ed. from the University of Calgary, and a Diploma in French Language and Civilization from Université Paul Valéry in Montpellier, France. In addition to studying in Montpellier, he has worked in France as a teacher, an administrator, an athlete, a coach and a tourist guide. He has teaching, coaching and guiding experience with children and adults of all ages and has travelled in all of these roles in addition to his own personal adventures.

James has enjoyed hostels all across Canada and throughout Europe and strongly believes in the mission statement of Hostelling International. He is a long-standing member and current volunteer for HI-Canada in Vancouver. His most recent support of volunteerism has led to involvement with the 2010 Olympic Games and the Vancouver French Cultural Center. He believes that in addition to hostelling being accessible to everyone and immensely enjoyable, it is an activity that broadens one’s horizons and ultimately galvanizes the global citizen. He is excited to have the opportunity to assist the board of directors in continuing to improve hostels and hostel services. He is committed to broadening the appeal of hostels for all members.



## JASON DEMERS—VICE-CHAIR

Calgary, AB

Two-year term expires 2014 AGM

As a lifetime HI member and active hosteller, Jason is familiar with many of HI-C-PM Region’s hostels. He also served two terms as a board member of HI-C-Northern Alberta giving him relevant governance experience that will be an asset to this member-based association. Aside from hostelling, Jason also serves on the Board of Green Calgary Association and he has worked for over 10 years as a fundraising professional. He has the skills and knowledge to successfully maintain and build the region’s existing hostelling network. Furthermore, he also has the passion and commitment to continue to the great momentum the previous board has initiated.

When not working or volunteering, Jason can be found cycling, playing soccer or squash. He also enjoys travelling throughout the world and enjoys planning for his next trip. He looks forward to representing the membership on the board so that hostelling in Western Canada continues to be as strong, if not stronger, ten years from now when we enter another new decade.

## CHARLES BROWN

Whistler, BC

Two-year term expires 2015 AGM

Charles is a longtime hosteller and traveller and has been a life member of CHA/HI-Canada since the late 1960s. He has lived and worked as a university professor and researcher in Canada, Argentina, Denmark and Sweden and he speaks the languages of these countries as well as German and some Italian. Travels have taken him to South America, Asia, all over Scandinavia and Europe as well as North America.

Now retired after 30 years of university work, he can pursue his love of travelling and meeting people. Skiing and ski-mountaineering, hiking, cycle-touring and camping are his favourite activities. Charles has been involved in the outdoors all his life, and he was one of the founding members of Mountain Equipment Co-op and is a past president of the Varsity Outdoor Club at UBC. His mountaineering has taken him to the Rockies and Cascades, France, Austria, Switzerland, Italy, Spain,

and to the fjells and mountains of Lapland in Sweden and Norway. He has professional guiding experience with geologists in BC.

Charles has wide experience with organizations and groups of all sizes. He has participated in large European wide research projects leading to the development of the current SatNav GPS systems as well as smaller projects leading to patent applications in human interface devices. He has been a university athlete in track and has coached football, basketball and volleyball, and he has led bicycle tour groups in Europe. He is committed to environmental wardenship. He and his wife Sue run a small organic farm in their spare time.

Charles was born in England and educated in Canada. He graduated in engineering physics from CMR in St-Jean, Québec and has engineering degrees from UBC (BASc Eng-Phys, MASc Nuclear Spectra) and a PhD (AI Computational Linguistics) from SFU.







**NARMIN HASSAM-CLARK**

**Edmonton, AB**

**Two-year term expires 2015 AGM**

Narmin comes to the board after serving as a board member for HI-C-Northern Alberta in 2007/08, before it became a part of the Pacific Mountain Region.

Narmin is also a board member for the Edmonton Heritage Festival and serves on the executive of the Grant MacEwan Mountain Club. In addition, she has organized events for the Edmonton Outdoor Club, volunteered for the Christmas Bureau of Edmonton, and supported the World Partnership Walk, which is an annual event that raises awareness and funds for global development in Asia and Africa. She has worked in the public relations profession for more than 10 years.

She loves to travel and HI has helped to enrich her experiences at home and abroad thanks to fellow travellers, knowledgeable staff and a safe and comfortable place to serve as her home away from home.

She has enjoyed her lifetime HI membership not only in Alberta and British Columbia but also around the world, including South Africa, Australia, New Zealand, and most recently in Patagonia.

Apart from travelling and hostelling, Narmin enjoys volunteering, hiking, backpacking, camping, and climbing (indoor/rock/ice).



**BETTY LAFAVE**

**Edmonton, AB**

**Two-year term expires 2015 AGM**

Betty has lived in Alberta for most of her life, but has travelled all over the world. A Chartered Accountant for almost 30 years, she has worked for two international accounting firms, both in the private and public sectors. Betty has extensive experience with financial accounting, reporting and auditing and has served as auditor for many public, private, not-for-profit and government entities. As an auditor, Betty has worked with many Boards, both large and small, and has extensive audit committee experience. Betty has served on the Boards of several not-for-profit entities and is currently Treasurer of the Grant MacEwan Mountain Club.

Betty enjoys hiking, backpacking and skiing in the mountains and has stayed at several Alberta mountain hostels. She believes hostelling is a good way to travel economically and to meet other people who enjoy the outdoors. She is pleased to have the opportunity to use her knowledge for the benefit of the hostelling community.



**MICHAEL SHUI**

**Vancouver, BC**

**One-year term expires 2014 AGM**

Michael's hostelling adventure began when his friends persuaded him to take a trip to Thailand. A year later he went to London and Paris and stayed at various hostels. Raised in Sydney, Australia, Michael travelled to Cairns and Melbourne before embarking on a European trip.

Being able to stay in hostels kept his costs down and let him meet fellow travellers with similar interests. Michael's most memorable hostelling experience was meeting his future wife in New Zealand while trekking on the Abel Tasman Coastal Track. Together they hostelled throughout the south island of New Zealand visiting all the usual tourist spots before heading off to Australia. Before settling in Vancouver, they travelled to New York, Quebec City, Toronto and Montreal staying at hostels in each of the cities.

Michael's background is in the PMO working as a project coordinator, specifically in outsourcing accounts working with some of Australia's larger companies in finance and the airline industry. In Australia, Michael volunteered for the Children's Hospital in fundraising activities. While in Vancouver he volunteers his time with the Canadian Cancer Society working on database maintenance and IT migration from Office 2003 to Office 2010.



**MEGHAN TREPANIER**

**Vancouver, BC**

**Two-year term expires 2014 AGM**

Having grown up in the Thompson-Okanagan, Meghan became involved with hostelling during family trips to the wilderness hostels in the Rocky Mountains. Over the years, she continued travelling and hostelling across Canada and around the world. She's been to all but one of the HI-C-PM Region's hostels.

When she's unable to travel herself, Meghan still enjoys interacting with fellow hostellers as a volunteer guide with the local HI hostels in Vancouver, where she currently resides.

Meghan teaches French, Spanish and ESL and has taught in Kamloops, Vancouver, Quebec City and Mexico. She continues to work in education on a part-time basis as she pursues a law degree at the University of British Columbia. In addition to a Bachelor of Education from UBC, Meghan has a degree in International Studies and Modern Languages from Laval University and a Master's in Public and International Affairs from York University and the University of Barcelona. She has worked in program monitoring and evaluation with the Government of Canada as well as with a national non-profit organization in Toronto. In addition to travelling and hostelling, Meghan also enjoys cycling, hiking, camping and skiing.

# OUR HOSTEL NETWORK

Mountain adventurer?  
Urban explorer?  
Oceanside stroller?  
Adrenaline junkie?  
Peace-and-quiet seeker?  
Small-town wanderer?  
**We have hostels for you.**

### OUR HOSTELS

Hostelling International – Canada – Pacific Mountain Region has hostels from the peaks of the Rockies to the shores of the Pacific and almost everywhere in between. The 31 hostels in the region offer something for every kind of traveller in some of the most incredible places to see in this country.

**All hostels are bookable online at [www.hihostels.ca](http://www.hihostels.ca) or through our Central Reservations Department at 1.866.762.4122.**

**If you need help with membership or information on international hostels, you can contact our Member Services Department at 1.800.633.5777**



### HOSTEL SPOTLIGHT: HI-VANCOUVER JERICHO BEACH

The hostel by the beach is one of the most unique hostels in the world. It’s not often you find a hostel within a stone’s throw of the downtown core and a long sandy beach, but HI-Vancouver Jericho Beach has nailed it. The hostel sits within the city-owned Jericho Beach Park overlooking the North Shore Mountains. This kind of location is primed for summer activities and the hostel is open between May and September each year, giving guests easy access to the beach and even one of the city’s best summer music festivals—The Vancouver Folk Festival—which happens right next door in July.

The hostel was originally built in 1934 as barracks for the Royal Canadian Air Force who had set up a training base at Jericho Beach. After the Second World War, the base had been decommissioned and the barracks sat empty until the 60s, when a group of counterculture youth decided to assume occupancy — up to 400 people stayed there each night!

By 1971, the federal government was attempting to establish affordable accommodation for growing numbers of young travellers in the country. The City of Vancouver agreed to lease the building to the Canadian Youth Hostels Association for \$1/year. The 300-bed hostel was the largest in North America.

Today, the hostel not only offers a beach retreat in one of the country’s most beautiful cities, but it maintains its commitment to youth and the environment. This year, the hostel won two national awards.

#### Best Environmental Program

Each week, a volunteer leads the Seawall Bike Tour, which departs HI-Vancouver Jericho Beach and leads guests by bike around the Seawall cycling path that lines the city’s shoreline. Guests travel past Kitsilano Beach and over the Burrard Bridge, on to HI-Vancouver Downtown in the West End and down English Bay, around Stanley Park, under the Lion’s Gate Bridge and home again.

#### Best Special Event Program

HI-Vancouver Jericho Beach is a favourite among groups and the hostel has built a strong relationship with the Girl Guides of Canada. As an extension to the Discover Hostelling Program, the Girl Guides Sleepover event was coordinated by the region’s groups department to allow Girl Guides the opportunity to spend a night in a hostel while learning about hostelling. You can read more about the program on page 27.



# HOSTEL HIGHLIGHTS

## PROPERTY UPGRADES & UPDATES

HI-C-PM Region places a high priority on enhancing the guest experience through improved facilities and preservation of the Association’s physical assets. These capital improvements are paid for by revenue generated through operations and fundraising race events, casino licenses and government grants.

### HI-CALGARY CITY CENTRE

The basement of the hostel was completely flooded, with the water rising to within a foot of the main floor above. All furniture and equipment in the basement was destroyed. Restoration started with the removal of all debris and walls and thoroughly drying the area. After an extensive design phase, the space was rebuilt, which included an expanded housekeeping room, additional storage and three ensuite private rooms.

The hostel remained closed through the end of the fiscal year but re-opened on June 1, 2014.

### HI- KANANASKIS WILDERNESS HOSTEL

As with HI-Calgary City Centre, the damage to HI-Kananaskis Wilderness Hostel was mostly limited to the basement. The floodwater rose approximately two feet above the basement floor. The restoration process included the replacement of the back stairs, new windows on the basement level, new flooring and a reconfiguration of the hallway in the basement. The furnaces were also replaced. The hostel re-opened on October 6, 2013.

A highlight of the year for HI-Kananaskis Wilderness Hostel was participating in a competition for a grant from the HI-Sustainability Fund (HISF) from Hostelling International in London. The fund awards up to £25,000 (approximately \$45,000) for projects at hostels that reduce greenhouse gas emissions. HI-Kananaskis Wilderness Hostel proposed to reduce heating costs by installing a new insulated roof. Although the hostel did not win the public vote and therefore did not receive a grant, HI-C-PM Region saw value in the project and proceeded with the replacement of the roof.



### HI-MOSQUITO CREEK WILDERNESS HOSTEL

Continuing with the program to improve the toilet facilities at the wilderness hostels, the outhouse at HI-Mosquito Creek Wilderness Hostel was replaced. Improved ventilation and comfort put these new toilets at the same standard as those provided by Parks Canada.

### HI-VANCOUVER JERICHO BEACH

A former shared accommodation room in the basement was upgraded in a partnership with a local business. New flooring, electrical wiring and fixtures and painting greatly improved the look and feel of the space. Going forward, the plan is to use the area for various purposes, including as a meeting space for hostel groups and a workout room for local sports organizations.

## OTHER IMPROVEMENTS

- Information technology (IT) systems are critical to the success of any accommodation network. These systems interface with the Online Travel Agents and websites that book rooms and beds and, once in-house, manage all of the information associated with hostel guests. These days, guest Wi-Fi is a basic service expectation as well. An investment of \$55,960 was made to upgrade the Association’s IT systems.
- HI-Edmonton, HI-Lake Louise Alpine Centre and HI-Banff Alpine Centre received new mattresses for all or part of their inventory of beds.
- A new water storage system was installed at HI-Mount Edith Cavell Wilderness Hostel. This replaced the piping system that drew water from the adjacent creek. This installation was requested by the Alberta Health authorities.
- HI-Nordeg, Shunda Creek Hostel received two new stoves.

## OVERNIGHT PERFORMANCE

With the closing of HI-Calgary City Centre and HI-Kananaskis Wilderness Hostel for much of the fiscal year, it is challenging to make year-to-year comparisons using data for Alberta and the Region. For this reason, the report will for the most part highlight significant data without making comparisons to previous years. HI-C-PM Region accommodated 355,564 overnights, which has a dollar value of \$9,571,831.

At 60,120 overnights, HI-Banff Alpine Centre had the highest number of annual overnights in the region. However, the total is lower than last year due to the flooding and the closure of the Trans-Canada Highway. While hostels in Southern Alberta were negatively impacted, the hostels in Northern Alberta received increased traffic as travellers made plans to avoid the flooded areas of the province. In BC, the highlight was a resurgence of overnights in the key markets of Vancouver and Victoria. The overnight revenue in all of the hostels in these markets increased significantly which is a promising development for the Association.

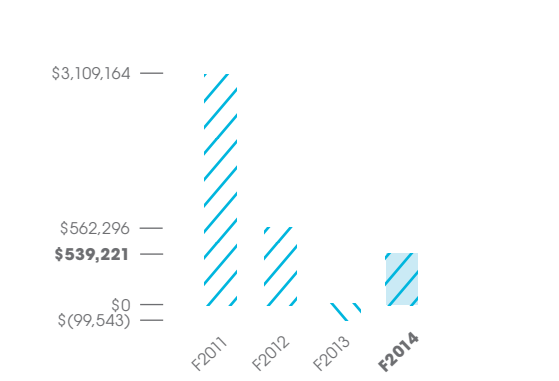
## FINANCIAL SUMMARY

On an operating basis, HI-C-PM Region finished the fiscal year in an improved position. For ordinary operations, gross revenue for the year was \$12,364,853 and Expenses were \$12,656,856. This results in a deficiency of \$292,003. However, factoring in the business interruption claim of \$1,070,642 (Note 12 in the Financial Statements) results in an excess of revenue over expenses of \$539,221, versus a deficiency of \$99,543 last year.

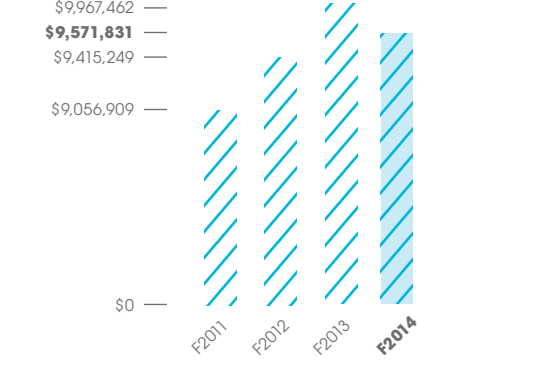
The balance sheet for the Association was also strengthened. Of particular note is that at the end of the fiscal year, Loans Payable had been reduced from \$7,142,113 to \$6,640,517. Historically low interest rates have assisted the Association in reducing its debt load, which is associated with the development of HI-Vancouver Central and HI-Whistler. HI-Lake Louise Alpine Centre no longer carries a mortgage.

## Net Surplus vs Total Revenue

Net Surplus (Deficit)







































Overnight Revenue



Note: The numbers above are impacted by the closure of HI-Calgary City Centre and HI-Kananaskis Wilderness Hostel due to flooding.

## Overnights

Alberta		 = 50,000
F2011	188,455	   
F2012	190,235	   
F2013	204,422	    
F2014	175,157	   
British Columbia		 = 50,000
F2011	199,392	   
F2012	189,294	   
F2013	180,157	   
F2014	180,407	   
Regional Total		 = 50,000
F2011	387,847	     
F2012	379,529	     
F2013	384,579	     
F2014	355,564	     
Average Occupancy		 = 15%
F2011	55%	  
F2012	53.2%	  
F2013	56.3%	   
F2014	52.8%	  

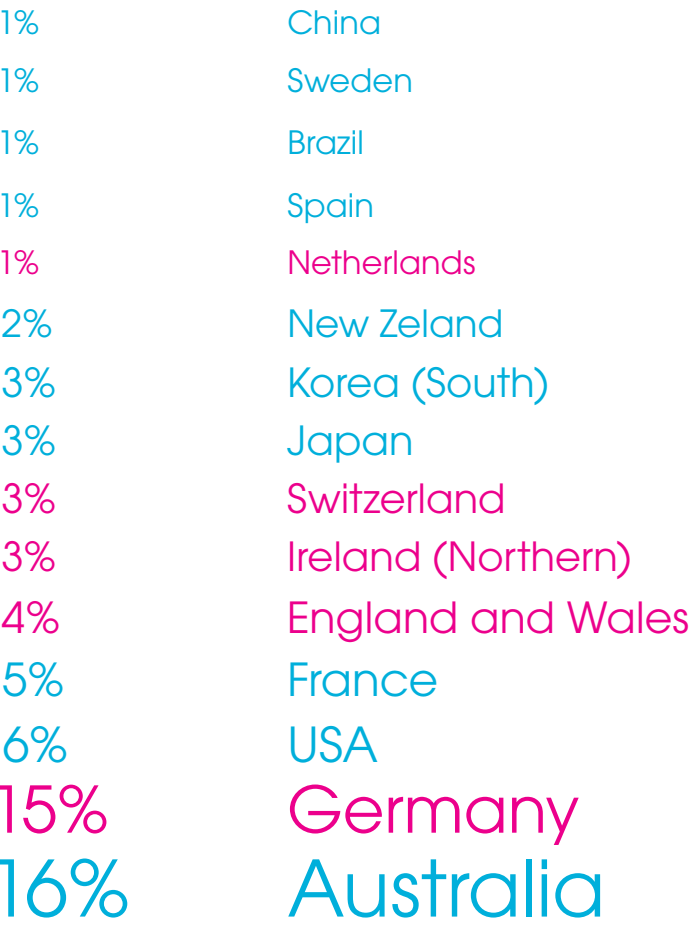
OUR GUESTS—CANADIAN MARKET

In our market we have seen encouraging increases in BC and Alberta residents staying at our hostels. The highest rise was in the BC market where a 2.8% gain was posted, whereas in Alberta the increase was marginal with a 0.1% gain. The lower Alberta number is quite likely an impact of the floods.

OUR GUESTS—INTERNATIONAL MARKET

Although our top 15 international markets remained the same, there were a couple significant statistics that emerged in the last Fiscal Year. As Canada becomes an increasingly attractive destination for Working Holiday makers- Australia became the top inbound market for Canada with a 16.3% Market share.

An encouraging trend was a small but significant growth in visitors arriving from the USA – now accounting for 6.3% of international overnights, an increase of 0.6%. Although some of this increase is undoubtedly a result of a weaker Canadian dollar, if consumer confidence can remain strong in the States, then we will expect to see continued gains in this important market.



ONLINE PERFORMANCE

Overall we saw a small decrease in the number of overnights booked online from previous years. The online space continues to be very competitive. Most of our OTA (Online Travel Agents) had similar market share than the previous year. However significant growth did happen from booking.com who have recently become more active in promotion and selling of hostels.

Although overnights from OTA's create significant revenue for the association, it is important that we continue to sell as many overnights as possible through our **www.hihostels.ca** channel. Strategies are currently being deployed to win back market share and we hope to see some gains in the upcoming year.

	2011	2012	2013
Total Online Revenue	\$4,399,063	\$4,673,747	\$4,790,465
Total Overnight Revenue	\$9,454,849	\$10,219,509	\$10,648,943
Percentage of Overnight Revenue Generated Online	47%	46%	45%

\*Figures above are calculated on a calendar year basis.





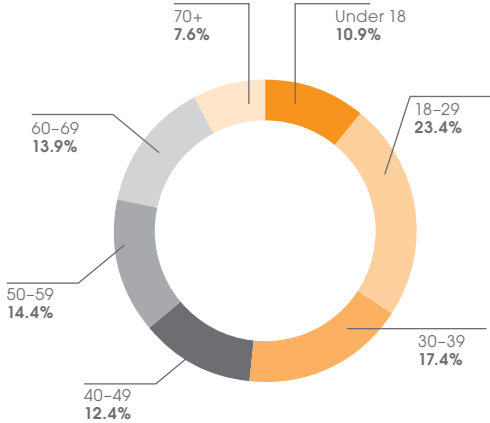
# OUR MEMBERS

Hostelling International continues to focus on delivering high value through partnerships and excellent customer service for those planning their next hostelling trip. Although this year was a disappointing one, we hope that an increased focus on social media will help reach new customers. In addition, the reopening of HI Calgary City Centre - a key sales location - will result in regaining some of the losses this year.

This year we added 3 new national HI Member Discounts which we hope both local and visiting international members will take advantage of and help increase number of members joining.

MEMBERSHIP TYPE	2012/2013	2013/2014	% CHANGE
Adult members	11,808	9,885	-16.3%
Youth members	1,142	1,009	-11.6%
Lifetime members	6,289	6,459	2.7%
Group members	209	243	16.3%
Total Canadian members	19,448	17,597	-9.3%

## MEMBERSHIP AGE



## NATIONAL PARTNER SPOTLIGHT: VIA RAIL

Canada’s only coast-to-coast passenger rail company, VIA Rail, became a membership discount partner this year offering 10% off the best available fare for HI-Canada members and three companions. Not only does this national discount add even more value to the HI membership for all Canadian and international members. It also helps encourage travel throughout the HI-Canada network—making it easier and more affordable for HI members to get around the country.

This partnership with a high-profile travel company also increases HI-Canada’s exposure among Canadians. VIA Rail has a dedicated Hostelling International page on its website, which not only explains the discount available to HI members, but also outlines the network of HI hostels in Canada and directs users to purchase a membership on [hihostels.ca](http://hihostels.ca).

## NATIONAL PARTNER SPOTLIGHT: TAXBACK

Taxback is an online tax claim service that helps users claim back taxes owing to working holidaymakers who have spent time working abroad. Reclaiming taxes paid as a temporary worker can be a complicated and time-consuming process. HI-Canada has partnered with Taxback to offer members a \$10 discount on these services to make that process more affordable.

This discount provides excellent value to one of HI-Canada’s key demographics—working holidaymakers. Both Canadian members who are travelling abroad as well as international members working in Canada can take advantage of this deal. HI hostels are well positioned to support young travellers on working holidays and by partnering with Taxback, HI strengthens its relationship with this key demographic.

## NATIONAL PARTNER SPOTLIGHT: PARKS CANADA

Parks Canada operates over 100 National Parks, Marine Conservation Areas and Historic Sites across Canada—many of which our hostels are located either in or close by.

HI Members can now save 10% on Single or Family Parks Canada Discovery Passes. These passes allow free access to all the sites mentioned above by Parks Canada

These passes can be ordered directly at 1.800.663.5777 and will soon be available online for purchase.

## MEMBER COMMUNICATION

In the last Fiscal Year there has been an increased focus on online communication with our members—see page 22 for details on Social Media.

Our region now co-produces with HI-Quebec and Ontario a National Blog and e-newsletter that covers stories and news from all HI regions. In the last year there has been an increased effort to expand readership of our blog. Here are the results from last 2 years.

## BACKPACKER BUZZ BLOG

	2014	2013
Total users	17,812	16,637
Individual sessions	21,561	20,789
Total posts	135	119

We also continue to communicate to members through Outpost magazine which currently HI-members can receive as part of their membership.



# IN THE COMMUNITY

Giving back to the communities our hostels call home has always been a priority of the Association and is now part of the region’s socio-cultural sustainability mandate.

This year, our hostels and our staff gave back in a wide variety of ways. Here are some of the highlights:

**COMMUNITY SPOTLIGHT: HI-EDMONTON AND THE EDMONTON FRINGE FESTIVAL**

HI-Edmonton donated its common room space as an official venue for the 2013 Edmonton Fringe Festival throughout the two-week event. This gave local actors an opportunity to produce and perform a theatrical piece, during the internationally renowned festival, without having to incur facility rental costs.

In August 2013 the theatre troupe Mischief Managed performed 17 shows in nine days at the hostel. HI-Canada was promoted in all of the associated promotional material and show attendees from across Edmonton got a glimpse inside the hostel.

The hostel will once again open its doors as a venue to another theatre troupe at the 2014 festival.

**CHARITABLE CONTRIBUTIONS**

**HI-Vancouver-Central** donated dozens of boxes of unclaimed clothing to a community thrift store that donates their proceeds to downtown Vancouver charities.

**HI-Vancouver Downtown** filled shoeboxes with essential items for women and unclaimed clothing and donated it all to a local women’s shelter. They also sold Christmas cards and donated the proceeds to an empty stocking fund, collected non-perishable food for a local food bank and continue to donate recycling refunds to various causes including the Dr. Peter Centre (HIV/AIDS foundation) and Covenant House.

**HI-Vancouver Jericho Beach** has an ongoing relationship with the Ride to Conquer Cancer, the Jericho Stewartship Group and the Subaru Vancouver International Triathlon. Each year the hostel hosts an appreciation BBQ and the Pacific Spirit Triathlon Club’s first night celebration.

**HI-Whistler** throws an annual Canada Day BBQ, which raises funds for the Northern Lights Wildlife Society. The hostel also offers free use of the meeting room for local birthday parties.

**HI-Penticton** participated in the local Salvation Army Food Drive in December, the Gregory Litwin Blanket Collection and the Raise-a-Reader Campaign.

**HI-Lake Louise Alpine Centre** participated in a community litter pick-up this year, and staff grew out their facial hair in support of Movember.



**HI-Banff Alpine Centre** staff sold \$2 bag lunches during the School Luncheon fundraiser, with funds going towards Banff Elementary School. They also offer free ice climbing to locals, enter floats into festival parades throughout the year and contribute to the Bow Valley Continuing Education Bursary.

**HI-Jasper** offers a caribou talk around the campfire at various Jasper National Park hostels with a Parks Canada biologist.

**HI-Edmonton** continued as an Adopt-a-Block captain for the 7th year as part of the Captial City Clean-up volunteer program.



HI-Edmonton





**STRATEGIC PARTNERSHIP: ADAPTED ADVENTURES**

This collaboration between the Canadian Paraplegic Association and HI-C-PM Region expands the reach of urban-focused adventure initiatives for the CPA's members by providing an avenue to include the wilderness and outdoors. With financial support from government sources, HI-C-PM worked to retrofit buildings and partnered with specialist organizations to arrange group wilderness adventure and outdoor activities such as hand-cycle tours, rock climbing and trail riding.

In July 2013, the first Adapted Adventure Wilderness Weekend was held at HI-Rampart Creek Wilderness Hostel with seven participants. Read more about this weekend on page 26—groups.

For 2014, another adapted adventure weekend is planned for HI-Mosquito Creek. This weekend will feature hiking and trail-riding in Banff. We look to doubling the number of participants in 2014 and to increase numbers in future years.

"What a wonderful weekend in the clean fresh air of the mountains. Couldn't believe I was rock climbing and using an outhouse. It's adventures like this that make you feel less handicapped and more positive."



**2013 RACES**

HI-C-PM Region's 2013 race season was a very unique one. We started as usual with our Spring Trio 5/10/15 km race on April 21 with nearly 300 participants and 30 volunteers getting an early start to the running season on a beautiful spring day in Calgary.

***Kananaskis 100 Mile Relay Race (K-100)***

Our Kananaskis 10 Mile Relay Race (K-100) scheduled for the 22nd was cancelled due to widespread flooding in Southern Alberta that began only a few days before. Floodwaters had completely wiped out the road in some areas and almost all of the bridges along the route.

In the wake of the flood, we donated the already-collected registration fees to two organizations that were impacted by the flood and that are also important to the K-100.

The Friends of Kananaskis have been instrumental in repairing damaged trails, including trails we use for the K-100. We also donated to the Village of Longview so they could rebuild the shower and washroom area in their campground, which is full of K-100 athletes the night before the race.

The race season continued in the fall with the Banff Ekiden relay on October 19 followed by the Last Chance half marathon on November 10. Combined, there were 1,000 runners and 100 volunteers at these two events.

**A huge thank you to our dedicated volunteers who come out to event after event, year after year, and to our major sponsors: Centaur Subaru, BDO, Gord's Running Store and Stride's Running Store for their ongoing support.**



# MARKETING REPORT

## SOCIAL MEDIA

With a new strategy in place at the hostel and regional levels, the marketing department’s social media efforts were able to reach new highs. At the hostels, staff and managers who maintain hostel Facebook pages were provided the necessary tools and resources to represent HI-C-PM online, with guidelines around content strategy as it relates to the Association’s brand and voice.

In an ongoing effort to bring a more national approach to our social media activities, the regional Backpacker Buzz Facebook page was merged with the Hostelling International – Canada page, and run collectively by staff in Pacific Mountain and Ontario & Quebec Regions. Because Hostelling International – Canada is recognized as a brand by its official name and not by its regional divisions, joining forces under one banner on social media allowed our members, guests and potential members and guests to find us more easily through these ever-growing channels. Content is shared in both French and English and shared content covers travel tips and stories from the Backpacker Buzz (English) and Nomad (French) blogs, as well as important news and promotions pertaining to our hostels, the HI-Canada membership, groups and special events.

As a result, our average monthly reach on Facebook increased 179% between Fiscal 2013 and Fiscal 2014 and our followership increased 255% by the end of Fiscal 2014 compared to the end of the previous year. Activity peaked in the summer of 2013, in connection with a national Instagram campaign.

## CAMPAIGN SPOTLIGHT: BOB CANADA

Last summer, in partnership with HI-Quebec and Ontario Region, HI-C-PM launched a national Instagram campaign to engage with guests and members via social media. The Best of Backpacking Canada (BOB Canada) campaign encouraged hostel guests and members to share their photos of the best things to see and do while travelling in Canada with us via Instagram, using the hashtag #bobcanada. Each week, a winning photo was selected and the winning photographer received a free night for two in any HI-Canada hostel as well as a \$50 Mountain Equipment Co-op gift card.

The initial summer campaign generated over 1,000 original photos, many of which were shared on our own social media channels like Facebook and Twitter, generating further engagement with social media users who respond best to visual content that otherwise would be difficult and costly to obtain. Total daily reach peaked in August 2013, in the middle of the campaign, with over 45,000 Facebook users reached by our content. In the same month, our followership grew on Facebook by 20%.

## INDUSTRY CONFERENCES

During the course of year, the marketing department attends industry conferences to promote the hostel network to both a local and global audience.

This year, HI-C-PM had representation at the following: We attended WYSTC (World Youth Student Travel Conference) held this year in Sydney, and we were joined by the marketing team from HI-Quebec and Ontario Region to promote hostelling in Canada to international buyers. This year was particularly significant as the Canadian Tourism Commission were also in attendance as part of their planning process for creating a youth village at WYSTC 2014 in Dublin, Ireland.

Closer to home we also were in attendance at the Travel Alberta Showcase in Edmonton. Our Alberta marketing coordinator spent time with key visitor centre employees to ensure they were equipped with all they need to promote our hostels in Alberta.

## CTC YOUTH COMMITTEE

This year, the Canadian Tourism Commission created a Youth Travel Program as part of their plan to celebrate the 150th anniversary of Canada in 2017. The plan involves the youth of our country showcasing Canada as one of the best travel destinations in the world for this key demographic. The youth travel program is being advised by a committee of industry experts across Canada. Chairing this committee is Alistair Mclean, the CEO of HI-C-PM Region.

## MEDIA COVERAGE

HI-C-PM Region continues to promote the network of hostels through various public relations initiatives.

This year significant coverage was achieved in both local and international publications. Of particular note was coverage of HI-Whistler as a boutique hostel in the internationally acclaimed online magazine The Huffington Post and on American news network CNN’s website. Locally, our Alberta hostels have been profiled as a great family choice by award-winning travel blogger Tanya Koob.







**NEW INITIATIVE: TRIP PLANNER**

One of the biggest misconceptions travellers to Canada have has to do with the size of our country. Those who think they can hit Lake Louise on a day trip from Vancouver are in for quite a surprise when they start to plan out the route. The marketing department launched a new trip planner feature on [hihostels.ca](http://hihostels.ca) that will give travellers some route-planning guidance as they plan their trip in Western Canada. The online component complements printed brochures that guests can pick up at each hostel in the region.

There are six routes that travellers can choose from and each lays out a suggested route and itinerary including HI hostels and activities along the way. This new initiative promotes the backpacker trail throughout the HI-C-PM Region and encourages backpackers to stay at HI hostels along the way, with direct booking calls to action clearly noted throughout the material.

**The Routes:**

**The Orca**—Around Vancouver Island and up to Prince Rupert, from Vancouver.

**The Eagle**—The coastal must-sees for those with limited time, including Vancouver, Victoria, Nanaimo and Whistler.

**The Ogopogo**—Into BC’s interior from Vancouver and back again via the scenic route, covering Penticton, Shuswap Lake and Whistler.

**The Sasquatch**—A one-way overlander between

Vancouver and Calgary, via the small mountain towns of Penticton, Nelson, Cranbrook and Fernie.

**The Big Horn**—A road trip through the Rockies roundtrip from Calgary, covering Banff, Lake Louise, Rampart Creek, Jasper and Edmonton.

**The Wolverine**—An off-the-beaten-path wilderness adventure through the mountains, hitting up all of the wilderness hostels along the way.

**PARTNER SPOTLIGHT: HI-CALGARY CITY CENTRE AND THE CITY OF CALGARY**

After days of heavy rains in June 2013, much of the city of Calgary sat under water, triggering the largest evacuation order in the city’s history. Our own HI-Calgary City Centre was, true to its name, at the centre of it. Floodwater filled the hostel’s basement to within a foot of the main floor and the hostel—full with 93 guests—was forced to evacuate in the very early hours of June 21.

Immediately, various City of Calgary departments sprang into action in an unprecedented display of compassion, professionalism and neighbourliness to ensure the safety and security of our guests, staff and property. The City was named HI-Canada’s Partner of the Year this year. Normally, partners are relationships built around improving the products and services we offer our guests and members, but in this case, the relationship developed spontaneously, in a moment of need that required quick thinking by all involved.

First, the Fire Department arrived to evacuate about 100 guests and staff and their belongings via Zodiac (because the water was too high to simply walk out). Calgary Transit then transported guests safely and swiftly to evacuation centres at the University of Calgary and a rec centre. Calgary Police Service added extra patrols to protect the unoccupied hostel in the weeks following the evacuation, while the city’s Engineering Department coordinated the shut-down of essential but dangerous services such as hydro and gas during the flood, to prevent injury or catastrophe and approved the new development permits quicker than usual, so reconstruction could begin.

As the rain clouds cleared and the city began to recover, the Calgary Municipal Lands Corporation worked tirelessly to coordinate the clean-up around the hostel, in order to speed up the rebuilding process.

That process took a lot longer than anticipated, due to a shortage of tradespeople to carry out the renovations, since demand was high in the city after the floods.

“It was hard to get tradespeople and general contractors to come in when the whole city or the whole province got flooded,” hostel manager Jason Wong told the Calgary Herald.

The entire basement had been destroyed, and where there had once been a laundry room and a games room sat waterlogged furniture and crumbling walls. During the rebuild, the basement was reconfigured to include three new private ensuite rooms alongside the renovated laundry and games room. The main floor lobby and kitchen were also renovated. Finally, on June 1, 2014, almost a year after the day the hostel flooded, HI-Calgary City Centre opened its doors again.

Because of all of their help, the City of Calgary was nominated as HI-Canada’s partner of the year alongside three other nominees. The general public cast their votes online and the City of Calgary won the award with 32% of the vote.

HI-Calgary City Centre opened in 1976. It’s an important part of the HI-C-PM network, serving as an urban gateway to adventures in Banff National Park.





# OUR GROUPS

HI-C-PM Region has a long record of working productively with groups coming to stay overnight in our region. This year, group bookings generated 28,639 overnights in association-owned hostels.

### ALBERTA RECREATIONS AND PARKS & ALBERTA COUNCIL OF ENVIRONMENTAL EDUCATION

- We are currently collaborating with Alberta Recreations and Parks Association (ARPA) and the Alberta Council of Environmental Education (ACEE) in these ways:
- Supporting the JOY in Nature initiative, a contest that invites schools and youth groups to enter a writing competition to win two days in the Jasper National Park, including planned activities and a night at HI-Jasper.
  - Hosting open house gatherings at HI-Kananaskis Wilderness Hostel during which the ARPA and the ACEE can lead a discussion with teachers and service providers from Kananaskis Country, Red Deer, Calgary and Canmore about what is needed and can be provided to promote outdoor education in Alberta. Participants include representatives from the Calgary Board of Education, Company of Adventurers, University of Calgary Outdoor Education Centre and more.
  - Participating in ACEE-led discussion to revise Alberta Outdoor Education curriculum

### “NAME YOUR PRICE” PROMOTION AT HI-VANCOUVER JERICO BEACH

Since 2010, HI-Vancouver Jericho Beach has been available to groups of 10 or more people during the off-season (October – April). In order to compete with the various hotels and alternative accommodation providers in Vancouver, we introduced the “Name your Price” promotion during this period to encourage groups to use our hostel.

Groups get the opportunity to tell us how much they want to pay and if it is above our calculated costs, we will accommodate them. This is ideal for groups looking to stay outside of Vancouver’s downtown core. This year, we saw an off-season increase of 286% in group stays over the previous year.

**WHISTLER 5-ON-5**

HI-Whistler hosted the teams from across North America for the inaugural Whistler 5-on-5 Ultimate Frisbee tournament in May 2013. The tournament, which is the first of its kind to be hosted in Whistler, will be an annual event that brings an ever-increasing number of 5-on-5 teams to the area each year. HI-Whistler is the only accommodation provider for the teams and has been exposed to participating athletes from across North America.



### 1ST ANNUAL GIRL GUIDE SLEEPOVER AT HI-VANCOUVER JERICO BEACH

This year, we introduced a sleepover event that expanded on the current Discover Hostelling Program offered to Girl Guides of Canada at various hostels throughout the region. The event consists of an evening of staff-led activities, presentations from Travel CUTS, a sleepover at the hostel and activities at Jericho Beach and Jericho Park the next morning.

The purpose of this event is to introduce Girl Guides to hostelling, to teach them about how Hostelling International began and to inspire them to travel within our region and beyond. Due to high demand, we held two events over two weekends and divided the groups into younger Girl Guides (ages 8 to 13) and older Pathfinders and Rangers (ages 13 to 18).



# 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.

A total of 173 employees participated in the 2013 Employee Engagement Survey, which is a 72% completion rate, the highest level of participation ever. The overall agreement score for the survey process was 79%, which is also an increase over 2012.

HI-C PM Region also administered the survey for the Quebec/Ontario Region so we can begin gathering and benchmarking data. The association report, distributed to employees in late November, was revised to be simpler and easier to read.





ORIENTATION

A five-person workgroup that consists of managers and supervisors led by the Manager of HR Training and Development, Jessica Cerato, completed a review and relaunch of the New Employee Orientation program.

Using data from post-orientation surveys and focus groups, the workgroup systematically reviewed each of the four modules, introduced new videos and incorporated feedback from front-line employees.

LENGTH OF SERVICE RECOGNITION

20 years

- **Ken Campbell**, General Manager  
HI-Banff Alpine Centre
- **Mark Howes**, Front Desk Agent  
HI-Vancouver Central
- **Daran Whysall**, Front Desk Agent  
HI-Victoria

15 years

- **Thomas Eberhardt**, Assistant Manager  
HI-Victoria

10 years

- **Angelina Stojanovic**, Housekeeping  
HI-Vancouver Downtown
- **Abida Mohamed**, Housekeeping  
HI-Calgary City Centre
- **Grant Millar**, Membership Manager  
Regional Office
- **Linda Dip**, General Manager  
HI-Lake Louise Alpine Centre
- **Manna Reyes**, Housekeeping  
HI-Vancouver Central

5 years

- **Liang Zhou**, Accounting Clerk  
Regional Office
- **Guillermo Eede**, Front Desk Agent  
HI-Vancouver Central
- **Nahida Chowdhury**, Housekeeping  
HI-Calgary City Centre
- **Michel Tremblay**, Manager  
HI-Jasper
- **Delbert Cook**, Night Auditor  
HI-Whistler

PROMOTIONS & NEW POSITIONS

- **Ruben Tillman**, Assistant Manager  
HI-Vancouver Central
- **Francois Dumais**, Assistant General  
Manager - HI-Whistler

EMPLOYEE HANDBOOK

This year, the Association systematically reviewed all existing HR policies, identified gaps that required new policies and consolidated them into one document that will be known as 'Human Resources Policies and Procedures'. This document will be published for all employees on our intranet, CONNECT. To make things simpler for employees we also publish a New Employee Guide.

The New Employee Guide replaces the previous Employee Handbook and more closely reflects our branding—inspired by the travel maps and brochures that employees are familiar with. Our mission, vision and values are also given more prominent focus in the new guide and we have incorporated images and colour to reflect the other Core Orientation materials. On a practical note, the Employee Guide has a larger, more readable font while using 70% less paper with a significant saving on printing costs.

EMPLOYEE RECOGNITION

HI-C-PM Region's employee recognition program You Kick Ass! continued its success. And in Fiscal 2014, we received a total of 1,327 nominations. Now even guests can nominate employees, too, through links on each hostel's homepage.

STAFF SPOTLIGHT—RYAN

Ryan Murfitt from HI-Lake Louise Alpine Centre (now General Manager at HI-Whistler) was the You Kick Ass! grand prize winner in 2013.

Ryan was nominated in all four categories by HI-Lake Louise Alpine Centre General Manager Linda Dip for going above and beyond, quite literally, by running up a mountain at night to take photos for some hostel artwork.

Ryan was working a seasonal tourism job on the other side of Canada when he thought he should check out the mountains for a winter. He got a job for the season at HI-Lake Louise Alpine Centre and after one winter, he returned to the East Coast but over the summer he decided he wanted to head back to Lake Louise. Back in the mountains, Ryan got the opportunity to become the hostel's assistant general manager a few months later.

Ryan loves sharing stories with guests and hearing about all of their hikes, climbs and adventures in the area, because when he's not working, he's busy doing those things himself (or with his dog, Penny). According to Ryan, standing atop a mountain summit is the best feeling you can have in the Rockies, and the view ain't bad, either.

Ryan's next dream vacation would be to travel around the Himalayas (notice a trend?). But in the meantime, he really wants to go to all the hostels on Vancouver Island, as he's never been there. Plus, thanks to our new affiliate hostel in Prince Rupert, Ryan thinks it's about time he checked out Haida Gwaii.



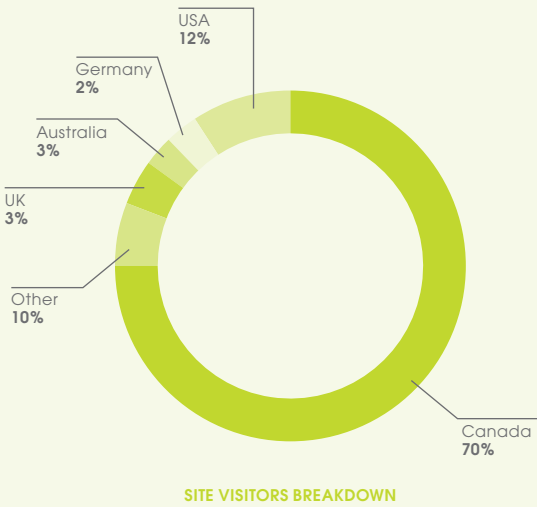
DID YOU KNOW—HOSTELCAREERS.CA STATISTICS

Hostelcareers.ca is the central jobs site for employment opportunities throughout HI-C-PM Region. There, visitors can view and apply for jobs, read about the benefits of employment with HI-C-PM and check out profiles of current employees.

17,508  
UNIQUE SITE VISITORS

129  
DIFFERENT COUNTRIES

112,331  
PAGE VIEWS



DID YOU KNOW—TRAINING STATISTICS

- The Leadership Development Program (total of 8 modules) was offered two different times to a total of 25 employees.
- Three managers were trained to facilitate modules.
- First Aid was offered at 7 different locations, and we certified 94 staff.
- The Revised Orientation Passport was launched —created by a workgroup made up of managers, supervisors and HR staff.





## OUR VOLUNTEERS

Our volunteers help us run our hostel programs, assist with administrative duties at our regional office and ensure the seamless execution of our fundraising races.

This year volunteers donated 5,200 hours of their time across the region. Our volunteers help us run our hostel programs, assist with administrative duties at our regional office and ensure the seamless execution of our fundraising races. Here are some of their stories.

### VOLUNTEER STORIES

#### Brendan Joy, Will Pascal & Matt Holdway

Brendan, Will and Matt make up the band The Eagle Has Landed and they donate their time and musical skills each Wednesday night at HI-Banff Alpine Centre’s Open Mic and Jam Night at The Storm Cellar, the hostel’s own bar. They interact with the crowd and encourage guests to come up and show off their own musical skills, in addition to playing their own original tunes and covers. As travellers themselves, they know how nice it can be as a musician to stumble upon some instruments and a stage while you’re on the road.

#### Erik Graff

Erik is one of HI-C-PM’s longest standing volunteers and has been running tours in Vancouver for 19 years. The native to Denmark once worked as a bus driver and got to know the city and its hidden gems well — even better than a lot of born-and-bred Vancouverites! So, when he retired, he lent his knowledge of the city to HI-Vancouver Downtown. He now runs weekly walking tours in downtown Vancouver and to Lynn Canyon and the Capilano Suspension Bridge between April and November.

#### Ron Au-Yang

Ron has been volunteering with HI-Vancouver Central for almost eight years, and shares his love of the city’s nightlife by taking guests out on the town. He’s always got his camera in tow, too, and makes sure he takes photos of his groups enjoying pub crawls and other evening activities, so they can be shared around the world on the HI-Vancouver Facebook page.

#### Maeve Reynolds

Maeve Reynolds is a local Vancouverite who has dedicated a lot of her time to volunteering with HI-Vancouver hostels whenever she can. She always loved hostelling when she was younger so she jumped at the chance to help out when opportunities arose. She leads six different tours and activities that are both year-round and seasonal, including helping run the rooftop BBQs held at HI-Vancouver Downtown during the summer.

#### Doug Dryurgh

When Doug isn’t travelling around Vancouver Island with his motorcycle and his camera, he helps run hikes and tours with guests at HI-Victoria. That way he gets to combine the best part of travel—meeting new people—with one place on the planet he knows and loves. Volunteering in this line of the work has made him seriously consider a career in hostelling.



# OUR AWARDS



## AWARDS

**Catherine and Mary Barclay Award**—presented to a volunteer who has shown remarkable leadership within the association, both at regional and national levels. **Winner—**Brian Kelly, HI-C-PM Region Board of Directors Chair

**Dorothy Simonetti Award**—presented for outstanding service by a staff person in the HI-Canada partnership. Their leadership at the regional and national levels will have demonstrated such service. **Winner—**Jessica Cerato, Human Resources Manager- Training & Development

**Ivy Devereux Award**—Over 10,000 overnights / Presented to the hostel who has shown improvement year over year in their inspection score; promotes and sells the HI-C Membership and discount programs; offers programming; received a guest rating over 75% and promotes the HI-C brand. **Winner—**HI-Calgary City Centre

**Richard Schirrmann Association of the year Award**—presented to the Regional Association which demonstrates inspiration, vision and progress. **Winner—**HI-C-PM Region

**Partner of the Year Award**—Recognizes exceptional contribution to an organization working with HI-Canada as

voted by our members on the HI-C website.

**Winner—**The City of Calgary

## Hostel Education Program Awards

Are presented to those programs that provide awareness with in the Federation and recognize and encourage exemplary programs and set new standards to which future nominees may aspire.

## Best Environmental Program

**Winner—**Seawall Bike Tour, HI-Vancouver Jericho Beach (Coordinated by Jenn Jimeno, Vancouver Programming Coordinator)

## Best Special Event Program

**Winner—**Girl Guide Sleepover event @ HI-Vancouver Jericho Beach (Coordinated by Claire Healy, BC Sales Executive)

## Best Continuing Program

**Winner—**Brendan's Haunted Vancouver Tour (Coordinated by Jenn Jimeno)

## DOROTHY ALLEN SIMONETTI AWARD: JESSICA CERATO

The Dorothy Allen Simonetti Award is presented for outstanding service by a staff person within Hostelling International-Canada.

Jessica Cerato joined HI-C-PM Region in 2007 as Human Resources Coordinator and over the past six years she has positively influenced the delivery of Human Resources services to our employees. In 2010, her hard work was recognized with a promotion to HR Manager Training and Development.

Jessica's impact on the Association will be felt for years to come through her leadership in the creation and implementation of an Association orientation program and the development of a supervisory development program. In the two years following the implementation of the orientation program, Jessica monitored its effectiveness through surveys and participant feedback. In 2014, she gathered together a group of managers and supervisors to revise the program while incorporating that feedback. Jessica's commitment to collaboration and her deep respect for the knowledge of our managers and supervisors won her praise from the Orientation Working Group.

“Jessica always makes time for managers, supervisors or employees. She can always be counted on for not only following through, but for going above and beyond.”

She is always willing to lend a listening ear or provide feedback but she is also always looking for opportunities to build the capacity of our employees to improve decision-making and services to our staff.

Jessica has been involved in regional, national and international meetings, as a trainer and facilitator, and has built strong relationships with managers and employees throughout the network. Her dedication to our employees and managers along with her commitment to our values provide her with the influence to make positive change in the organization. She is a trusted advisor and mentor and her knowledge and expertise contribute to a better place to work for all of our employees.



# HI AND SUSTAINABILITY

When you operate in a part of the world as stunning as Western Canada, you can't help but want to protect the environment that surrounds you. Reducing our ecological footprint is a priority for each of our hostels and we continue to work towards lowering our consumption of power and fuels and reducing our greenhouse gas emissions, while encouraging our guests to give back to the planet they love exploring.

### ECOLOGICAL STEWARDSHIP

For the past four years, we've been monitoring the environmental impact of our hostels in five categories: waste management, water conservation, energy conservation, communication and leadership/management. This year, the region's owned urban and resort hostels exceeded the targets in three of these five categories: water conservation, energy conservation and communication, while all of the owned hostels have shown improvement in all areas.

### REDUCING CONSUMPTION & EMISSIONS

We continue to look to hostel operations to find ways to reduce energy consumption and CO<sub>2</sub>e emissions, and the charts below show that we're going in the right direction. For FY2014, our calculations show that total hostel emissions for fiscal year were about 120 tonnes less in comparison to the year before, and over 180 tonnes less in comparison to the average of the previous 5 years. Accounting for an estimate of 80 tonnes mostly likely avoided owing to the temporary closures of HI-Calgary and HI-Kananaskis, a result of the June 2013 flooding in southern Alberta, and an estimate of efforts to reduce our carbon footprint for FY14 is 40 tonnes, when compared to FY13.

Our figures also show that actions taken at HI-Banff Alpine Centre where LED light installations were completed, contributed to an estimated reduction of 25 tonnes of CO<sub>2</sub>e emissions from electrical power consumption.

Other notable estimated reductions are reflected in the results for hostels such as HI-Lake Louise (an estimated reduction of 20 tonnes compared to last year) and HI-Central (an estimated reduction of 9 tonnes compared to last year).

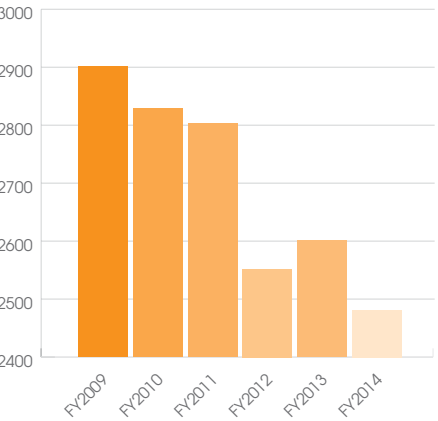
This table represents six years of data and shows an overall trend of declining CO<sub>2</sub>e emissions and energy consumption. Of course, there are number of variables that impact consumption of energy. We can expect that the weather has a significant influence on the total amount of energy consumed to heat or, in some cases, cool our hostels. It must be noted that contributing the remarkable reduction in our calculated emissions in FY2012 is, in part, owing to the halving of the British Columbia electricity grid's CO<sub>2</sub>e intensity coefficient.

Overall, our guests can feel comfortable that their stay at our hostels is helping to keep their travel carbon footprint to a mininum because we are keeping CO<sub>2</sub>e emissions below 7kgs per overnight.

### SUSTAINABILITY SPOTLIGHT: HI-BANFF ALPINE CENTRE

HI-Banff Alpine Centre replaced old fluorescent tube lighting with more modern and environmentally friendly LED lights. Although changing out light bulbs might not be the most exciting project, the results from this initiative make up for whatever it might lack in pizzazz.

The first phase involved sourcing LED lighting to replace our 4-foot long fluorescent tubes keeping in mind that we wanted to also provide a quality light source that wasn't too harsh—bright enough but still affordable. Six months after installation on just two floors, the hostel's electrical consumption was down 10% compared to previous years and, to our amazement, the results were a 10% reduction in the electricity drawn not just for the two floors but for the whole hostel. The rest of the hostel's lights will be replaced by LED lighting by the start of summer 2014. We fully anticipate that we will exceed our 20% overall electricity consumption reduction target with this initiative.



TOTAL CO<sub>2</sub> EMISSIONS (TONNES)\*

\*FY2012 drop is due, in part, to the halving of the BC electricity grid's CO<sub>2</sub>e intensity coefficient.

	PACIFIC MOUNTAIN—ALL HOSTELS (OWNED/AFFILIATED)					PACIFIC MOUNTAIN-OWNED HOSTELS				PM-OWNED/OPERATED URBAN & RESORT (I.E. EXCEPT WILDERNESS HOSTELS)			
	Target	2013	2012	2011	2010	2013	2012	2011	2010	2013	2012	2011	2010
Waste Management	95%	87%	87%	88%	79%	89%	89%	88%	80%	90%	89%	88%	81%
Water Conservation	70%	72%	68%	69%	61%	69%	65%	66%	56%	82%	77%	82%	77%
Energy Conservation	70%	72%	71%	69%	64%	72%	70%	67%	62%	75%	73%	70%	67%
Communication - Spreading the Word	90%	86%	82%	63%	65%	85%	87%	66%	62%	91%	83%	69%	69%
Leadership and Management	79%	51%	44%	47%	52%	51%	42%	40%	51%	61%	57%	53%	61%
Total Percentage	-	75%	72%	70%	65%	75%	73%	69%	63%	79%	75%	73%	72%





# GOVERNANCE

## HI-C-PM Region’s eight-member volunteer Board of Directors is the governing body of the Association.

HI-C-PM Region’s eight-member volunteer Board of Directors is the governing body of the Association. They’re responsible for setting the high-level direction for the Association through its governance policies. The Board also represents the membership with regards to fiscal responsibility, maintenance and improvement of assets and adherence to the Association’s mission.

HI-C-PM Region’s CEO reports to the Board and is responsible for the day-to-day operations of the association with the help of a capable management team, staff and volunteers that are integral to the smooth operation of the Association. The Board also serves as a link between the HI-C-PM Region and HI-Canada. The Board meets four times a year for weekend meetings that rotate among various locations in our region. There’s also a retreat following the Annual General Meeting in September to orient new Board members to the Association and to one another. All Directors contribute to at least two of the following committees that meet via web-conference in between Board meetings:

- Governance Committee
- Nominating Committee
- Audit Committee
- CEO Relationship Committee
- Ownership Linkage Committee

Like HI members, HI-C-PM Region Directors are passionate about hostelling, the region’s hostels and advancing the mission of the Association. They draw on their diverse backgrounds and offer a wealth of professional experience, but at the core, they all love hostelling and travelling around our region and the world.

### OWNERSHIP LINKAGE

Last year, the Ownership Linkage Committee completed a three-year member engagement campaign that

began in 2011 with the goal of working with members to gather feedback about hostelling in our region. The project included an online survey soliciting feedback from members, followed by a series of roundtable discussions throughout the region and a member meet-up session in Whistler. In the fall, the Committee closed the final phase of the campaign with a second meet-up in Lake Louise.

Your Board of Directors thanks all of the members who participated in each of these events for their valuable contribution. They continue to use the information and feedback collected from the survey, roundtable discussions and meet-ups as a guide in decision-making and shaping the future of HI-C-PM Region.

This year, the Ownership Linkage Committee has created a new three-year plan to continue engaging our members. Based on the feedback received from members over the past three years, the Committee has focused on broadening and improving communication from the Board.

Some highlights of the Ownership Linkage Committee’s new three-year plan include:

- Annual reporting on the progress of the Association towards Board-established priorities
- Regular member updates on all ownership linkage activities
- Informal evening sessions to connect with members (2015)
- Adopt-a-Hostel spring clean-up event (2015)
- A follow-up series of weekend meet-up sessions (2016)

**Members are invited to find more information on upcoming events and opportunities at [www.hihostelspm.ca/board](http://www.hihostelspm.ca/board) or by following the Hostelling International – Canada Facebook page. Please contact the committee at any time at [dialogue@hihostels.ca](mailto:dialogue@hihostels.ca).**





# FINANCIALS

Combined Financial Statements of

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

Year ended March 31, 2014

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, 2014 and the combined statement of operations and changes in net assets and cash flows for the year then ended, and the related notes including a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the combined financial statements**

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

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.

**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, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

Chartered Accountants



COMBINED STATEMENT OF FINANCIAL POSITION

As at March 31, 2014

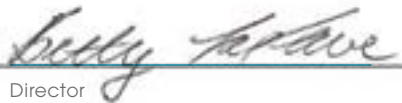
	2014	2013
	\$	\$
Assets		
Current assets:		
Cash and cash equivalents	1,375,450	1,117,937
Short-term investments (note 3)	1,606,040	1,433,365
Accounts receivable	188,495	215,021
Inventory	103,984	129,563
Prepaid expenses	192,954	203,587
	3,466,923	3,099,473
Restricted cash (note 9(c))	5,000	5,000
Long-term investments	204,066	201,678
Capital assets (notes 4)	25,596,802	26,074,967
	\$ 29,272,791	\$ 29,381,118
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	1,007,315	1,138,639
Unearned revenue and deposits	240,658	285,275
Loans payable (note 5)	6,640,517	7,142,113
	7,888,490	8,566,027
Deferred contributions (note 6)	94,875	42,902
Deferred capital contributions (note 7)	802,812	824,796
	8,786,177	9,433,725
Net assets:	20,486,614	19,947,393
	\$ 29,272,791	\$ 29,381,118

Commitments and contingencies (note 9)

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, 2014

	2014	2013
	\$	\$
Revenue:		
Overnights	9,571,831	9,967,462
Memberships	335,771	465,931
Other, including food, beverage and merchandise	2,457,251	2,273,793
	12,364,853	12,707,186
Expenses:		
Hostel	10,048,846	10,027,746
Administration and membership	1,362,561	1,290,859
Amortization of capital assets	1,245,449	1,335,964
	12,656,856	12,654,569
(Deficiency) excess of revenue over expenses from operations	(292,003)	52,617
Other expenses (income)		
Interest income	(66,245)	(40,436)
Interest expense	239,528	248,511
Recovery on settlement of gas claim	—	55,915
Gain on insurance claim (note 12)	(1,070,642)	—
Loss on disposal of capital assets	66,135	—
	(831,224)	152,160
Excess (deficiency) of revenue over expenses for the year	539,221	(99,543)
Net assets, beginning of year	19,947,393	20,046,936
Net assets, end of year	20,486,614	19,947,393
Cash provided by (used in)		
Operating activities:		
Excess (deficiency) of revenue over expenses for the year	539,221	(99,543)
Items not involving cash:		
Amortization of capital assets	1,245,449	1,335,964
Amortization of deferred capital contributions	(41,240)	(51,464)
Net recovery on settlement of gas claim	—	(32,524)
Deferred contributions used	(26,709)	(130,971)
Loss on disposal of capital assets	66,135	—
	1,782,856	1,021,462
Changes in non-cash working capital:		
Accounts receivable	26,526	51,261
Inventory	25,579	(6,095)
Prepaid expenses	10,633	21,035
Accounts payable and accrued liabilities	(131,324)	217,977
Unearned revenue and deposits	(44,617)	32,911
	1,669,653	1,338,551



COMBINED STATEMENT OF CASH FLOWS

For the year ended March 31, 2014

	2014	2013
	\$	\$
Financing activities:		
Repayment of loans payable	(501,596)	(558,931)
Investing activities:		
(Purchase) sale of investments	(175,063)	192,433
Deferred contributions received	78,682	68,021
Deferred capital contributions received	19,256	50,000
Purchase of capital assets	(835,419)	(714,649)
Proceeds on sale of capital assets	2,000	—
	(910,544)	(404,195)
Increase in cash and cash equivalents	257,513	375,425
Cash and cash equivalents, beginning of year	1,117,937	742,512
Cash and cash equivalents, end of year	1,375,450	1,117,937

Supplementary information:

Interest paid, net of interest received 173,283 208,075

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 has an investment in 1025 Granville Street Trust which is not a tax exempt entity. However, this entity has 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 accounting standards for not-for-profit organizations ("ASNPO"). 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, and the Canadian Hostelling Association - Northern Alberta District. 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 11).

COMBINED STATEMENT OF CASH FLOWS

For the year ended March 31, 2014

<b>b. Cash and cash equivalents:</b>
The Association considers deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less as cash and cash equivalents.
<b>c. Investments:</b>
Short-term investments consist of guaranteed investment certificates, term deposits, and mutual funds which can be realizable within one year. Investments with maturities over a year are classified as long-term investments. All investments are measured at fair value.
<b>d. Inventory:</b>
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.
<b>e. Capital assets:</b>
Capital assets are stated at cost less accumulated amortization. Amortization is provided for using the declining balance method at the following annual 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 lives instead of the underlying land license. The Association reviews its properties annually, and if the useful lives are determined to be shorter, will adjust the amortization prospectively. The Association has received notice that the Calgary Hostel license will be terminated by the City of Calgary, effective December 31, 2015. The Association is under discussion with the City of Calgary regarding the lease.

The Association reviews its capital assets for impairment whenever circumstances indicate that the carrying value may not be recoverable. In the event of an impairment loss the assets carrying value will be reduced and charged through the statements of operations and changes in net assets.

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, 2014

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’s financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities and loans payable. Cash and cash equivalents and investments are measured at fair value.

Accounts receivable, accounts payable and accrued liabilities and loans payable are initially measured at fair value and subsequently carried at amortized cost.

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.

	2014	2013
	\$	\$
3. Internally restricted net assets:		
The Association has certain balances which are internally restricted for the new Jasper Hostel. These amounts are included in the combined statement of financial position accounts as follows:		
Cash and cash equivalents	—	300,000
Short-term investments	1,561,777	1,197,012
Long-term investments	204,066	201,678
	1,765,843	1,698,690

4. Capital assets:

	Cost	Accumulated amortization	Net	Net
Land	\$ 5,713,574	\$ —	\$ 5,713,574	\$ 5,713,574
Buildings & leasehold improvements	30,814,545	11,965,934	18,848,611	19,243,380
Automobiles	225,519	182,257	43,262	38,254
Computer equipment & software	1,043,315	863,739	179,576	186,471
Furniture and equipment	4,135,565	3,337,220	798,345	882,410
	41,932,518	16,349,150	25,583,368	26,064,089
Hostel development planning & assets under construction*	13,434	—	13,434	10,878
	41,945,952	16,349,150	25,596,802	26,074,967

\* Relates to the future hostel development planning in Jasper, Alberta.

	2014	2013
	\$	\$
5. Loans payable:		
Line of credit (a)	—	—
Line of credit (b)	—	—
CAC loan payable (c)	—	8,285
Whistler mortgage (d)	5,155,087	5,519,243
1025 Granville Street Trust Loan (e)	1,485,430	1,614,585
	6,640,517	7,142,113

a. The Association has a revolving line of credit of \$500,000 (going up to a maximum limit of \$1,000,000 from November 1 to May 30), bearing interest at prime rate plus 0.75% per annum.

b. Through the Joint Venture with the Canadian Alpine Center, the Association has a revolving line of credit of \$200,000, bearing interest at prime plus 1.00% per annum.

c. The remaining balance of this loan was reimbursed on May 3, 2014.

d. This mortgage includes three demand term loans that were obtained to finance the acquisition of the Whistler property. These loans with blended monthly payments of \$44,585 bear interest rates at 3.4%, 3.42% and 3.27%, respectively.

e. The demand term loan bears interest at 3.27% per annum, with blended monthly payments of \$15,068.

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 Street 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:

2015	\$ 525,374
2016	545,202
2017	563,594
2018	582,606
Thereafter	4,423,741
	6,640,517



	2014	2013
6. Deferred contributions:		
Balance, beginning of year	\$ 42,902	\$ 105,852
Contributions received during the year	78,682	68,021
Contributions utilized to offset for operating expenses incurred during the year	(26,709)	(130,971)
Balance, end of year	94,875	42,902
7. Deferred capital contributions:		
Balance, beginning of year	824,796	826,260
Addition	19,256	50,000
Amortization during the year	(41,240)	(51,464)
Balance, end of year	802,812	824,796

8. Government remittances:

Government remittances consist of amounts (such as property taxes, sales taxes, payroll withholding taxes and workers’ compensation premiums) required to be paid to government authorities and are recognized when the amounts become due. At March 31, 2014, \$48,791 (2013 - \$91,095) is included within accounts payable and accrued liabilities.

9. Commitments and contingencies:

a. Operating leases

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

2015	\$	93,747
2016		93,747
2017		93,747
2018		93,747
Thereafter		301,812

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 2013 totalled \$430,568 (2012 - \$428,039) and is recorded in Hostels’ expenses.

c. Letter of guarantee

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.	
10. Financial instruments:	
a. Credit risk	
Due to the nature of the hostel business, the Association does not face any significant concentrations of credit risk.	
b. Interest rate risk	
The Association is exposed to interest rate risk as the lines of credit bear 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 loans payable approximate their fair values as the loans bear interest at floating rates or are set annually based on the current market rates.	



11. Investment in joint venture:

The combined financial statements include the Association’s 69.57% proportionate share of the revenue, expenses, assets and liabilities of the CAC joint venture as follows:

	2014	2013
Assets:		
Current assets	\$ 358,232	\$ 264,372
Capital assets	1,886,997	1,975,702
	2,245,229	2,240,074
Liabilities and Net Assets:		
Accounts payable and other current liabilities, excluding current portion of loans payable	\$ 81,918	\$ 68,486
Loan payable	—	8,285
Deferred contributions	398,983	399,713
Net assets	1,764,328	1,763,590
	2,245,229	2,240,074
Revenue	1,298,550	1,360,209
Excess of revenue over expenses	\$ 56,390	\$ 145,794
Cash flow from operations	\$ 211,464	\$ 281,202
Cash flow from financing	(63,937)	(110,763)
Cash flow from investing	(5,112)	(18,852)

12. Insurance claims:

The Calgary Hostel suffered a catastrophic loss this past year due to its closure from late June 2013 from the damage of the Alberta floods. The hostel still remained closed at the end of the fiscal year with a forecasted reopening of June 01, 2014. Most restoration and reconstruction costs and loss of business are covered under the Association's insurance policy. Business interruption insurance claims are included in “other revenue” on the statement of operations. Insurance claims relating to furniture and leasehold improvements have been capitalized, and claims relating to facility repair and maintenance are included in the statement of operations.

13.Subsequent event:

In late February 2014, the Association applied to the Government of Alberta for flood recovery assistance funds, under their Flood Relief program to assist with those costs that are not covered under the Association’s insurance policies.

Subsequent to the year-end, March 31, 2014, the Association was successful in the application and in late April 2014 received the funds applied for. The Association thanks the provincial government for their financial assistance and support during this difficult time with the Calgary Hostel being closed for nearly a year while they recovered.

LIST OF HOSTELS

BC

HI-Vancouver Jericho Beach  
HI-Vancouver Downtown  
HI-Vancouver Central  
HI-Victoria  
HI-Penticton  
HI-Whistler  
HI-Yoho National Park, Whiskey Jack  
Wilderness Hostel

Affiliate BC Hostels

HI-Tofino  
HI-Nanaimo  
HI-Cumberland  
HI-Prince Rupert  
HI-Shuswap Lake  
HI-Nelson  
HI-Cranbrook  
HI-Fernie

AB

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

Alberta 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.





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Pacific Mountain Region**

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