



2024 ANNUAL REPORT

HOSTELLING INTERNATIONAL CANADA





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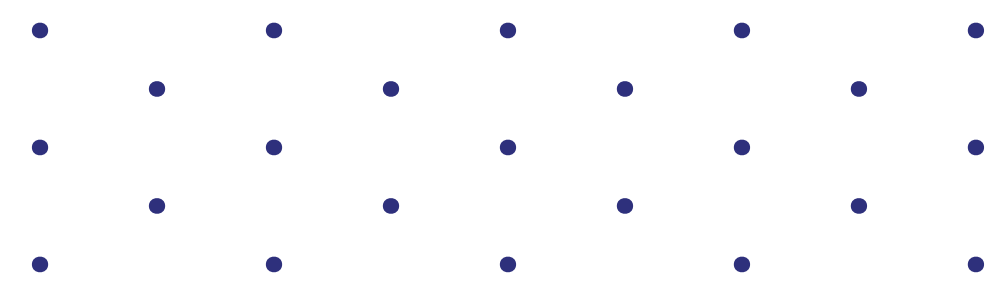
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Letter from the CEO

Fiscal year 2024 marked a year of renewal and new beginnings for HI Canada, as the travel industry continued its recovery, and we embraced opportunities for growth and innovation. HI Canada proudly hosted 313,527 overnight travellers in 2024, an increase of 55,734 overnights compared to 2023. This surge resulted in a 37.4% increase in revenue. Our year-to-date occupancy also rose from 43.9% in 2023 to 52.52% in 2024. This strong financial performance has enabled us to reinvest capital back into our properties, setting the stage for a bright future.

All hostels leased to health authorities or social service organizations during the pandemic have now returned to HI Canada's operations. Notably, HI Downtown Vancouver reopened in July 2023 after extensive renovations. Despite a slow start, its occupancy levels have now reached pre-pandemic figures. HI Victoria, reclaimed from BC Housing on December 31, 2023, is in the early stages of its own transformation. HI Halifax, taken back from Northern Health Community on December 31, 2022, began renovations in early 2024 and is slated to reopen by late summer. After years of closures, HI Canada is excited to finally usher in a new era for these key city hostels in our network.

Heralding a new beginning for HI Canada, the amalgamation between HI Canada and the True North Hostelling Association took effect on April 1, 2023. This merger has allowed us to achieve greater efficiency in governance and strengthened our connection with HI Canada members nationwide. Throughout 2024, we have worked diligently on a revised membership model, already adopted by other associations within the International Youth Hostelling Federation (IYHF/Hostelling International). At a Special General Meeting on February 28, 2024, the HI Canada Membership voted overwhelmingly in favor of this new model, which was implemented on June 5, 2024, marking another significant milestone.

As CEO, my focus has been to guide the organization through these transformative times, continually striving for operational excellence while building a robust leadership team. Our key priorities remain to expand our network through development or affiliated partnerships. We continue to invest in our existing hostels, aiming to refresh and modernize facilities and address deferred maintenance. These efforts are designed to enhance the guest experience while maintaining affordable rates and fostering partnerships within

the communities we serve.

I extend my heartfelt thanks to the staff for their dedication and hard work during this period of change. I am also grateful to our volunteer Board of Directors for their significant contributions to HI Canada's governance. Lastly, I want to acknowledge our affiliated hostel partners who, with their hostels, advance HI Canada's mission to provide meaningful travel experiences across the country, especially for our members who support and utilize our hostels.

As we look forward to the future, we remain committed to continued innovation and excellence, ensuring HI Canada remains a leader in providing exceptional travel experiences to travellers everywhere.

Julius van Wyk

*Chief Executive Officer,
HI Canada – Pacific Mountain Region*



Letter from the Chair

The Board of Directors for the Canadian Hostelling Association (HI Canada) has been actively engaged throughout the year. In addition to providing governance oversight, we participated in board meetings, oversaw the amalgamation of the True North Hostelling Association with the pre-amalgamated HI Canada, and engaged with members during the proposed membership changes.

To ensure broad outreach, board meetings were held across Canada, allowing us to visit numerous hostels, connect with staff, and engage with members and affiliate hostels.

A key focus for the Board this year has been to strengthen relationships with HI Canada's membership, enhance international connections with other IYHF Federations, and maintain affordability for travellers.

The Board actively oversees organizational performance and strategy. We monitor the CEO's performance in relation to the ENDS and have updated the ENDS for the newly formed Canadian Hostelling Association. Financial health is ensured through budget monitoring and audit

report reviews. We are currently in the process of selecting a consultant for a Membership Engagement Plan to enhance member engagement across Canada. Additionally, we have identified exceptional new talent for the HI Canada Board, who will be welcomed at the 2024 Annual General Meeting. The Board has also expanded the functions of the Executive Committee to enhance international relationships and is supporting the CEO through a newly formed Advisory Committee, consisting of board members and external professionals.

The Board has been invited to attend the 25th Annual International Youth Hostelling Federation (IYHF) Conference in Berlin in September 2024. Following the conference, the same delegates have also been invited to participate in the Tri-lateral meeting between Canada, the USA, and Germany in Berlin. We believe these meetings will significantly enhance international relationships for HI Canada.

We are pleased to note that our hostels continue to be a preferred vacation choice for many international and domestic travellers. We look forward to welcoming future guests to our

properties and hope they enjoy the people and culture of the areas where we operate. We also want to express our gratitude for the tremendous support of our affiliate hostels, which are an integral part of the HI Canada network throughout the country.

Finally, while this annual report covers the period from April 2023 to March 2024, we would be remiss not to acknowledge the terrible loss of three hostels in Jasper National Park (HI Jasper, HI Maligne Canyon, HI Athabasca Falls) due to the wildfires in July 2024. I am hopeful that when we report next year, the Board will be able to share positive news about the progress we are making in rebuilding these hostels in Jasper National Park.

A stylized, handwritten signature in black ink, appearing to read 'Lenore Neudorf'.

Lenore Neudorf

*Chair, Board of Directors
Hostelling International Canada*

Meet the Board



LENORE NEUDORF, Chair

Lenore is passionate about hostelling and the connections and fellowship it provides. As a retired senior executive and lawyer, she has brought extensive experience to HI Canada for over 20 years, both regionally and nationally. In her free time, Lenore loves to travel, golf and pursue her interest in art.



OTHELLO TUASON, 1st Vice Chair

Othello, trained in finance and strategy, brings a unique perspective from his extensive work and travel across Canada and internationally. Based in Calgary, he balances his professional life as a corporate finance advisor with his love for the mountains, often spending time outdoors with his wife and two children.



JASON DEMERS, 2nd Vice Chair

A life-time member and active hosteller, Jason's love for hostelling began on a European trip where he formed lasting friendships. He continues to share the HI network's value in the west. In his free time, Jason enjoys volunteering, road trips, hiking, and kayaking.



JAMES WYATT, Director

James has long been passionate about hostelling. With years of experience in tourism and education, he has served on the regional board, including as Chair, and is now proud to contribute at the national level. James values how travel enriches lives and sees hostelling as a way to inspire global citizenship.



JOHN HUTCHINGS, Director

Growing up in Ottawa and abroad, John developed a love for travel and an appreciation for how travel brings people together to enrich their communities. Now a lawyer in Toronto, he serves as legal counsel for the Immigration and Refugee Board of Canada and is dedicated to advancing HI Canada's mission.



PETER NIETRESTA, Director

Peter is passionate about the hostelling movement and is committed to enhancing member engagement and improving the hostelling experience in Canada. Peter is excited to finally see a single mission focused HI organization serving all of our members throughout the country.



SHANE KERPAN, Director

Shane's involvement with HI began in 1998 as a Hostel Manager at Kamloops Old Courthouse Hostel. He treasures the cultural exchanges and connections he made through hostelling and remains dedicated to promoting these enriching experiences.



JEREMY FOWLER, Director

Jeremy's first hostel experience in Malaysia in 2013 sparked a love for hostelling. Based on the East Coast, he joined the HI Canada Atlantic board shortly after. Whether on a trip or at home, Jeremy can be found running through the woods or snapping photos.



KEVIN PALS, Director

Growing up in Alberta, Kevin developed a love for the outdoors and travel. Now based in Vancouver, he works in tourism and hospitality, focusing on strategic planning and community engagement. With experience living in both BC and Alberta, Kevin is excited to contribute to the growth of the HI Canada network.



VICTORIA OPPENLANDER, Director

An avid hosteller for over a decade, Victoria is passionate about fostering the sense of community hostelling creates. In her free time, she's either on an adventure or planning her next one!



Key Achievements

A Year of Transformation

The past fiscal year has been a transformative period for HI Canada, marked by significant milestones that underscore our commitment to enhancing the travel experience for our guests and strengthening our position as a leader in youth travel across the country. We are proud to highlight three key achievements that have set the stage for a new era of growth and excellence.



First, the **amalgamation** of the Canadian Hostelling Association and the True North Hostelling Association has united our resources, networks, and visions into a single, stronger organization. This historic move, approved by an overwhelming majority of our members, solidifies our shared commitment to sustainable and conscious travel, positioning HI Canada as the largest and most robust hostel network in the country.



Secondly, we launched a new 3-year **strategic plan** that will guide our efforts to expand and enhance our services. This plan reflects our dedication to evolving with the needs of modern travellers, ensuring that we continue to offer safe, affordable, and culturally enriching experiences that resonate with the values of today's youth.



Finally, we renewed our focus on **operational excellence**, investing in both our staff and facilities to better meet the demands of the modern backpacker. Through strategic staff changes and targeted facility upgrades, we are improving the quality of our hostels, standardizing operations across our network, and optimizing processes to deliver more efficient and enjoyable experiences for our guests.

These achievements are just the beginning. As we move forward, we remain dedicated to fostering a vibrant community of conscious travellers who are eager to explore the world and connect with others in meaningful ways. We are excited about the journey ahead and look forward to building on the successes of this past year.

Amalgamation + + + + + + + + + + + + + + + + +



As we conclude the fiscal year, we reflect on the significant progress made following the successful amalgamation of the Canadian Hostelling Association (HI Canada) and the True North Hostelling Association into a single, unified organization, Hostelling International Canada. This milestone, which took effect on April 1, 2023, has marked a transformative year for our organization.

The amalgamation was overwhelmingly supported by 97% of our voting members and has enabled us to streamline operations, reduce costs, and unify our strategic vision for the future of hostelling in Canada. Over the past year, Hostelling International Canada has solidified its position as the largest hostel network in the country, with 35 hostels providing travellers with safe, affordable, and sustainable accommodations.

Under the leadership of our Board Chair, Lenore Neudorf, and CEO, Julius van Wyk, the newly formed organization has continued to focus on maintaining and enhancing our existing hostel network while laying the groundwork for future growth, particularly in Central and Eastern Canada. Although significant developments in these regions remain a goal, the desire to expand our presence in these areas is as strong as ever. We are strongly committed to building a vibrant

community of conscious travellers dedicated to fostering meaningful connections and promoting cultural exchange across the country.

Throughout the year, our staff and partners have seamlessly adapted to the new structure, and we have seen significant improvements in operational efficiency. The consolidation of governance and resources has allowed us to maintain the affordability and accessibility that has been a cornerstone of HI Canada since its establishment in 1938.

As we close this fiscal year, we are proud to report that the amalgamation has not only achieved its immediate goals but has also positioned Hostelling International Canada for continued growth and success. Our commitment to creating a global community of travellers with a deeper understanding of the world and its diverse cultures remains stronger than ever.

Looking ahead, we are excited about the opportunities that lie before us. The past year has been a period of significant transition and achievement, and we are confident that the foundation we have built will support even greater accomplishments in the years to come. Hostelling International Canada is well-prepared to continue its mission of providing exceptional travel experiences while promoting sustainable and conscious travel practices.

“The consolidation of governance has allowed us to maintain the affordability and accessibility that has been a cornerstone of HI Canada since its establishment”





New Strategic Plan +



In January 2024, we engaged our senior leaders in a strategic session to update our strategic map in accordance with the new Ends established by the Governance Committee of HI Canada. This update reflects our ongoing commitment to expanding our network, driving efficiencies, and enhancing the guest experience. The revised strategic map serves as a guiding framework for our operational initiatives, ensuring that we remain aligned with our organizational goals and mandate.

During our discussions, we identified three key focus areas:

- **Expanding Our Network:** We aim to identify partnerships and opportunities that will increase our presence in key geographical locations in Canada, thereby broadening our reach and impact to our members.
- **Driving Efficiencies:** Streamlining operations enhances productivity and reduces costs, allowing us to focus on delivering exceptional guest service. This efficiency enables our staff to spend more time on creating memorable experiences while maintaining an affordable guest experience.
- **Enhancing Guest Experience:** Creating an environment that prioritizes guest satisfaction is paramount. We are dedicated to ensuring that our guests consistently enjoy high-quality experiences during their stay.

To guide our operational initiatives, we established five core values:

- **Hostel Experience/Service Delivery:** We are committed to delivering exceptional service and memorable hostel experiences.
- **Human Capital /Preservation and Growth:** Our staff is our greatest asset, so we focus on preserving and growing our human capital through training and development investments. We monitor employee satisfaction, retention rates, and training hours completed.
- **Organizational Standardization/Maturation:** Optimizing and standardizing processes across all locations fosters consistency and quality in our operations.
- **Financial Health and Sustainability:** We maintain strong financial health and sustainability, monitoring budget adherence, revenue growth, and cost reduction measures.
- **Information Infrastructure:** Enhancing our information infrastructure supports better decision-making and operational efficiency.

An updated strategic map, coupled with our core values, positions us to effectively navigate our objectives and align with the new Ends established by the Governance Committee of HI Canada. By concentrating on expanding our network, driving efficiencies, and enhancing guest experiences, and implementing KPIs reflective of our core values, we are better equipped to achieve our goals and further our mission to our members.



Operational Excellence



In the past fiscal year, HI Canada has taken significant strides towards achieving **Operational Excellence**, a cornerstone of our commitment to enhancing the hostel experience for our guests.

This renewed focus on operations has been driven by strategic staff changes, the standardization of processes across our network, and a keen emphasis on cost control, all aimed at strengthening our ability to meet the demands of the modern traveller.

STAFF CHANGES

Recognizing the need for a dedicated focus on operations, HI Canada implemented a series of strategic staffing changes within our operations team. Most notably, we introduced the position of Operations Manager, a role crucial to bringing standardization to key hostel processes and fostering innovation across our network. This new leadership position is central to enhancing fiscal awareness and driving initiatives that support overnight growth in our hostels. In addition to the Operations Manager, we

have also allocated staff resources specifically to support capital expenditure projects. These resources are vital for addressing the capital improvements that were deferred during the pandemic, ensuring our hostels continue to meet the high expectations of today's travellers.

STANDARDIZATION

At the heart of strong hostel operations lies the consistency and efficiency of our processes. To this end, HI Canada has prioritized the standardization of best practices across our entire network. By implementing uniform procedures, we are better equipped to deliver exceptional guest services, streamline operations, and respond effectively to both opportunities and threats. Standardization ensures that every hostel under our brand adheres to the same high standards, creating a seamless experience for our guests no matter where they stay. This approach not only enhances operational efficiency but also solidifies our reputation for reliability and quality.

COST CONTROL

Effective cost management is crucial for sustaining our operations and continuing to offer affordable travel experiences. In 2024, HI Canada made a strategic move by partnering with Silvergroup, a central purchasing company. This partnership has allowed us to leverage the benefits of central purchasing, including significant cost savings, improved supply chain efficiency, and access to a broader range of quality products. By consolidating our purchasing power, we are able to negotiate better prices and ensure that all our hostels receive the necessary supplies without compromising on quality. This cost control measure is not only beneficial for our financial health but also enables us to reinvest in our hostels, further enhancing the guest experience.

Through these efforts, HI Canada is laying a strong foundation for operational excellence, ensuring that we remain competitive in the ever-evolving travel industry. By focusing on staff expertise, process standardization, and cost efficiency, we are well-positioned to continue providing exceptional hostel experiences that meet the needs of the modern traveller.

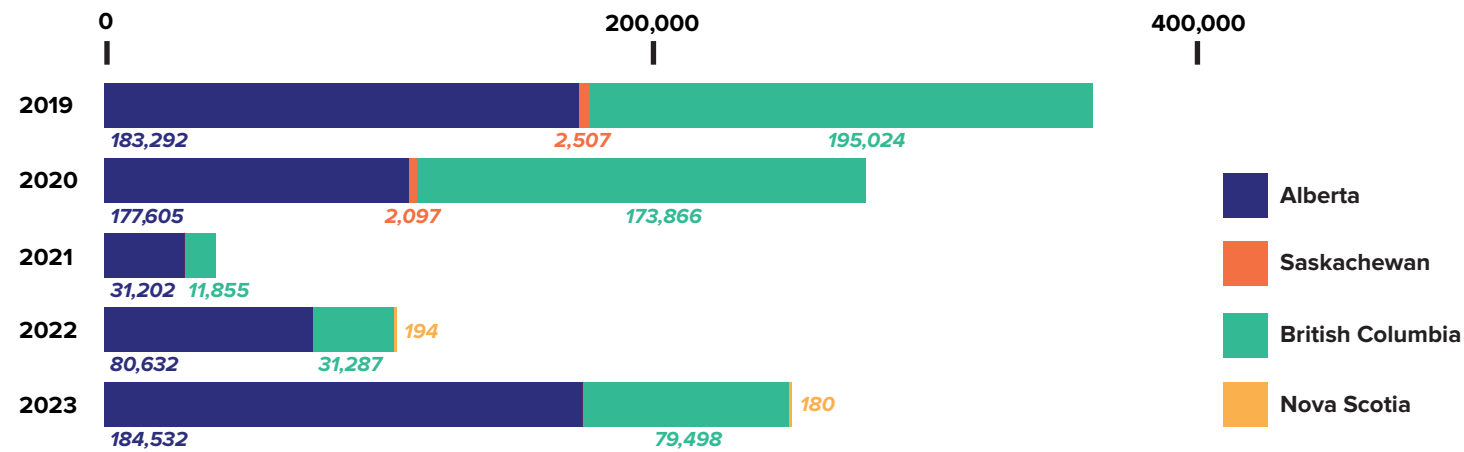
Year in Review

Our Overnight Performance

The fiscal year ending March 31, 2024, was a pivotal period for HI Canada, marked by a strong resurgence in overnight stays across our network. The total number of overnights reached 313,527, reflecting a significant recovery in the travel sector and exceeding both the previous year's performance and budgeted projections.

Compared to the previous fiscal year, which recorded 257,793 overnight stays, the 2024 figure represents a remarkable 21.6% increase. This growth can largely be credited to the reopening of HI Vancouver Downtown in July 2023, after being closed since March 2020 due to the pandemic. As a flagship hostel for the network since the late 1990s, the return of HI Vancouver Downtown played a crucial role in driving overnight growth, contributing substantially to the overall increase in stays.

Overnights Breakdown



	2022	2023
REGIONAL TOTAL	111,843	263,875
AVERAGE OCCUPANCY	16.1%	45.31%

Performance across key hostels



HI BANFF

HI Banff saw a robust performance with 70,772 overnights in fiscal 2024, up from 65,986 overnights in fiscal 2023. The occupancy rate also improved, rising from 76.9% to 86.6%, underscoring the continued appeal of this popular destination within the Rockies.



HI CALGARY

In fiscal 2024, HI Calgary recorded 22,612 overnights, a significant increase from the 19,124 overnights in fiscal 2023. The occupancy rate also improved notably, from 51.9% to 79.1%. This performance indicates a strong recovery in Calgary, marking a positive shift in urban travel trends.



HI EDMONTON

Similarly, HI Edmonton experienced substantial growth, with overnight stays rising to 19,113 in fiscal 2024 from 14,277 in the previous year. The occupancy rate increased from 33.7% to 60.7%, reflecting a delayed but now evident rebound in urban centres.

The strong performance of HI Banff, alongside the notable rebounds in urban centers like Calgary and Edmonton, highlights a broader recovery across both destination-based and urban hostels. While urban centers showed a slower recovery initially, their recent performance indicates a positive trend, with increased occupancy rates suggesting a return of travellers to city locations.



Our Guests

Fiscal 2024 marked a significant shift in the composition of HI Canada’s hostel guests, reflecting broader trends in global travel. While Canadian travellers were crucial during the pandemic years, particularly when international borders were closed, this fiscal year saw a marked resurgence in international arrivals—a clear sign of “revenge travel” as global restrictions eased.

INTERNATIONAL ARRIVALS SURGE

A key highlight of Fiscal 2024 was the strong return of international guests, particularly from Europe and Australasia. The most notable increases came from England & Wales, which saw a 71% growth compared to the previous year, and Australia, with an impressive 121% rise in guests. This resurgence indicates that travellers from these regions were particularly eager to return to Canada, likely driven by a combination of pent-up demand and Canada’s appeal as a safe and welcoming destination.

Similarly, Germany and France also posted significant increases of 36% and 41% respectively, reflecting the broader recovery in European travel to Canada. The United States, which remains a vital source market, showed a 43% increase in overnight stays, a positive sign after the challenges of the past few years.

MIXED PERFORMANCE FROM ASIAN MARKETS

While travellers from Asia also showed substantial growth, with China and Japan recording 91% and 63% increases respectively, the numbers remain below pre-pandemic levels. This suggests that while there is recovery, it is slower and more uneven in these markets, potentially due to lingering travel restrictions or economic factors in those regions.

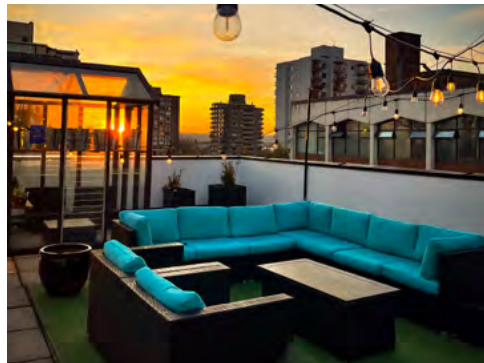
	<i>FY 2024</i>	<i>FY 2023</i>	<i>Growth</i>		<i>2022-23</i>	<i>2023-24</i>
England & Wales	29,449	17,244	71%	Alberta	46%	49%
Germany	28,777	21,225	36%	BC	19%	21%
Australia	26,188	11,859	121%	Ontario	15%	14%
US	18,714	13,057	43%	Quebec	15%	10%
France	13,976	9,918	41%	Atlantic Region	2%	2%
				Saskatchewan	1%	2%
				Manitoba	0%	2%



Our Hostels

HI VANCOUVER DOWNTOWN

As part of HI Canada’s commitment to operational excellence, Fiscal Year 2024 saw significant capital investments across our hostel network, with most hostels undergoing some form of upgrade. The most notable project was at HI Vancouver Downtown, our flagship gateway hostel. After being closed during the pandemic and temporarily repurposed for BC Housing, the hostel reopened in July 2023 with a fresh, modern look. Interior Design Group (IDG) led the transformation, introducing a French café aesthetic, upgraded dormitory beds with personal amenities, and a new rooftop patio.



Beyond Vancouver, several other hostels in our network received important upgrades:

HI BANFF ALPINE CENTRE:

New flooring, a modern lock system, and updated kitchen equipment were installed to enhance both aesthetics and functionality.

HI HALIFAX:

Currently undergoing a renovation that will transform it into a modern boutique hostel while preserving its heritage charm.

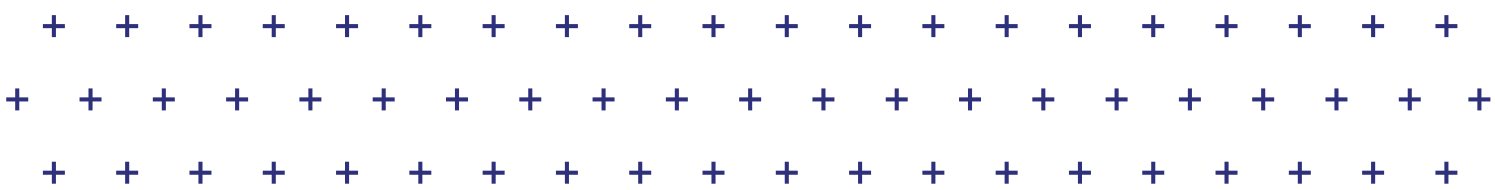
HI LAKE LOUISE:

Upgrades included new flooring in key areas and new furniture for the restaurant and deck.

HI PENTICTON & HI VANCOUVER JERICHO BEACH:

Both hostels received much-needed updates to their guest washrooms, ensuring a fresh, modern look.

These highlights are part of a broader effort to enhance the entire network, ensuring our hostels not only meet but exceed the expectations of modern travellers, while also improving operational efficiency and security. Through these targeted investments, HI Canada continues to strengthen its position as a leader in the budget travel sector, offering exceptional value and experiences across our network.





Rembering HI ne Secwepemcétkwe (formerly HI Shuswap Lake)

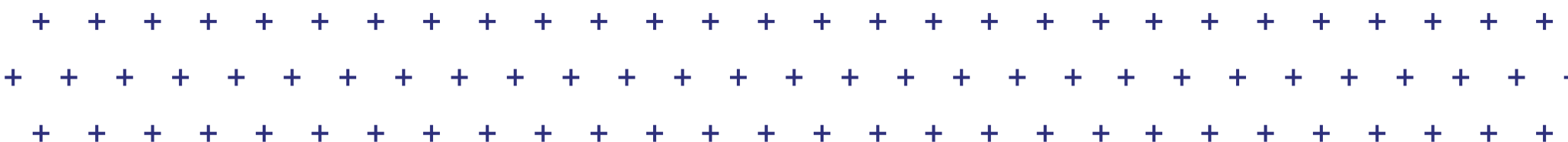
We regret to announce the permanent closure of HI ne Secwepemcétkwe (formerly HI Shuswap Lake) in August 2023. This unique hostel was tragically lost to the devastating wildfires that swept through the region last summer. While we are grateful that no one was harmed, the destruction of all buildings is a heartbreaking loss.

The story of HI ne Secwepemcétkwe began in the late 1970s, when a group of passionate travellers and outdoor enthusiasts recognized the need for affordable accommodations in the Shuswap region. Known for its breathtaking landscapes, outdoor recreation, and vibrant local culture, the area was growing in popularity, yet lacked budget-friendly lodging options. Inspired by the global hostelling movement, the

founders sought to create a space where community, adventure, and cultural exchange could thrive.

In 1980, the HI Shuswap Lake officially opened its doors. Nestled in a rustic but charming building, it offered basic amenities, dormitory-style accommodations, and inviting communal spaces where guests could connect and share their travel stories. A unique feature of the hostel was its iconic caboose accommodation, a favourite among families.

Though HI ne Secwepemcétkwe is no longer with us, its legacy of fostering connections and adventure will continue to inspire the hostelling community for years to come.





Our Financial Performance

HI Canada reported solid financial performance for the fiscal year ending March 31, 2024. Despite a slight decrease in cash reserves, the organization showed growth in net assets and improved revenue from hostelling operations.

FINANCIAL POSITION

Total Assets: Increased to \$53.9 million from \$52.7 million in 2023. The increase was primarily driven by capital assets, which grew from \$32 million to \$33.9 million due to investments in building and leasehold improvements.

Liabilities: Decreased from \$10.8 million to \$9.6 million, primarily due to the repayment of loans and a reduction in accounts payable. Current liabilities decreased from \$4.9 million to \$4.2 million, indicating a more manageable short-term financial position.

Net Assets: Increased significantly by \$2.4 million to \$44.3 million, reflecting strong financial health and effective management of resources.

REVENUE AND EXPENSES

Total Revenue: Increased by 19.3%, reaching \$21.1 million compared to \$17.7 million in 2023. This growth was driven mainly by an increase in overnight stays, which rose to \$17.5 million from \$12.3 million in the previous year.

Expenses: Total expenses increased by 26.2% to \$19.2 million, with hostel operation costs being the most significant expense category, rising to \$14.9 million. Administration costs also grew but remained well managed at \$2.4 million.

Excess of Revenue Over Expenses: Although there was a slight reduction in net excess from the previous year, the association

still achieved an excess of \$2.4 million. This performance highlights operational efficiency amid rising costs.

CASH FLOW ANALYSIS

Cash Used in Operations: The association generated \$3.9 million in cash from operations, although this was offset by significant investment in capital assets amounting to \$3.8 million, reflecting ongoing investments in infrastructure.

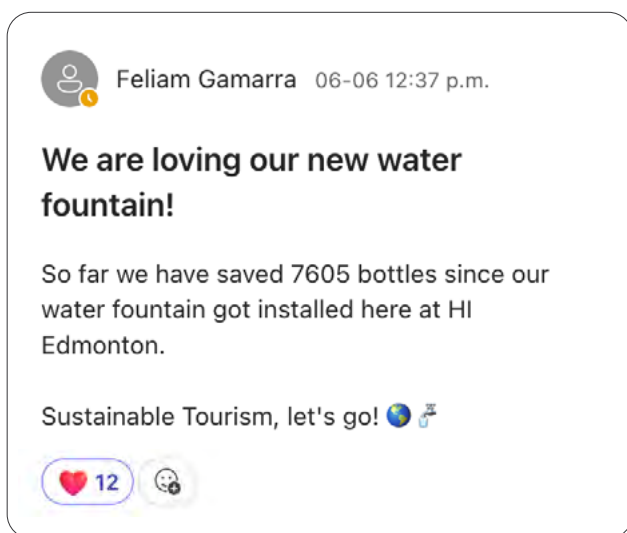
Cash and Cash Equivalents: Declined from \$3.7 million to \$2 million, primarily due to capital expenditures and loan repayments. The reduction in cash holdings, while notable, is consistent with the organization's capital investment strategy.

HI Canada's financial performance for 2024 demonstrates resilience and strategic investment in its core operations. The growth in net assets and a strong revenue base reflect an optimistic outlook, positioning the association well for future operational and financial stability. However, continued attention to cash flow management will be crucial to maintain liquidity amidst ongoing capital investments.

Our People

HI COMMUNITY CHANNEL

This year, we launched the HI Community Channel on Microsoft Teams, accessible to all staff members regardless of their position. This channel serves as a central communication hub for all Hostels and HI Canada Departments, providing a primary space for sharing updates, activities, and insights into life at HI. The channel has been a tremendous success with an average of three posts per week and we are working towards encouraging more front-line staff to engage and participate actively. This platform is vital for fostering a connected and informed community within our organization.



RECOGNITION WORKGROUP

In April 2023, HI Canada initiated a Recognition Workgroup aimed at enhancing our employee engagement and community connectivity. This workgroup reviewed existing initiatives and generated new ideas and succeeded in producing a comprehensive list of recommendations. Key initiatives included setting up a Teams channel for hostel updates, connecting neighboring hostels through joint activities, and introducing a Canada-wide hostel adventure program. These efforts are designed to strengthen our community and improve the overall employee experience at HI Canada.

Length of Service Recognition

10 YEARS

JEFFREY SASSEVILLE
Wilderness Hostel Manager, HI Athabasca Falls

20 YEARS

GRANT MILLAR
Director of Partnerships and Stakeholders, National Office

LINDA DIP
General Manager, HI Lake Louise Alpine Centre



New Employees

- RHIAN CHARETTE** • Manager of HI Vancouver Hostels
- QUI LONG TRINH** • Human Resources Assistant
- HEMANTH UPPADA** • IT Administrator
- SHANNON MCAULEY-PURVIS** • Administration and Executive Assistant

People on the move

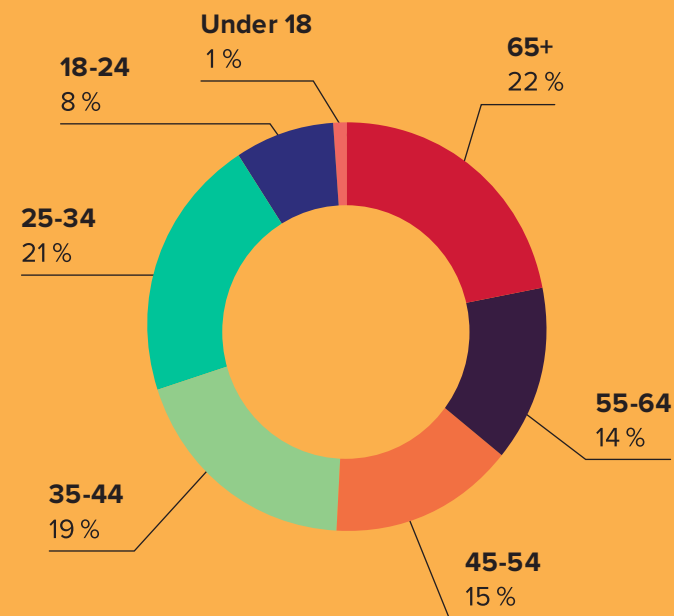
- SHELBEY SY** • Promoted to Director of Marketing and Operations
- GRANT MILLAR** • Promoted to Director of Partnerships & Stakeholder Engagement
- JASON WONG** • Promoted to Manager, HI Calgary and HI Capital Assets
- JANICE KINGSLEY** • Returned from leave to Manager, HI Central Reservations
- HAZEL LU** • Promoted to Assistant Manager, HI Vancouver Jericho Beach
- SAGAR KHADKA** • Promoted to Assistant Manager, HI Vancouver Downtown
- LUA GOSSON** • Promoted to Housekeeping Supervisor, HI Vancouver Downtown
- DINH KHANH** • Promoted to Rooms Division Supervisor, HI Lake Louise
- ZINZAN HANCOX** • Promoted to Assistant General Manager, HI Banff
- ALEX KING** • Promoted to Housekeeping Supervisor, HI Banff Alpine Centre
- KRISTYNA HUBALKOVA** • Promoted to Food & Beverage Manager, HI Banff

Staffing Spotlight

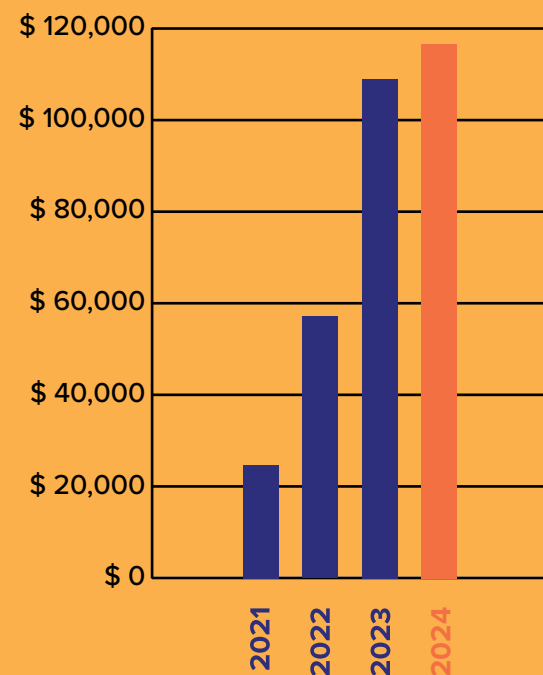
	Active staff	Staff on leave
As of April 1, 2023	203	4
As of March 31, 2024	228	3

Our Members in Numbers

AGE DEMOGRAPHICS



MEMBERSHIP REVENUE



Our Members

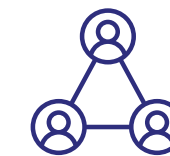
After extensive consultation members were invited to vote on proposed changes to membership bylaws allowing HI Canada to implement a new membership model.

The results of the votes, by class, were announced at a Special General Meeting held on February 28th, 2024. These changes were overwhelmingly approved by all classes of the Canadian Hostelling Association members who voted.

The legal council for the Canadian Hostelling Association, Norton Fulbright Rose, have now incorporated these new bylaws under the Federal Not for Profit Act under which the Canadian Hostelling Association is governed.

The changes approved in the new membership model are far-reaching and represent one of the biggest and most impactful changes to HI Canada's operations in decades.

What's ahead for HI Canada?



A STRONGER MEMBERSHIP COMMUNITY

HI Canada's mission is to build a community of conscious travellers who share a greater understanding of people, places, and cultures through hostelling. The new membership model will become a core strategic piece in building and strengthening this community.

This model will significantly increase the size of our community, placing the organization in a strong position to engage and deliver a more customized and valuable experience to you, our members.



ENHANCED MEMBER VALUE

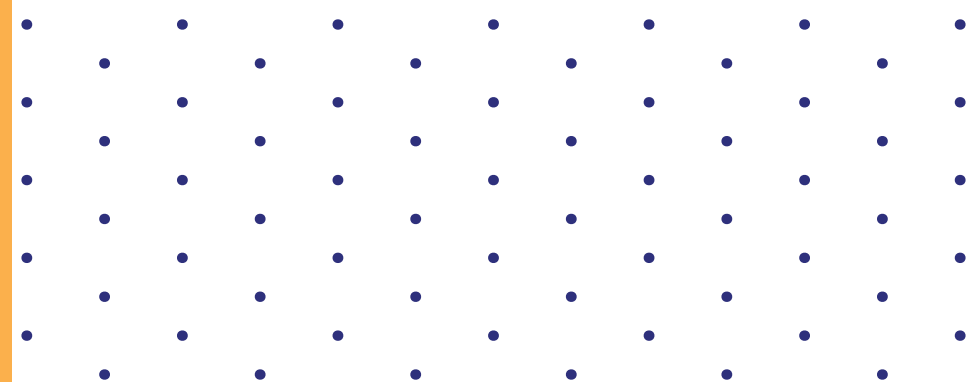
In the new model Members will receive more exclusive offers, hostel deals and enhanced member discounts.

Legacy Life Members will benefit from a wide range of new benefits and will continue to be highly valued and respected members of our community. These benefits will be implemented in stages over the next year with communication directly to registered Life Members.



A MORE ENGAGED MEMBER COMMUNITY

Members are the heart of HI Canada, and the HI Canada Board of Directors welcomes and encourages more HI members across the country to engage with the organization. A new membership engagement framework is under development, and we look forward to sharing our engagement efforts and events with you in 2024/25.





Partner Spotlight

PARKS CANADA AND GO INTERNATIONAL

The principles of sustainable tourism and HI Canada's not-for-profit status encourage us as an association to enhance the socio-cultural fabric of the community, minimize negative impacts on the natural environment, and harness our entrepreneurial spirit for the economic benefit of the communities around us.

To help deliver on this commitment, HI Canada has developed a partnership with Go International to help support the Conservation Volunteer Program run by Parks Canada (Banff Field Unit)

HI Banff Alpine Centre and HI Castle Mountain host 18 students from around the world from June to September at a subsidized rate. This makes it possible to live and volunteer in Banff National Park at a time of year when accommodation is very expensive and difficult to find.

Led by a Parks Canada summer student, these small groups volunteer 5 days a week for 6 weeks in the park and earn a "Certificate in Conservation Leadership".

Participants contribute over 3,000 hours

each summer on average to Banff National Park in activities such as hike & report on trail conditions, trail accessibility audits, bio-inventories, weeding invasive plants, habitat restoration projects, wildlife fence check, special event monitoring, sanding and painting projects, litter-picking and reporting on wildlife sightings and park infractions.

The groups are a highly valuable mobile crew that can be deployed to various immediate needs that complement core staff work.

They are also encouraged to participate in the Town of Banff social/community services such as Banff Food Rescue, and they can become "Banff Ambassadors" which gives them access to free or discounted attractions in the park.

As a part of this program our hostels staff and guests also have had the opportunity to contribute hours during their stay at our hostels.

The Conservation Volunteers Program was developed in 2011 by Parks Canada (Banff Field Unit's Volunteer Program) and Go International.

[Learn more](#)

Our Community

At HI Canada, our mission is to build a community of travellers who foster a greater understanding of people, places, and cultures. To us, being part of a community means more than just providing a place to stay—it means actively contributing to the well-being of others, whether they are guests, staff, or partners. Our hostels are not just destinations, but spaces where connections are formed, experiences are shared, and a collective spirit of support thrives.

In fiscal 2024, many of our hostels and their staff participated in events that strengthened their connections with the local communities they serve. This includes initiatives such as hosting elementary school lunches, organizing fundraisers for Movember and the Terry Fox Foundation, holding community BBQs, and featuring local yoga instructors and musicians. These activities not only reflect our commitment to being active members of the communities in which we operate but also embody our mission of fostering connections. By engaging in these events, our staff and guests alike contribute to a shared sense of purpose, supporting local causes and celebrating the culture and people that make each community unique.



Lending a hand:

OUR SUPPORT IN THE WAKE OF THE SAMESUN FIRE

On September 16, 2023, the Samesun Vancouver hostel suffered extensive damage as a result of a fire, leading to the evacuation of over 100 guests. HI Canada responded quickly to assist a fellow hostel operator and the many travellers who suddenly found themselves without a place to stay.

In moments like these, the spirit of community is vital, and the team at HI Vancouver Downtown responded swiftly to support these displaced travellers in their time of need. Working alongside various partners during the crisis and its aftermath, HI Canada staff made sure the guests affected by the fire received the support and care they needed.

TESTIMONIAL FROM LIBBY LAW – DIRECTOR, SWAP (STUDENT WORK ABROAD PROGRAM)

“I was at Lisbon airport when emergency calls started coming in from Vancouver at 4 AM local time. Hearing the news was shocking, but I immediately directed our participants, who were staying at the Samesun Hostel, to HI Vancouver Downtown. Without even consulting

HI management, I was confident that the HI team would welcome these displaced travellers with open arms. Our longstanding relationship with HI hostels across Canada assured me they would be well cared for—and I wasn’t wrong.



Our participants, many of them young (18-21) and new to Canada, arrived at HI Vancouver Downtown with only a day pack containing their wallet, phone, and passport. They were met with warmth by the front desk team, who provided pillows, blankets, and helped them settle into available common areas.

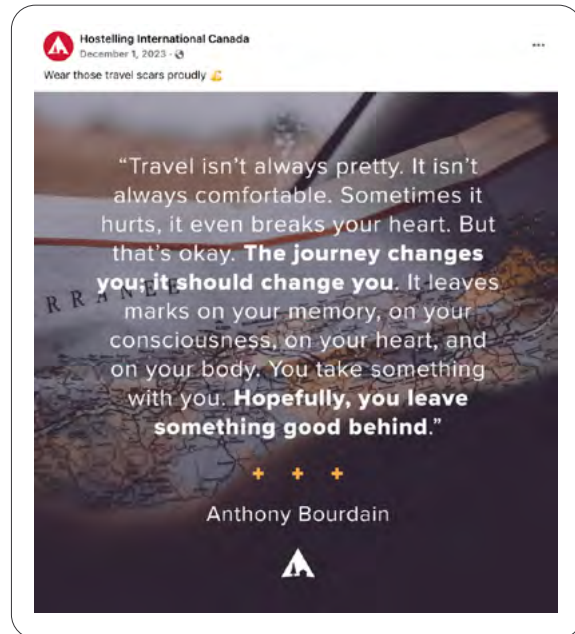
Despite the trauma of the experience, the HI team managed the chaotic situation with exceptional kindness, making our participants feel safe and supported. By the time I reached out to the HI team, they had already ensured everyone was taken care of.

I cannot thank the HI Vancouver Downtown team enough for their compassion and generosity. Their actions exemplified the values of the hostelling community, showing dedication to their partners, the backpacking community, and the broader travel industry in Vancouver. Their response that night demonstrated the highest level of care and ethics.”

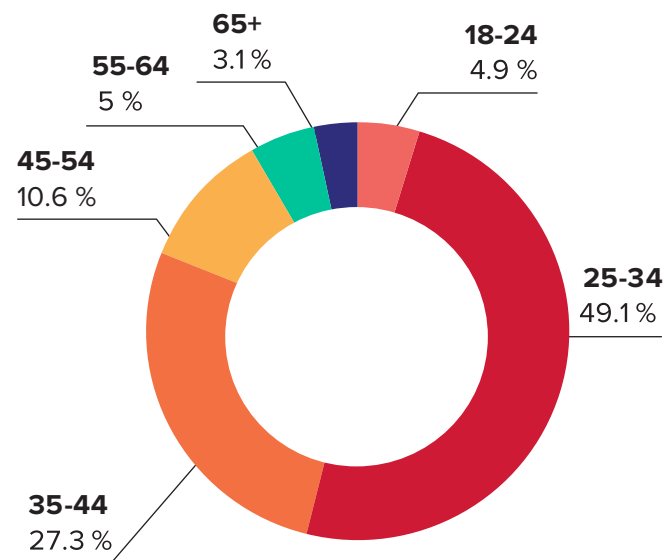
Our Storytelling

Social Media

Social media continues to be a powerful tool for engaging with a diverse audience, sharing stories, and inspiring meaningful travel experiences. By staying connected with our audience and adapting to emerging trends, we aim to inspire the next generation of responsible travellers while strengthening the brand across digital platforms.



WHO FOLLOWS US?



TOP COUNTRIES

- Canada
- United States
- Mexico
- France
- United Kingdom
- Australia

 [@hicanadahostels](https://www.facebook.com/hicanadahostels)

 [@hicanadahostels](https://www.instagram.com/hicanadahostels)

Magazine & E-newsletter

In the 2023-2024 fiscal year, HI Canada Magazine continued to serve as a beacon of inspiration for travellers, showcasing the richness and diversity of global experiences through the eyes of a varied group of writers.

HI CANADA MAGAZINE AT A GLANCE

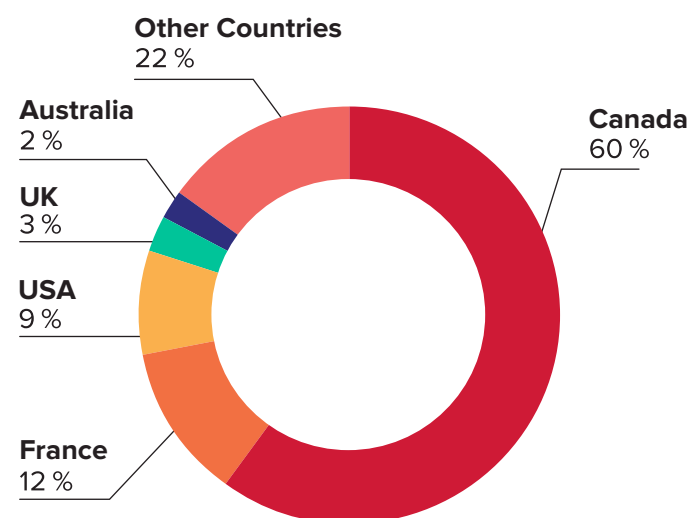
Total readers: 78,084

New readers: 67,403

Magazine page views: 166,257 (-3%)

Newsletter subscribers: 21,847 (+15%)

READERSHIP BY COUNTRY



Featured issue: Explore Responsibly

As global travel grows, so does the need for sustainable practices that protect both the environment and local communities. The latest issue of our magazine focuses on how we can all explore more responsibly and why it's crucial for the future of travel.

Sustainable travel goes beyond reducing our carbon footprint. It's about respecting the destinations we visit, supporting local economies, and minimizing negative impacts on the environment and culture. This shift in mindset is no longer optional—it's essential.

In this issue, we highlight eco-conscious travel tips, inspiring stories from responsible travellers, and insights on the future of sustainable tourism. Sustainable travel is not a trend—it's a responsibility we all share. By embracing these values, we can create a more sustainable future for travel.

[Read](#)

Governance Report

During the 2023-2024 fiscal year, the HI Canada Governance Committee continued to actively monitor the CEO's performance through Board policy monitoring reports. Throughout the year, the Governance Committee worked to update the Ends to better align with the newly amalgamated Canadian Hostelling Association (HI Canada). These updated Ends took effect in April 2024.

The Board of Directors held regular in-person meetings across Canada, facilitating productive discussions on matters concerning the Association. Notably, this year, the Board also convened in Vancouver for the grand opening of the newly renovated Downtown Vancouver hostel in October.

Looking ahead, the Governance Committee will play a crucial role in the governance of the newly formed Canadian Hostelling Association post-amalgamation.



John Hutchings

Board Director, HI Canada

For Jason Demers, *Governance Committee*





Ownership Linkage

Our association operates under a governance model where it is crucial for the Board to engage with our members to seek feedback on major changes to the foundational elements of what we aim to deliver as an association. Members who take the time to engage with the Board in such activities are referred to as Owners. While Owners do not legally “own” a share in the association, they are considered moral owners, forming the basis upon which the association is built.

The Ownership Linkage Committee has been actively working to engage more regularly with members across Canada. As part of this process, we have initiated the hiring of a consultant through a transparent expression of interest (EOI). With the help of the selected consultant, the Nominations Committee will develop a membership engagement plan. This plan will enable the Board of Directors of HI Canada to connect with all members across the country on a more regular basis. We plan to hold regular virtual meetings as well as live events that will coincide with hostel openings, special events, and Board meetings.

We look forward to seeing our members at our membership meet-ups in 2024 and 2025.

A handwritten signature in black ink that reads "Jeremy Fowler".

Jeremy Fowler

Board Director, HI Canada



Financials

CANADIAN HOSTELLING ASSOCIATION (Operating as Hostelling International Canada)

INDEPENDENT AUDITOR'S REPORT

To the Directors of Canadian Hostelling Association (Operating as Hostelling International Canada).

OUR OPINION

We have audited the accompanying combined financial statements of Canadian Hostelling Association (Operating as Hostelling International Canada) (the "Entity"), which comprise:

- the combined statement of financial position as at March 31, 2024
- the combined statement of operations for the year then ended
- the combined statement of changes net assets for the year then ended
- the combined statement of cash flows for the year then ended
- and notes to the combined financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial

position of the Entity as at March 31, 2024 and its combined

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

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

OTHER MATTER - COMPARATIVE INFORMATION

The comparative information as at and for the year ended March 31, 2023 is unaudited.

Accordingly, we do not express an opinion on it.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants
VANCOUVER, CANADA, JUNE 27, 2024

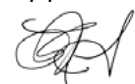


COMBINED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024, WITH COMPARATIVE INFORMATION FOR 2023

	2023 (unaudited)	2024
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	3,728,646	1,983,809
Investments at fair value (note 3)	16,021,443	16,865,000
Accounts and other receivables	578,392	778,066
Inventory	75,570	77,233
Prepaid expenses	324,858	354,966
	20,728,909	20,059,074
Capital assets (note 4)	31,956,171	33,863,456
	52,685,080	53,922,530
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	2,174,162	1,897,797
Unearned revenue and deposits	413,545	536,267
Loans payable (notes 6)	2,279,905	1,718,172
	4,867,612	4,152,236
Deferred contributions (note 7)	18,131	–
Deferred capital contributions (note 8)	547,162	507,783
Loans payable (note 6)	5,369,000	4,950,000
	10,801,905	9,610,019
NET ASSETS	41,883,175	44,312,511
Commitments and contingencies (note 9)	–	–
Subsequent event (note 6)	–	–
	52,685,080	53,922,530

The accompanying notes are an integral part of these combined financial statements.

Approved by the Board of Directors



Lenore Neudorf – Director



Victoria Oppenlander – Director

COMBINED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2024, WITH COMPARATIVE INFORMATION FOR 2023

	2023 (unaudited)	2024
	\$	\$
Revenue		
Overnights	12,287,706	17,546,636
Membership	108,865	116,430
Other, including food, beverage and merchandise	5,324,268	3,481,314
	17,720,839	21,144,380
Expenses		
Hostels	11,525,868	14,893,093
Administration	1,943,233	2,424,255
Amortization of capital assets	1,771,397	1,921,580
	15,240,498	19,238,928
Excess before the undernoted	2,480,341	1,905,452
Other (income) expenses:		
Interest income	(486,767)	(819,437)
Interest expenses	373,199	283,866
Loss on non-recurring items	96,185	11,687
Loss (gain) on disposal capital assets	(326,843)	–
	(344,226)	(523,884)
Excess of revenue over expenses	2,824,567	2,429,336
Net assets - Beginning of year	39,058,608	41,883,175
Net assets - End of year	41,883,175	44,312,511

The accompanying notes are an integral part of these combined financial statements.

	2023 (unaudited)	2024
	\$	\$
CASH PROVIDED BY (USED IN)		
Operations		
Excess of revenue over expenses	2,824,567	2,429,336
Items not involving cash:		
• Amortization of capital assets	1,771,397	1,921,580
• Amortization of deferred capital contributions	(40,662)	(39,379)
• Deferred contributions used	(57,264)	(18,131)
• Gain on disposal of capital assets	(326,843)	–
• Loss on fair value adjustment on investments held at fair value	2,723	–
	4,173,918	4,293,406
Changes in non-cash operating working capital		
Accounts receivable	242,284	(199,674)
Inventory	(4,378)	(1,663)
Prepaid expenses	(19,846)	(30,108)
Accounts payable and accrued liabilities	1,177,364	(276,365)
Unearned revenue and deposits	46,573	122,722
	5,615,915	3,908,318
Financing		
Repayment of loans payable	(1,116,000)	(980,733)
Investments		
Purchase of capital assets	(2,776,435)	(3,828,865)
Proceeds on sale of capital assets	460,000	–
Proceeds on redemption of investments at fair value	10,506,560	921,443
Purchase of investments	(16,000,000)	(1,765,000)
	(7,809,875)	(4,672,422)
Decrease in cash and cash equivalents	(3,309,960)	(1,744,837)
Cash and cash equivalents - Beginning of year	7,038,606	3,728,646
Cash and cash equivalents - End of year	3,728,646	1,983,809

The accompanying notes are an integral part of these combined financial statements.

OPERATIONS

The Canadian Hostelling Association (Operating as Hostelling International Canada) (the “Association” or “HI Canada”) is a group of not-for-profit organizations whose mission is to help all, especially the young, to 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.

On April 1, 2023, Hostelling International Canada (“HIC”) amalgamated with True North Hostelling Association (Operating as Hostelling International - Canada - Pacific Mountain Region (“PMR”)). The amalgamation was accounted for as a merger (note 2).

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These combined financial statements of the Association are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”). The combined financial statements include the accounts of the Canadian Hostelling Association, the Canadian Hostelling Association - British Columbia Region, the Canadian Hostelling Association - Southern Alberta Region, the Canadian Hostelling Association - Northern Alberta District, the Canadian Hostelling Association - Prairie Region Inc. and the Hostelling International - Canada - Atlantic Region. HI Canada controls these entities by virtue of appointing the members of each entity’s board of directors. 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 Centre and International Hostel at Lake Louise (“LLAC” or “CAC joint venture”), 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 these combined financial statements (note 12).

(b) Investments

Short-term investments consist of guaranteed investment certificates and term deposits that 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.

(c) Inventory

Inventory consist of food, beverages and other supplies and is measured at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method and includes the price of purchase and related taxes. Inventory is written down to its net realizable value when the cost of inventory is not estimated to be recoverable due to obsolescence, damage or declining selling prices.



(d) Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that either the full or partial amount of the asset no longer has long-term service potential to the Association. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost.

Capital assets are amortized on a declining balance basis over their estimated useful lives as follows:

ASSET	RATE
• Buildings and building lease improvements	5%
• Automobiles	30%
• Computer equipment and software	30% - 50%
• Furniture and equipment	20%

Buildings consist of the hostel located on federal lands whereby the Association has license of occupancy for a term ending in 2028 and does not expect any renewal issue. Therefore, the Association amortizes the building over the estimated useful life instead of the underlying land license. The Association reviews its property annually, and if the remaining useful life is determined to be shorter, will adjust the amortization prospectively.

Leasehold improvements are amortized on a declining balance basis over the shorter of their useful lives or the term of the lease. The building under construction is amortized once it is available for use.

(e) 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. 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. 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.
- (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.

(f) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Combinations of not-for-profit organizations

ASNPO Section 4449, Combinations by not-for-profit organizations, provides guidance for the recognition and measurement of combinations by not-for-profits organizations. In this standard, not-for-profit organizations are directed to assess each combination based on criteria outlined in the standard, and accordingly account for the combination as either a merger or acquisition.

Under the standard, except for combinations of not-for-profit organizations under common control, a combination is accounted for as a merger when all of the following criteria are met:

- (i) No party to the combination is characterized as either the acquirer or acquiree, either by its own Board or Management or by that of the other party to the combination.
- (ii) Those charged with governance of the predecessor organizations participate in determining the terms of the combination. This includes establishing the governance and management structures of the combined organization and in selecting management personnel.
- (iii) Except for transaction costs, no significant consideration flows to a third party of the organizations combining to form the reporting entity. A merger generally is accomplished by combining all of the assets and liabilities of the combining entities into a single reporting entity, without a transfer of cash or other assets to a third party of the reporting entity.

(iv) When entities combine, the reporting entity must encompass the purposes of each of the not-for-profit organizations subject to the combination at the combination date. While a combination may result in minor changes to the purpose of the combining not-for-profit organizations, a significant change would result in this criterion not being met.

(v) At the combination date, there is no significant decline or planned significant decline in the client communities served by one or more but not all of the organizations that combined to form the reporting entity.

A combination of not-for-profit organizations under common control is accounted for as a merger. If all of the criteria are not met, the combination is accounted for as an acquisition.

(h) Measurement uncertainty

The preparation of combined 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 combined financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. AMALGAMATION OF ENTITIES

On April 1, 2023, HIC amalgamated with PMR. The amalgamated entity has retained the name as Canadian Hostelling Association, integrating the operations of the two entities for a common purpose. The management believes there will be strategic alignment, financial savings and operational efficiencies as a result of this amalgamation. The combination is accounted for as a merger in accordance with ASNPO Section 4449, Combinations by not-for-profit organizations.

As of the combination date on April 1, 2023, the financial statements of the merging organizations were combined to form the financial statements of the Association. The prior year combined comparative information as at and for the year ended March 31, 2023 reports the aggregated results of HIC and PMR when they were operating independently.

3. INVESTMENTS AT FAIR VALUE

	2023 (unaudited)	2024
	\$	\$
Term deposit with interest of Prime - 2.00% per annum maturing in July 2024	12,100,000	12,100,000
Term deposit with interest of Prime - 2.00% per annum maturing in January 2025	3,900,000	3,900,000
Term deposit with interest of Prime - 2.25 % per annum maturing in January 2025	–	1,765,000
Canadian equities fund	21,443	–
	16,021,443	16,865,000

4. CAPITAL ASSETS

	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
	\$	\$	2023 (unaudited)	2024
	\$	\$	\$	\$
Land	4,452,530	–	4,452,530	4,452,530
Buildings and leasehold improvements	50,365,085	22,823,090	26,283,869	27,541,995
Automobiles	179,815	144,929	9,277	34,886
Computer equipment and software	1,652,626	1,459,309	184,985	193,317
Furniture and equipment	6,429,614	4,798,617	1,015,779	1,630,997
	63,079,670	29,225,945	31,946,440	33,853,725
Hostel development planning and assets under construction	9,731	–	9,731	9,731
	63,089,401	29,225,945	31,956,171	33,863,456

5. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are government remittances payable of \$97,238 (2023 - \$56,180) relating to goods and services tax, tourism levies and Workers' Compensation Board.

6. LOANS PAYABLE AND CREDIT FACILITIES

	2023 (unaudited)	2024
	\$	\$
Whistler mortgage (a)	1,806,079	1,299,172
Jasper mortgage (b)	5,775,000	5,369,000
Canadian Emergency Business Account (c)	67,826	-
Balance - End of year	7,648,905	6,668,172
Less: current portion	2,279,905	1,718,172
	5,369,000	4,950,000

(a) This mortgage includes two term loans that were obtained to finance the acquisition of the Whistler property. These two loans have blended monthly payments of \$50,328 and bear interest at a rate of 6.49%.

(b) The Jasper loan bears interest rate of 2.12% for 15 years plus stamping fee of 1.41%, maturing on December 29, 2034. The Association has also entered into an interest rate swap agreement to manage the interest rate risk associated with this long-term debt to fix this interest at 3.53%. On June 28, 2024, the swap agreement was amended to change the loan to be drawn as 3-month CORRA loan rather than banker's acceptances. The interest rate is CORRA Swap Rate 1.82% plus Credit Spread 1.71%.

(c) LLAC and HIC each applied for and received \$60,000 from the Government of Canada in relation to the Canadian Emergency Business Account ("CEBA"), which was intended to provide capital to organizations to assist during COVID-19. The loan is unsecured and bears no interest to December 31, 2023. If the loan is repaid by December 31, 2023, \$20,000 of the loan will be forgiven. If the loan is not repaid by December 31, 2023, the loan will bear interest at 5% per annum, with interest payments being payable until the full principal is repaid, with the loan maturing on December 31, 2025.

As at the year ended March 31, 2024, the Association has repaid the loan fully and the forgivable portion of \$nil (2023 – nil) was recognized against the hostel expenses in the Association's combined statements.

The available credit facilities are as follows:

- 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. As at March 31, 2024, the Association has not utilized this facility.
- The Association's joint venture with the CAC has a revolving line of credit of \$100,000, bearing interest at prime rate plus 1.00% per annum. As at March 31, 2024, the joint venture has not utilized this facility.

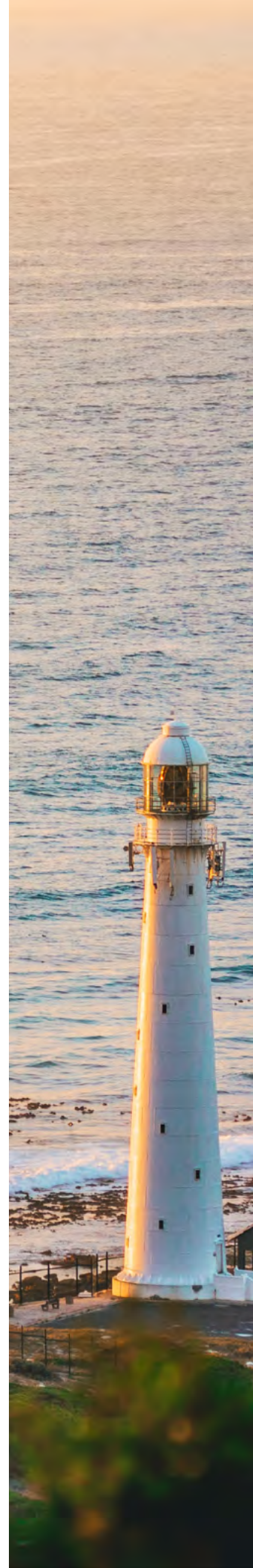
The Whistler and Jasper mortgage are secured by the following:

- a general security agreement covering a first ranking security interest in all property of the Association;
- a 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;
- a certificate of insurance on the Whistler Hostel and Downtown Hostel showing the bank as a first mortgagee;

The Association is subject to certain restrictive financial and non-financial covenants. As at March 31, 2024, the Association was in compliance with these covenants.

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 five fiscal years and thereafter:

	\$
2025	1,718,172
2026	435,000
2027	450,000
2028	465,000
2029	482,000
Thereafter	3,118,000
	6,668,172



7. DEFERRED CONTRIBUTIONS

	2023 (unaudited)	2024
	\$	\$
Balance - Beginning of year	75,395	18,131
Contributions utilized for capital projects during the year	(57,264)	(18,131)
Balance - End of year	18,131	-

8. DEFERRED CAPITAL CONTRIBUTIONS

	2023 (unaudited)	2024
	\$	\$
Balance - Beginning of year	587,824	547,162
Amortization during the year	(40,662)	(39,379)
Balance - End of year	547,162	507,783

9. COMMITMENTS AND CONTINGENCIES

(a) Operating leases

The Association leases certain premises under operating leases that will expire in various periods up to fiscal 2029. Minimum annual rental payments under these premises leases are as follows:

	\$
2025	99,682
2026	100,386
2027	101,090
2028	71,840
2029	2,250
Total	375,248

(b) Litigation

From time to time, in connection with its operations, the Association is named as the 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. RELATED PARTY TRANSACTION

During the year, the Association provided management services for \$78,750 (2023 - \$78,750) to the CAC joint venture.

These transactions have been measured at the exchange amount as agreed to by the related parties and are in the normal course of operations. The Association's proportionate share of the management services fee provided to the CAC joint venture has been eliminated in the preparation of these combined financial statements.

11. FINANCIAL RISKS

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk with respect to its cash, investment on term deposit and accounts receivable.

Cash and investment are held with major Canadian financial institutions. The Association continuously reviews the financial situation of its members. The Association establishes allowances for doubtful accounts while keeping in mind the specific credit risk of clients, their historic tendencies and economic situation.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Association to a fair value risk while the floating-rate instruments subject it to a cash flow risk. The Association mitigates the risk by entering into an interest rate swap agreement for floating-rate instruments, as described in note 6.

(b) Currency risk

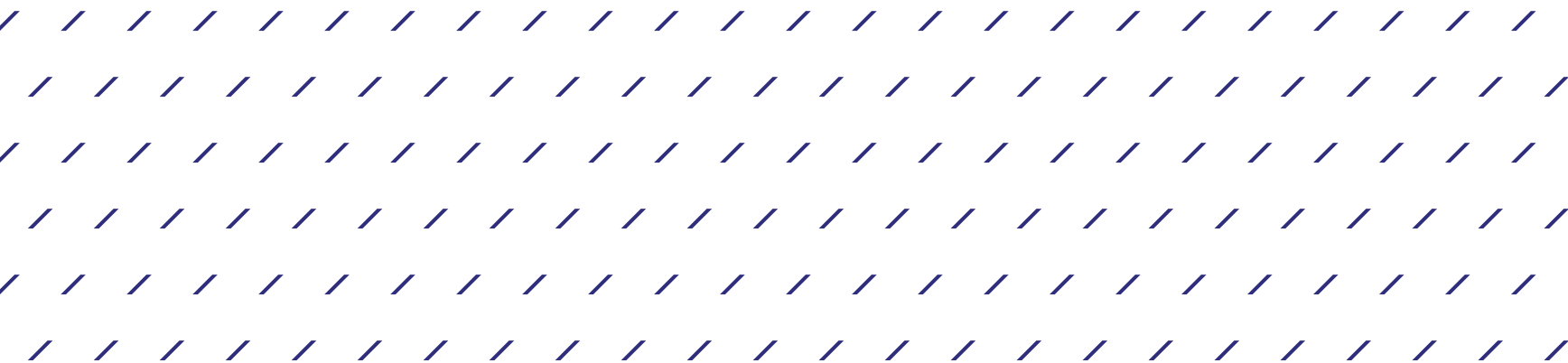
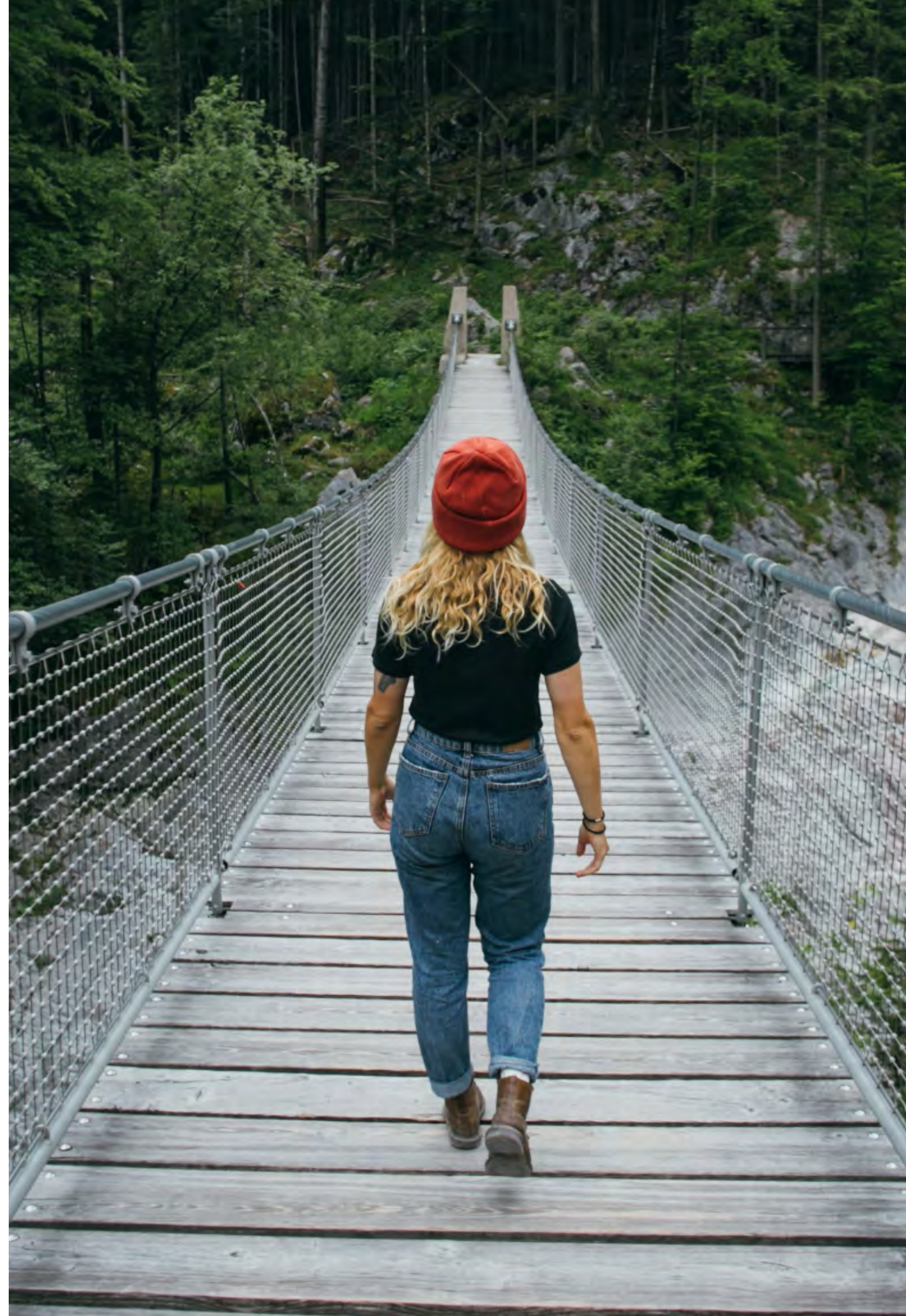
The Association realizes some of its revenues and purchases in foreign currencies. Consequently, it is exposed to fluctuations of these currencies. As at March 31, 2024, assets include a cash balance of \$99,942 (2023 - \$113,273) in US dollars.

There has been no change to the risk exposures from the prior year.

12. INVESTMENT IN JOINT VENTURE

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

	2023 (unaudited)	2024
	\$	\$
Assets		
Current assets	1,051,933	1,160,654
Capital assets	2,008,211	2,154,398
	3,060,144	3,315,052
Liabilities and Net Assets		
Accounts payable and other current liabilities	240,088	168,070
Deferred contributions	239,323	227,357
Net assets	2,580,733	2,919,625
	3,060,144	3,315,052
Revenue	2,501,937	2,637,696
Excess of revenue over expenses	511,926	547,588
Cash flows provided by operating	681,222	608,111
Cash flows used in financing	(278,261)	(236,522)
Cash flows used in investing	(224,703)	(277,176)



Owned Hostels

Alberta

HI Athabasca Falls
HI Banff Alpine Centre
HI Beauty Creek
HI Calgary City Centre
HI Castle Mountain
HI Edmonton
HI Hilda Creek
HI Jasper
HI Kananaskis
HI Lake Louise Alpine Centre
HI Maligne Canyon
HI Mosquito Creek
HI Mount Edith Cavell
HI Nordegg
HI Rampart Creek

British Columbia

HI Penticton
HI Vancouver Downtown
HI Vancouver Jericho Beach
HI Victoria
HI Whistler
HI Yoho National Park

Nova Scotia

HI Halifax
HI Wentworth

Affiliate Hostels

Alberta

HI Canmore

British Columbia

HI Cumberland, Riding Fool Hostel
HI Fernie, Raging Elk Adventure Lodging
HI Kelowna
HI Nanaimo, Painted Turtle Guesthouse
HI Nelson, Dancing Bear Inn
HI RED Mountain, Nowhere Special
HI Squamish, Adventure Inn
HI Tofino, Whalers on the Point Guesthouse

Manitoba

HI Rossburn, 9 Finger Ranch

Québec

HI Québec, Auberge internationale de Québec
HI Magog-Orford, Auberge Jeunesse Magog-Orford

Newfoundland and Labrador

HI Bonavista

HI St John's

Prince Edward Island

HI Charlottetown, Backpackers Inn

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