2025 ANNUAL REPORT

HOSTELLING INTERNATIONAL CANADA

HI CANADA

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Letter from the CEO

Fiscal year 2025 brought both challenges and progress for Hostelling International Canada, with moments that tested our resilience and others that reminded us why our work matters. The most difficult came in July, when wildfires swept through Jasper National Park, forcing the rapid evacuation of residents, visitors, and businesses. In a matter of hours, we lost three hostels—HI Jasper, HI Maligne Canyon, and HI Athabasca Falls—each a unique part of our hostel network and a welcoming space for travellers from Canada and around the world.

Our priority was the safety and well-being of our people. Thanks to swift coordination between hostel teams and local authorities, all guests and staff were evacuated safely. For those who lost both workplace and home, we quickly secured housing and provided support. Hostels such as HI Nordegg, HI Banff, and HI Edmonton welcomed displaced colleagues, ensuring no one faced the crisis alone. The loss of these three hostels was a heavy blow, but it strengthened our resolve to return and rebuild with sustainability and climate resilience at the forefront. Plans are well underway for an HI Jasper reopening in late 2026.

Amid this loss, we also had moments to celebrate. After a multi-year closure, we proudly reopened HI Halifax, the result of an investment of over $1 million to restore the property. The renovation paid careful homage to the building's heritage while introducing modern comforts and amenities to meet the needs of today's travellers. In October, Tourism Nova Scotia upgraded HI Halifax from a 2-star to a 4-star rating, recognizing the quality of the revitalized property. This balance of history and innovation has brought new energy to our eastern network and reintroduced an important hub for both visitors and the local community.

Across the rest of the network, we made important improvements, including upgrades at HI Vancouver Jericho Beach and HI Lake Louise, along with other enhancements designed to elevate guest experiences and improve operational efficiency. These investments were supported by another year of strong performance, with travel demand continuing to rise. Our hostels welcomed 334,281 overnight stays—a 6.6% increase over last year—and international visitation exceeded pre-pandemic levels. The resulting financial stability has given us the capacity to reinvest in our properties, our people, and our mission.

We also continued to strengthen the value of HI Canada membership through new and renewed partnerships. Collaborations with organizations such as Harbour Air, the Alpine Club of Canada, Parks Canada, and the international HI community are helping to make travel more accessible and enriching for our members, while building our presence and connections in the wider travel sector.

At the same time, our hostels remained deeply connected to the communities they call home. From HI Vancouver Downtown's Pride Rooftop Party to HI Whistler's provision of meeting space for grassroots initiatives, our teams have continued to create spaces that bring people together—whether they're guests, neighbours, or partners.

As I reflect on this year, I'm struck by the resilience, dedication, and generosity that have defined our collective response to both hardship and opportunity. I am deeply grateful to our talented staff, our committed volunteer Board of Directors, and our affiliated hostel partners across the country. Their combined efforts have ensured that HI Canada remains a vibrant, values-driven, and mission-focused organization.

We end the year financially stable, operationally stronger, and united in our mission to build a community of conscious travellers. With your continued support, we will rebuild in Jasper National Park, strengthen our network, and welcome even more people to experience the connection, discovery, and community that define hostelling in Canada.

Julius van Wyk

Chief Executive Officer
HI Canada

Letter from the Chair

Dear Members and Affiliates of HI Canada,

I hope this message finds you well. I am writing to share some exciting updates and developments from the Canadian Hostelling Association (HI Canada) and to express our gratitude for your ongoing support and engagement.

Throughout the year, the Board of Directors has been actively engaged with our management team, providing governance oversight. We're delighted to inform you that the Board has played a leading role in developing the new Membership Engagement Plan and advancing international initiatives on behalf of HI Canada. This year, in our effort to ensure broad outreach, we held Board meetings across Canada, which allowed us to visit numerous hostels, connect with staff, and engage with both members and affiliate hostels.

Our Board is committed to overseeing the performance and strategy of HI Canada, diligently monitoring the CEO's work in relation to the new Ends for the Canadian Hostelling Association. We take our financial health seriously and safeguard it through rigorous budget monitoring and audit reviews. I'm particularly pleased to share that we have identified exceptional new talent for our Board, who have been officially welcomed at the 2025 Annual General Meeting.

In September 2024, delegates from our Board attended the 25th Annual International Youth Hostelling Federation (IYHF) Conference in Berlin. This was a significant event, followed by a productive trilateral meeting between Canada, the USA, and Germany in Berlin and other regions of Germany. These meetings were highly successful, and we believe they will substantially strengthen HI Canada's international relationships.

We are also pleased to note that our hostels continue to be a preferred choice for many international and domestic travellers. We look forward to welcoming guests to our properties and hope they enjoy the unique people and cultures of the areas where we operate.

I must also address the unfortunate loss we faced in July 2024, when we lost three of our hostels in Jasper National Park—HI Jasper, HI Maligne Canyon, and HI Athabasca Falls—due to wildfires. We are currently in the final redesign phase for HI Jasper, with plans to begin rebuilding in September 2025. We sincerely appreciate the many comments and ideas from our members regarding the redesign, as they show us how much you care. We believe you will be pleased with the enhancements we have incorporated when you visit HI Jasper again. As for HI Maligne Canyon and HI Athabasca Falls, we remain in a holding phase until all demolition work and environmental testing have been completed.

Lastly, we want to express our heartfelt gratitude for the tremendous support of our affiliate hostels, which are an integral part of the HI Canada network across the country.

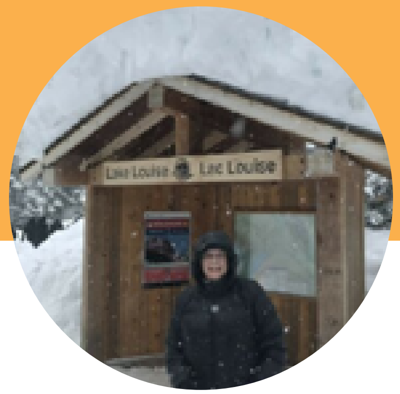
We look forward to seeing you in the near future and continuing our journey together.

With appreciation,

Lenore Neudorf

Chair, Board of Directors
HI Canada

Meet the Board

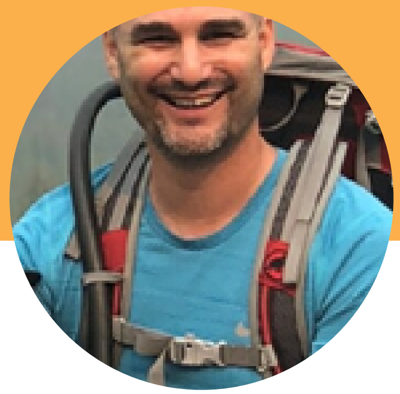


LENORE NEUDORF, Chair

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 lifetime 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.

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.

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!

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.

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.

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.

BRANDON SOUSA, Director

Brandon is a corporate communications professional with experience at some of Canada's largest brands. A passionate traveller to over 50 countries and former accredited travel writer, he chooses hostels for the connections they create. He also brings eight years of board and governance experience with a provincial members association for craft artists.

VERONIQUE LESCAUT, Director

With extensive travel experience, Veronique brings strong expertise in tourism, sustainability, and corporate management. Now based in Canada, she's passionate about outdoor adventure and building connections through hostelling, and is excited to support HI Canada's mission.

Year in Review

Our Overnight Performance

RESILIENCE, RECOVERY, AND A GROWING NETWORK

HI Canada closed out FY2025 with 334,281 overnights, representing a 6.6% increase over FY2024—despite the loss of three hostels in Jasper National Park. This growth, in line with national tourism recovery figures, showcases the network's adaptability and strong guest appeal.

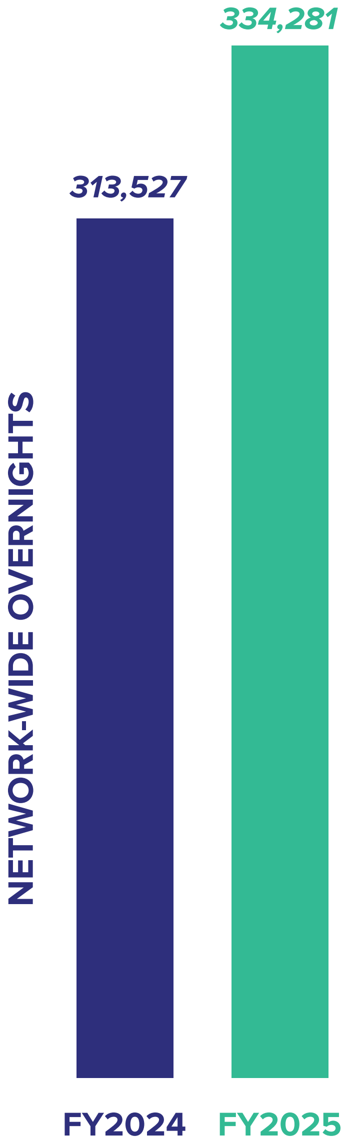
This year's growth was supported by:

- A full year of operations at HI Vancouver Downtown, which saw continued momentum following its reopening in July 2023.
- Strong performances at several high-volume hostels.
- The reopening of HI Halifax in the fall of 2024, which contributed more than 6,500 overnights in that short period of operation—marking a welcome return to Atlantic Canada for HI Canada's network.

OUTPERFORMING NATIONAL TRENDS

Nationally, Statistics Canada reported a 3.6% rise in tourism spending and a 3.8% increase in tourism GDP in 2024. HI Canada's overnight growth of 6.6% not only exceeded the national domestic overnight trip growth (~3.9%) but also aligned with the ~9% increase in international arrivals seen across Canada, reflecting the organization's resilience and competitiveness in a recovering travel market.

The strength of these results, even in the face of substantial loss within the network, speaks to the collective effort of our teams, the quality of our guest experience, and the appeal of our unique hostels across Canada. HI Canada's performance in FY2025 not only underscores our recovery but sets a solid foundation for continued success and growth in the years ahead.



Hostel Highlights

HI BANFF ALPINE CENTRE
led the network with 74,552 overnights (+5.3%), maintaining a strong 86.7% occupancy rate.

HI CALGARY
crossed the 25,000 threshold with 25,337 overnights (+12%).

HI LAKE LOUISE
grew to 24,683 overnights, up from 21,740 the year prior.

HI EDMONTON
added 22,390 overnights (+17%), reflecting renewed interest in urban travel.

Our Guests

SUSTAINED MOMENTUM AMID NETWORK CHANGE

Fiscal 2025 marked another year of strong recovery and growth for HI Canada's guest community. In line with national trends, international travel returned in force, while domestic travel remained a vital component of the network's success. Despite the challenging circumstances that led to the closure of HI Jasper, HI Athabasca Falls, and HI Maligne Canyon due to the 2024 wildfires, our guest numbers rose—thanks to standout performances across the remaining hostels and, in a small but meaningful way, the reopening of both HI Vancouver Downtown in 2023 and HI Halifax midyear 2024.

International travel surged in key markets, reflecting both pent-up demand and the ongoing appeal of Canada as a safe, welcoming destination. Germany once again emerged as HI Canada's top international market in FY2025 with 30,511 overnights, followed closely by England & Wales (28,765), Australia (27,303), and the United States, which grew by nearly 19% to 22,246. France also posted double-digit growth. While the Asian markets of China and Japan continued their gradual rebound, with overall volumes remaining below pre-pandemic highs.

In step with national data from Statistics Canada, which reported a 3.9% increase in overnight domestic trips and a return to pre-pandemic levels of domestic travel in late 2024, HI Canada welcomed a growing number of Canadian guests. Travellers from Alberta remained the largest domestic group, making up nearly half of all Canadian overnights at our hostels. Ontario and British Columbia followed, with 18% and 17% respectively.

Our guest composition in FY2025 reflects broader shifts in Canadian and global travel patterns—toward longer, experience-rich travel and a growing preference for affordability, sustainability, and community. HI Canada continues to strive to meet this demand, welcoming a diverse mix of domestic and international travellers.

TOP 5 INTERNATIONAL MARKETS

	FY2024	FY2025	Growth
England & Wales	29,449	28,765	-2%
Germany	28,777	30,511	6%
Australia	26,188	27,303	4%
US	18,714	22,246	19%
France	13,976	15,846	13%

DOMESTIC TRAVEL BY REGION (% OF CANADIAN OVERNIGHTS)

	FY2025
Alberta	48%
BC	17%
Ontario	18%
Quebec	10%
Atlantic Region	3%
Saskatchewan/Manitoba	3%
Territories	1%

Our Financial Performance

In FY2025, HI Canada maintained a strong financial position despite significant operational challenges, most notably the closure of three Jasper-area hostels following the July 2024 wildfires. Careful stewardship of resources, combined with insurance proceeds and disciplined cost management, allowed the organization to grow net assets, reduce liabilities, and continue investing in our hostel network.

FINANCIAL POSITION

Total Assets: Increased to $54.5 million from $53.9 million in 2024. This growth was primarily due to cash holdings rising from $18.8 million to $23.8 million, supported by the insurance payout related to the Jasper wildfire loss.

Liabilities: Fell from $9.6 million to $8.6 million, reflecting loan repayments and a reduction in deferred capital contributions. Current liabilities dropped from $4.2 million to $3.6 million, signalling an improved short-term position.

Net Assets: Rose by $1.6 million to $46 million, reinforcing the organization's overall financial health and capacity to manage through uncertainty.

REVENUE AND EXPENSES

Total Revenue: Declined 3.7% to $20.4 million (2024: $21.1 million), largely due to the mid-year closure of HI Jasper, HI Athabasca Falls, and HI Maligne Canyon.

Expenses: Increased 2.5% to $19.7 million, driven mainly by hostel operating costs rising to $15.4 million. Administrative expenses grew moderately to $2.5 million but remained well controlled.

Excess of Revenue Over Expenses: HI Canada posted an annual surplus of $1.6 million (down from $2.4 million in 2024), demonstrating resilience and operational efficiency in the face of rising costs and reduced revenue.

CASH FLOW ANALYSIS

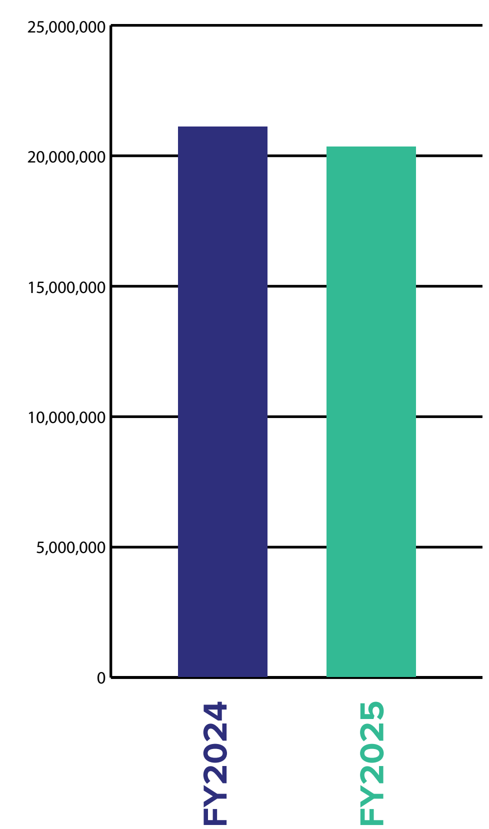
Cash From Operations: Generated $3,636,554 in operational cash flow.

Capital Investment: Invested $6 million into capital projects across the network, advancing our long-term strategy to modernize and improve the hostel experience.

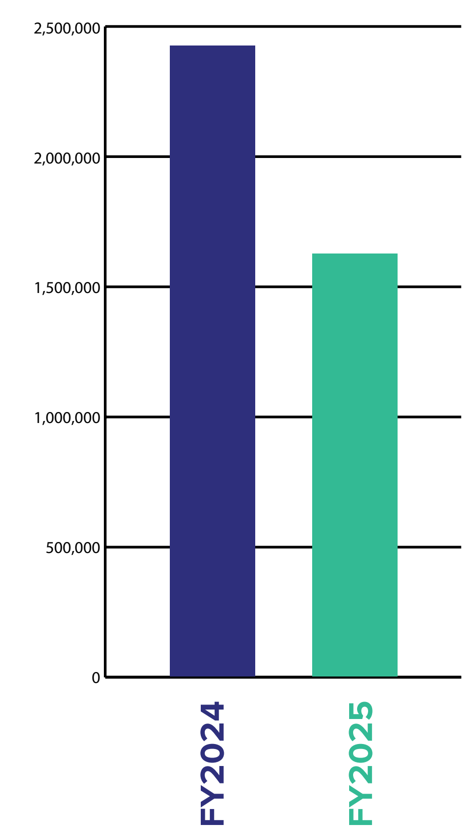
Cash and Cash Equivalents: Increased from $2.0 million to $2.6 million, supported by insurance claim payments.

Despite the year's extraordinary challenges, HI Canada emerges from FY2025 with a solid balance sheet, a strong asset base, and a commitment to reinvesting in our infrastructure. Strategic capital spending, coupled with prudent cash flow management, positions the association to navigate the rebuilding process in Jasper while sustaining service excellence across the network.

TOTAL REVENUE



NET SURPLUS



Our Strategic Plan

During Fiscal Year 2025, HI Canada undertook significant work to develop a new three-year strategic plan that will guide the organization from FY2026 through to FY2028. This planning process was a key initiative during the year, bringing together senior leadership to revisit our Ends, align priorities, and build a values-based roadmap for the future.

The result of this work is *Guided by Purpose*, a strategic plan designed to strengthen HI Canada's ability to deliver on its mission: to build a community of conscious travellers who share a greater understanding of people, places, and cultures. The plan is structured around five strategic core priorities: Hostel Experience & Service Delivery, Human Capital Growth & Preservation, Organizational Standardization, Financial Health & Sustainability, and Information Infrastructure.

In FY2025, the focus was on laying the groundwork for implementation—defining priorities, creating a shared language, and aligning internal stakeholders. The first year of the plan aims to prioritize foundational improvements such as building a centralized data hub, upgrading core technology tools, and standardizing hostel processes.

Though implementation will take place in the coming years, the strategic planning process itself served as a critical moment of reflection and alignment. It reaffirmed our commitment to operational excellence, social impact, and long-term sustainability. FY2025 marked the transition from recovery and reinvention to focused, future-ready planning—setting the stage for HI Canada's next chapter.

The strategic plan reaffirms our commitment to operational excellence, social impact, and long-term sustainability.

Our Hostels

As part of HI Canada's ongoing commitment to operational excellence, Fiscal Year 2025 continued the multi-year priority of significant reinvestment in the form of capital investments across our hostel network, with most hostels undergoing some form of upgrade.

HI BANFF ALPINE CENTRE marked the 20th anniversary of the Storm Cellar Bar with a full renovation of the bar. All private rooms, including washrooms, were fully updated, and a new co-working space was introduced in the Mary Belle Barclay building to support digital nomads and long-stay travellers. The exterior of every building received a fresh coat of paint, while staff accommodation saw major kitchen and washroom upgrades.

HI LAKE LOUISE completed significant renovations with brand-new showers throughout the building, upgraded bunk beds, and an improved camera system to enhance security.

HI NORDEGG saw a comprehensive transformation with renovations to all guest rooms and staff accommodation. The entire building was soundproofed, and two new private room products were introduced to diversify the guest offering.

HI PENTICTON enhanced the guest experience by refurbishing its washroom facilities, improving both aesthetics and functionality.

WILDERNESS HOSTELS saw sustainable infrastructure investments, including upgrades to solar systems across the network with new panels, battery systems, and supporting components—ensuring these off-grid hostels remain energy-resilient and environmentally conscious.

These capital improvements support our strategic priorities by fostering consistency across the network, improving guest satisfaction, and reducing long-term maintenance costs. As we look ahead, HI Canada remains committed to further reinvestments that strengthen our infrastructure and keep pace with evolving traveller expectations.

INVESTING IN TECHNOLOGY FOR BETTER GUEST EXPERIENCE

In addition to physical upgrades, several hostels benefited this year from technology investments designed to improve both efficiency and the guest journey. The rollout of the Dormakaba Ambiance–GuestCentrix integration at properties using Dormakaba locks has streamlined check-in, reduced manual errors, and freed up front desk teams to focus more on meaningful guest interactions.

This behind-the-scenes infrastructure upgrade supports HI Canada's broader commitment to modern, consistent, and guest-focused hostel operations, ensuring travellers enjoy a smoother and more welcoming stay.

HI Jasper

On July 22, 2024, a fast-moving wildfire ignited in Jasper National Park, under extreme dry weather conditions. Within hours, the park was under evacuation orders. Thanks to the quick action of our hostel teams and local authorities, all guests and staff from HI Jasper, HI Athabasca Falls and HI Maligne Canyon were safely evacuated.

Hostel staff initially travelled to Valemount, BC, and then to HI Nordegg, where they were housed for several weeks. Many had left with only the clothes on their backs and HI Canada ensured they were provided with meals, clothing, and temporary shelter. Ensuring the safety of our guests and supporting our staff through this displacement was our most immediate priority.

Two days later, on July 24, 2024 the wildfire reached the town of Jasper, despite the tireless efforts of firefighters and emergency personnel. By the following day, we received the difficult information that three of our hostels—HI Jasper, HI Athabasca Falls, and HI Maligne Canyon—had been destroyed.

HI Jasper, opened in 2019, had quickly become a flagship hostel and a favourite among international and domestic travellers. The wilderness hostels at Athabasca Falls and Maligne Canyon had long been valued for their rustic charm and direct access to the park's natural beauty. The loss of all three hostels was deeply felt and significantly impacted our network.

In the weeks that followed, our focus remained on supporting displaced staff, assisting affected guests. HI Beauty Creek reopened in the winter of 2024. While HI Mount Edith Cavell was not destroyed in the fire, it remains closed until further notice from Parks Canada.

HI Canada is working to process the loss, review the operational impacts and plan for the future of our presence in Jasper National Park. We do plan to rebuild, but this will take time. Future development will be shaped by our commitment to environmental sustainability, climate resilience, and the evolving needs of travellers.

The Jasper wildfires were a stark reminder of the vulnerabilities we face in ecologically sensitive areas. They have also reinforced our determination to rebuild and reimagine how we operate in these extraordinary places—stronger, smarter and more prepared for the future.

Our People

Investing in our Team

PRIORITIZING WELL-BEING

As part of our commitment to employee well-being, HI Canada conducted a mental health needs assessment, building on insights from the Fall 2024 Employee and Leaders Survey. The assessment helped us identify key areas where additional support was needed and guided our decision to implement a dedicated mental health initiative.

In February 2025, we introduced the Teladoc Health Employee and Family Assistance Program (EFAP) to all staff across the organization. This confidential, no-cost program offers 24/7 access to mental health counselling, digital wellness tools, crisis support, legal and financial guidance, and life management services. The launch of the EFAP represents our first major step in a broader strategy to support mental health at work and at home. We're proud to offer this vital resource and remain committed to fostering a workplace where well-being is prioritized and help is always within reach.

EMPOWERING LEADERS

In 2024, we introduced the Team HUB and Leader HUB—two centralized platforms designed to make it easier for employees and leaders to find the tools and information they need. These new resources bring together everything from payroll, benefits, and policies to health and safety, recognition, and support services in one easy-to-navigate space.

For hostel and National Office employees, the Team HUB simplifies access to essential information, eliminating the need to search through emails or multiple folders to find a procedure, form, or how-to guide. For leaders and supervisors, the Leader HUB goes a step further, providing tailored tools and learning resources that help them lead more effectively, whether it's recruitment, creating respectful workplaces, understanding policies, or responding to staff questions.

The launch of these platforms directly supports our strategic priority to get everyone on the same page with shared language, clean data, and one reliable place to find what we need. By centralizing our resources, we're reducing confusion, building consistency, and making it easier for everyone at HI Canada to stay informed, aligned, and empowered in their roles.

Length of Service Recognition

35 YEARS

SYLVIANNE L'ALLIER
Operations Administrator, National Office

30 YEARS

KENNETH SIMMS
Housekeeper, HI Banff Alpine Centre

20 YEARS

MAGGIE CHEUNG
Senior Accountant, National Office

TINA TANG
Accounting Clerk, National Office

SHAUNA MOREY
Wilderness Hostel Manager

15 YEARS

RICHARD BOURNEUF
Wilderness Hostel Manager

10 YEARS

MELISSA LA FRANCE
Front Desk Agent, HI Calgary City Centre

PAUL CAMPBELL
Housekeeper, HI Vancouver Jericho Beach

New Employees

HEMANTH UPPADA • IT Administrator

GINA BRIGANTE • Assistant Hostel Manager, HI Halifax

DANIELLE FORTIN • Wilderness Hostel Manager, HI Nordegg

JOSEPH GILENKO • Maintenance Supervisor, HI Whistler

JENNIFER CICHOSZ • Travel Trade Reservations Coordinator, CRS

JOSH BUCKINGHAM • General Manager, HI Banff

NANCY OUELLET • Wilderness Hostel Manager, HI Kananaskis

HASSAN HALAWANI • Assistant Hostel Manager, HI Calgary

People on the move

REMI LAMBEAU • Promoted to Alberta Operations Manager

LAUREN WALKER • Promoted to Assistant Hostel Manager, HI Vancouver Jericho Beach

ELAINA EDMUNDS • Promoted to Housekeeping Manager, HI Halifax

LOUIS DIDUCA • Promoted to Food & Beverage Manager, HI Banff

ANTHONY BROOK • Promoted to Wilderness Hostel Manager

Staffing Spotlight

	Active staff	*Staff on leave*
As of April 1, 2024	231	2
As of March 31, 2025	219	5

Our Members

A New Direction

In Fiscal Year 2024, following extensive consultation with its members, HI Canada approved changes to its membership bylaws. This paved the way for a new membership model representing one of the most impactful shifts in HI Canada's operations in decades.

This year HI Canada has operationalized the new membership model with membership now offered for free when spending a night at any HI Canada hostel.

At the heart of this transformation is HI Canada's mission: to build a community of conscious travellers who share a deeper understanding of people, places, and cultures through hostelling. The new membership model is designed to be a strategic cornerstone in strengthening this community and expanding its reach.

GROWING OUR COMMUNITY

The new model over time will significantly increase the size of the HI Canada member base, positioning HI Canada to deliver a more personalized and valuable experience to each member.

Under this new model, members will continue to enjoy:

- Exclusive offers and hostel deals at over 3,000 HI hostels in 61 countries.
- Enhanced travel discounts across our network
- Opportunity to participate in the Governance of HI Canada

Membership with HI Canada opens the door to new friendships, cultural discovery, and meaningful experiences—all while helping sustain a network that champions inclusive, sustainable, and educational travel.

EXPANDED BENEFITS FOR LIFE MEMBERS

In Fiscal Year 2025, we also introduced a range of new benefits for our Life Members.

Life Members are at the heart of what we do, and these new and exclusive perks are a way of thanking them for their ongoing contribution to HI Canada.

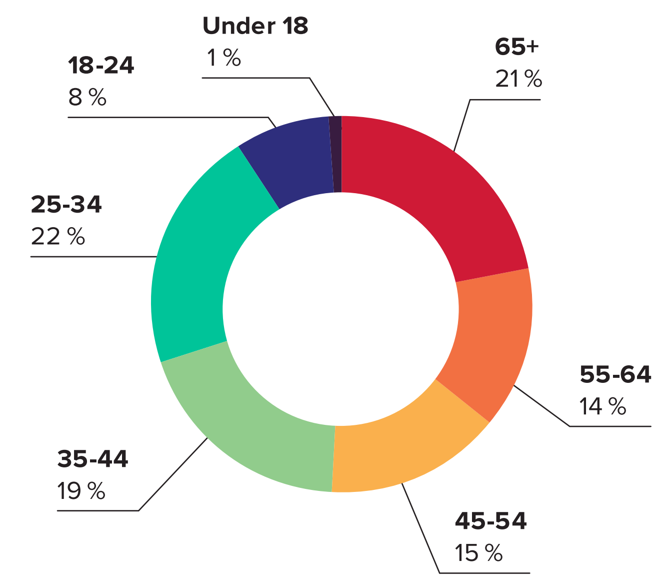
These annual perks include:

- Two 50% off vouchers for a one-night stay at any association-owned hostel (up to a maximum of $100 discount per reservation)
- One $50 "Refer-A-Friend" voucher toward a reservation at any association-owned hostel
- A unique HI Canada Life Member pin—a symbol of your lasting connection to the hostelling movement
- 10% discount on food and beverages (excluding alcohol) at select hostel cafés

NEW ADULT MEMBERSHIPS

7,871

AGE DEMOGRAPHICS



The new model has resulted in an increase of 78.5% in the number of Standard Members of HI Canada.

Partner Spotlight

HI CANADA & WORLD NOMADS

In Fiscal 2025, HI Canada initiated a strategic partnership with World Nomads Travel Insurance, a collaboration rooted in shared values of safety, adventure, and responsible travel. Since its inception, this partnership has empowered our community of travellers to explore with confidence, knowing they have access to comprehensive travel insurance tailored to the unique needs of our members.

With flexible policy options, 24/7 multilingual support, and seamless access to coverage even mid-journey, World Nomads has become a trusted companion for many of our members across the country.

Beyond insurance, the partnership also supports community impact. Through World Nomads' micro-donation program, travellers can contribute to grassroots projects around the world, with 100% of donations going directly to the initiatives. This aligns with HI Canada's commitment to sustainable and socially conscious travel.

New Member Discounts

HI Canada is committed to finding new member discounts to help make travel more affordable. With a growing membership community, the opportunity to strengthen current partnerships and find new ones is enhanced. Looking forward we see members benefiting from many new value-add partnerships in the years ahead.

HARBOUR AIR

North America's largest seaplane airline offers our members 5% off scheduled and 10% off scenic flights. Harbour Air's scheduled seaplane service connects 12 locations, making it possible for our members to get discounted flights between our hostels in Vancouver, Tofino, Whistler and Cumberland.

Their daily scenic tours depart from Whistler and Vancouver and offer stunning uninterrupted views of mountains, oceans and lakes that sit on the doorsteps of our hostels.

With a commitment to sustainability, Harbour Air is pioneering the future of green aviation—operating the world's first fully electric commercial aircraft and working toward an emission-free fleet.

MARITIME BUS

With a newly reopened gateway hostel in Halifax, we are working on establishing new partnerships to help make travel more accessible and affordable for exploring Atlantic Canada.

With multiple daily departures, Maritime Bus is a leading coach operator serving over 50 destinations across the Maritimes. Our members now benefit from a 10% discount on all routes and is a great option when travelling between our hostels in Halifax and Charlottetown.

This partnership reflects HI Canada's commitment to accessible and environmentally responsible travel. As we expand our network, partners like these are essential to help make hostels accessible to all.

Our Community

Connections at our Hostels

At HI Canada, being part of a community means more than operating a place to stay—it means actively contributing to the social and cultural fabric of the places we call home. Across our network, we create spaces where travellers and locals connect, support one another, and take part in experiences that leave a lasting positive impact. This year, our hostels were hubs for cultural exchange, grassroots partnerships, and local action that aligned with our mission: to build a community of conscious travellers who share a greater understanding of people, places, and cultures.

HI VANCOUVER DOWNTOWN: PRIDE, INCLUSION & GIVING BACK

On August 4, 2024, HI Vancouver Downtown's rooftop became a vibrant celebration of love and community at our first-ever HI Pride Rooftop Party. Guests, neighbours, and friends came together for music, drag performances, games, and food—creating a joyful space of connection and inclusion. Beyond the celebration, the event raised funds for the Health Initiative for Men (HIM), a local non-profit promoting LGBTQ2S+ health and well-being. It was a powerful example of how our hostels can bring diverse people together while directly supporting our neighbours.

HI EDMONTON: A CULTURAL HUB FOR TRAVELLERS AND LOCALS

In Edmonton, our hostel strengthened its role as a cultural meeting point. We partnered with Rapid Fire Theatre and Grindstone Theatre to connect guests to the city's creative scene, offered discounted stays for touring artists, and regularly hosted activities from farmers market visits to street art tours. By offering free meeting space to grassroots arts groups and promoting neighbourhood businesses, HI Edmonton ensured that travel dollars and energy flowed directly back into the local community.

HI BANFF: ROOTED IN PLACE, CONNECTED TO PEOPLE

HI Banff deepened its ties to the community through partnerships with local businesses, live music nights, and guided activities that immersed guests in Banff's cultural and natural heritage. We provided meeting space for local non-profits, promoted responsible exploration, and encouraged guests to support local conservation and culture—reminding travellers that meaningful exploration begins with respect for place and people.

WHY IT MATTERS

These initiatives—whether a rooftop Pride celebration, meeting rooms for community groups, cultural partnerships, or guided hikes—are more than hostel events. They are expressions of our mission in action: creating shared spaces where people from all walks of life can meet, learn, and contribute. By engaging deeply with our communities, HI Canada helps ensure that travel doesn't just benefit the traveller—it leaves a positive imprint on the places and people who make the journey possible.

Connections on the Road

TRADE SHOW PARTICIPATION

In 2025, HI Canada actively participated in key trade shows and industry conferences across Canada and around the globe.

- **Rendezvous Canada** (Edmonton)
- **World Youth and Student Travel Conference** (Lisbon)
- **Tourism Congress** (Vancouver)
- **International Indigenous Tourism Conference** (Montréal)

These events provided valuable platforms to learn about emerging travel trends and presented HI Canada with the opportunity to engage directly with potential partners and stakeholders. Our presence helped strengthen HI Canada's reputation as a trusted and innovative organization within the global travel community.

HI CANADA AT THE INTERNATIONAL INDIGENOUS TOURISM CONFERENCE

In February 2025, HI Canada proudly participated in the International Indigenous Tourism Conference (IITC), hosted in Montréal.

In attendance, representing HI Canada:
Rhian Charette: General Manager, HI Vancouver Hostels
Alfie McKenzie: General Manager, HI Whistler
Grant Millar: Director of Partnerships and Stakeholder Engagement

As the world's largest Indigenous tourism gathering, IITC brought together over 1,000 delegates to celebrate Indigenous cultures, strengthen partnerships, and shape the future of tourism in Canada and beyond.

This year's conference featured three days of immersive learning, cultural exchange, and collaboration. HI Canada joined Indigenous tourism operators, community leaders, and industry stakeholders in exploring how hostelling can support Indigenous-led tourism, cultural preservation, and reconciliation through travel.

As we look ahead, the insights and relationships formed at IITC will continue to guide our efforts to create meaningful, educational, and culturally rich experiences for travellers across Canada.

HI CANADA IN THE GLOBAL HOSTEL COMMUNITY

In 2024, HI Canada reaffirmed its commitment to international collaboration and knowledge exchange by participating in key global gatherings of hostel operators and travel industry leaders.

In the fall of 2024, two hostel managers represented HI Canada at the Hostelworld Conference in Copenhagen, connecting with peers from around the globe. This event provided a platform to share insights on hostel trends, digital innovation, and guest engagement, while strengthening relationships with partners and independent operators in the global hostel network.

Earlier in the year, during the spring of 2024, two additional managers attended the North American Hostelling Association (NAHA) Conference in Playa del Carmen, Mexico. As one of the largest operators in attendance, HI Canada played a visible role in discussions around guest experience, operational challenges, and future growth.

The conference also served as an opportunity to showcase HI Canada's leadership in the region. These international touchpoints help us stay aligned with global best practices, spark new ideas, and reaffirm HI Canada's place as a leader within the worldwide hostelling movement.

Our Marketing

Website

DIGITAL HIGHLIGHTS

In Fiscal Year 2025, HI Canada's online presence remained strong. Our website welcomed over 714,000 active visitors, with 658,000 discovering us for the very first time. People didn't just drop by—they stuck around, logging nearly 8 million interactions and spending close to two minutes each exploring our content.

Most travellers found us through Google search, showing the power of our SEO, while many others came directly or through hostel wifi connections. Our most-loved pages included the HI Canada homepage and hostel pages for Vancouver, Banff, and Lake Louise—proof that these destinations continue to inspire curiosity and clicks.

ADVERTISING PERFORMANCE

Google Ads proved highly effective, especially branded keyword campaigns, which delivered excellent click-through rates at a low cost per booking. Location-based ads for Banff, Jasper, and Lake Louise also performed strongly, confirming that travellers respond well to targeted campaigns. Together, Alberta and BC campaigns generated over 1,000 bookings at a competitive cost.

The 25–34 age group remains our largest and most engaged audience, aligning perfectly with the hostel travel market. At the same time, we're seeing growth among older travelers (ages 55–64), suggesting opportunities to broaden our reach.

AT A GLANCE

Total Active Users: 714,000

New Users: 658,000

Average Engagement Time per User: 1 minute 51 seconds

Average Pages Viewed per Visitor: 3.2

TOP TRAFFIC SOURCES

Google/Organic (307K sessions): People who found us by searching on Google and clicking our website in the regular (non-paid) results.

Direct Traffic (213K sessions): People who typed our web address directly into their browser, used a saved bookmark, or clicked a link in an untracked email/app.

Wifi Landing Page (131K sessions): Guests connecting to wifi at our hostels who then landed on our website.

Google CPC (10K sessions): Visitors who clicked one of our paid Google ads ("cost per click" campaigns).

Hihostels.com referral (8.3K sessions): Visitors who came to our site by first visiting the global HI website and then clicking through to HI Canada.

TOP COUNTRIES

Canada	Germany
US	Netherlands
France	India
UK	Ireland
Australia	Spain

Social Media

Our social media channels continue to be an important way to connect with travellers and share the HI Canada experience. Instagram is becoming the stronger driver of visibility and brand, while Facebook still remains valuable for shareable posts and community updates. TikTok is also an increasingly valuable space, where we work with influencers to share content and create authentic connections with new audiences. Together, these platforms highlight the need to tailor strategies to engage the next generation of travellers in a more natural, authentic way.

@hicanadahostels   @hicanadahostels

AT A GLANCE

Instagram Reach: 47,909 (+32%)

Facebook Reach: 84,257 (+7%)

Instagram Followers: 10,281 (+2.6%)

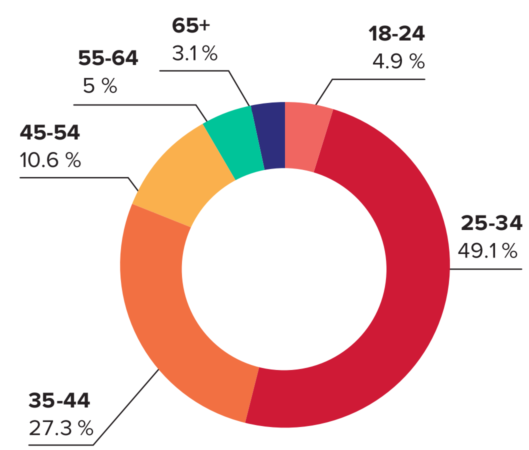
Facebook Followers: 25,668 (+1.4%)

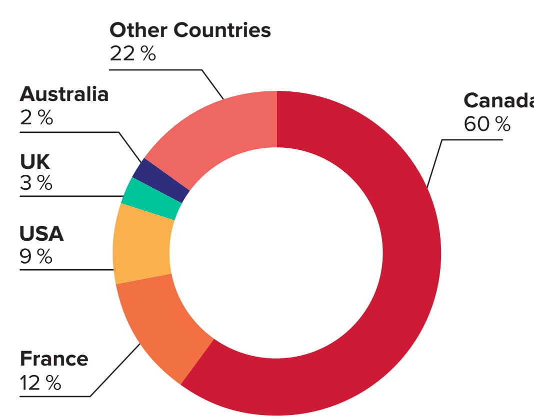
AGE & GENDER: The largest groups were women aged 25–34 (25%) and women aged 35–44 (21%), together making up nearly half of our audience. Men followed a similar pattern, with 15% aged 25–34 and 14% aged 35–44.

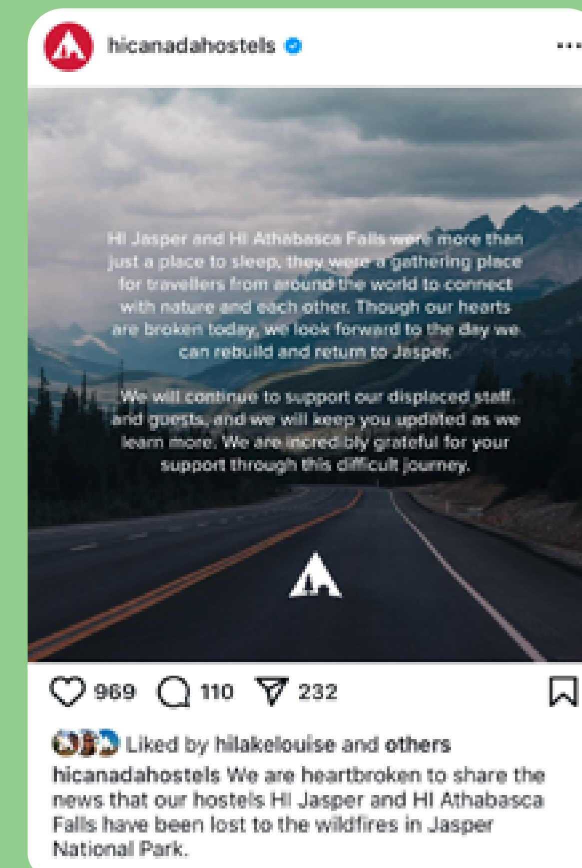
TOP CITIES: Our strongest audience bases are in Montréal (4.7%), Calgary (3.6%), Toronto (3%), and Vancouver (2%), reflecting both urban hubs and key hostel markets.

TOP COUNTRIES: Canada leads at 46%, followed by the United States (7%), France (3.8%), and the United Kingdom (3.1%). Engagement is also growing in Brazil, Mexico, Germany, Australia, India, and Spain—highlighting the global reach of HI Canada's brand.

WHO FOLLOWS US?







Jasper response

When HI Jasper and two of our Wilderness Hostels were lost to the wildfires in July 2024, the response from travellers, former guests, and the local community was immediate. Our announcement became the year's most engaged post, reflecting not only the reach of the news but the depth of connection people felt to these hostels. The messages of support and shared memories reinforced the role our hostels play in building community and the significance of our presence in Jasper.

Speechless to see this post. HI Jasper gives me the best memories and friendships from all around the world. I was here just a month ago. I feel so lucky to be part of it. HI Jasper will be forever remembered. Hopefully, there will be a rebuild. I will come back to visit again! ❤️ 🙏

Stayed with you in 2019, not long after you opened. Thinking of you all ❤️

So sad to hear this news. We stayed here while visiting Banff Nat Park and were planning for another visit soon (from UK). I hope everyone is safe and place can be restored:(

My heart is so broken. Athabasca Falls hostel has such a special place in my heart. I'm so so sorry. 💔

Second hostel we stayed in with our son and he loved it . Returned a few times just because of how amazing it was. 💔

Jasper HI was such a lovely place to stay. Heartbroken for the community. ❤️

So devastating. Our stay was magical when we were there, saw elks, bears and deers. Sending lots of love 💕

Jasper HI was in a beautiful location. Very friendly staff. Very sad news 😢

So heartbreaking 💔 sending love and strength to the community, Jasper residents and HI teams ❤️ I spent a summer working in Athabasca a few years ago and it was the most special place with so many memories for so many people

We're so sorry to hear this news. Our hearts go out to your teams and we offer them all our support during this difficult time. All HI France teams are at your side ❤️

Magazine & E-newsletter

This year's magazine was all about celebrating the many ways people travel. From heartwarming and practical stories to fun, quirky tips, we covered a wide range of travel-related topics. Readers dove into *Travelling Queer*, a powerful piece about finding belonging on the road, and *What to Do When You're an Anxious Traveller*, a guide packed with reassurance and real-life strategies. We also dished up *Easy Meals to Make in a Hostel Kitchen (When You Hate Cooking Around Strangers)*—because pasta shouldn't be your only option—and explored *How to Keep Travel Friends from Afar,* proving the bonds we make on the road don't have to end when the trip does.

The 2024 edition reinforced what hostelling is all about: community, inclusivity, and discovering joy in the everyday moments of travel.

AT A GLANCE

Average opens per issue: 9,912 (+13%)

Total opens: 95,842 (+11%)

Average open rate: 58.1% (+14.5pts)

"When I started travelling, I thought my discomfort abroad meant something about me. I assumed it meant I wasn't adaptable, cultured, or "good at this." But it didn't mean any of those things. Sure, I felt uncomfortable being the only one at a table not able to speak Portuguese in Brazil. But I also figured out how to order fresh shrimp on the beach and meet up with a group for a run at sunrise. I felt stupid for getting lost in Colombia or useless for not knowing how to get around the city to all of the coolest attractions. But I later made a ton of friends and took myself on a tour of the Caribbean coast.

Travel and discomfort are old friends. Being away from your comforts, culture and familiarity is exciting but it's also uncomfortable. It just is. The most recent time I felt uncomfortable while travelling was literally last week. Did I like it? No. Do I understand that it's par for the course and therefore feel a bit less overwhelmed? Yeah."

-Sinead Mulhern, excerpt from
WHAT EVERY NEW BACKPACKER SHOULD KNOW

Governance Report

During the 2025 fiscal year, the HI Canada Governance Committee continued to actively monitor the CEO's performance through regular Board policy monitoring reports. The updated HI Canada Ends came into effect in April 2024 to reflect the direction of the newly amalgamated Canadian Hostelling Association.

The Governance Committee has identified new ways to streamline the monitoring report process, resulting in a more efficient and effective approach to governance.

Throughout the year, members of the Governance Committee and the Board of Directors attended Board meetings held across the country, enabling productive, in-depth discussions on key governance matters. Meetings took place both in person and virtually.

John Hutchings

Governance Committee Chair, HI Canada

Ownership Linkage

Our association operates under a model of governance where it is important for the Board to engage with our members to seek feedback on major changes to the foundational elements of what we seek to deliver as an association. Members who take the time to engage with the Board in such activities are called Owners. While Owners do not, in a legal sense, "own" a share in the association, they are moral owners on 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 effort, a consultant has now been selected through a transparent expression of interest (EOI) process. Floor13 has been contracted and is in the early stages of their work. They plan to attend in-person events to engage directly with HI members as part of their research and outreach. With the support of Floor13, the Nominations Committee will develop a membership engagement plan that enables the HI Canada Board of Directors to connect more consistently with members nationwide. This plan will include regular virtual meetings as well as in-person events aligned with hostel openings, special events, and Board meetings.

We look forward to seeing our members at our membership meet-ups in 2025/2026.

K Pals

Kevin Pals

Ownership Linkage Chair, 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, 2025
- the combined statement of operations for the year then ended
- the combined statement of changes in 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, 2025 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.

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.

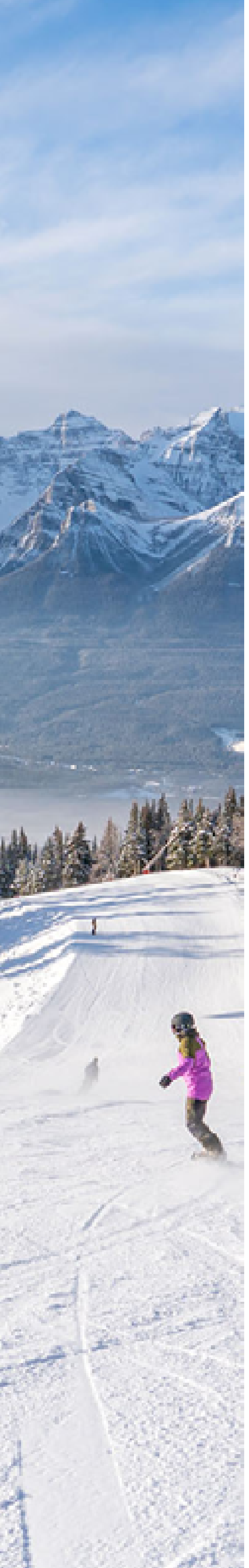
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants
VANCOUVER, CANADA, JUNE 14, 2025



COMBINED STATEMENT OF FINANCIAL POSITION
YEAR ENDED MARCH 31, 2025, WITH COMPARATIVE INFORMATION FOR 2024

	2025 $	2024 $
ASSETS		
Current assets		
Cash and cash equivalents	2,605,101	1,983,809
Investments at fair value *(note 2)*	21,234,654	16,865,000
Accounts and other receivables	685,179	778,066
Inventory	67,857	77,233
Prepaid expenses	411,165	354,966
	25,003,956	**20,059,074**
Insurance claim receivable *(note 4)*	2,369,587	–
Capital assets *(note 3)*	26,198,131	33,853,725
Hostel development planning and assets under construction *(note 3)*	950,152	9,731
	54,521,826	**53,922,530**
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities *(note 5)*	1,915,845	1,897,797
Unearned revenue and deposits	748,612	536,267
Current portion of loans payable *(note 6)*	935,185	1,718,172
	3,599,642	**4,152,236**
Deferred capital contributions *(note 7)*	469,621	507,783
Loans payable *(note 6)*	4,512,000	4,950,000
	8,581,263	**9,610,019**
NET ASSETS	45,940,563	44,312,511
	54,521,826	**53,922,530**

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

Approved by the Board of Directors

Othello Tuason

Othello Tuason – Director

Victoria Oppenlander

Victoria Oppenlander – Director

COMBINED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2025, WITH COMPARATIVE INFORMATION FOR 2024

	2025 $	2024 $
Revenue		
Overnights	17,193,496	17,546,636
Membership	51,639	116,430
Other, including food, beverage and merchandise	3,121,686	3,481,314
	20,366,821	**21,144,380**
Expenses		
Hostels	15,429,238	14,893,093
Administration	2,519,982	2,424,255
Amortization of capital assets	1,770,207	1,921,580
	19,719,427	**19,238,928**
Excess before the undernoted	647,394	1,905,452
Other (income) expenses		
Interest income	(794,723)	(819,437)
Interest expenses	199,862	283,866
Loss on non-recurring items	10,385	11,687
Business interruption insurance recovery *(note 4)*	(396,182)	–
	(980,658)	**(523,884)**
Excess of revenue over expenses	1,628,052	2,429,336
Net assets - Beginning of year	44,312,511	41,883,175
Net assets - End of year	**45,940,563**	**44,312,511**

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

	2025	2024
	$	**$**
CASH PROVIDED BY (USED IN)		
Operations		
Excess of revenue over expenses	1,628,052	2,429,336
Items not involving cash:		
• Amortization of capital assets	1,770,207	1,921,580
• Amortization of deferred capital contributions	(38,162)	(39,379)
• Deferred contributions used	–	(18,131)
	3,360,097	**4,293,406**
Changes in non-cash operating working capital		
Accounts receivable	92,887	(199,674)
Inventory	9,376	(1,663)
Prepaid expenses	(56,199)	(30,108)
Accounts payable and accrued liabilities	18,048	(276,365)
Unearned revenue and deposits	212,345	122,722
	3,636,554	**3,908,318**
Financing		
Repayment of loans payable	(1,220,987)	(980,733)
Investments		
Purchase of capital assets	(5,952,294)	(3,828,865)
Insurance proceeds received *(note 4)*	8,527,673	–
Proceeds on redemption of investments at fair value	4,140,346	921,443
Purchase of investments	(8,510,000)	(1,765,000)
	(1,794,275)	**(4,672,422)**
Increase (decrease) in cash and cash equivalents	621,292	(1,744,837)
Cash and cash equivalents, beginning of year	1,983,809	3,728,646
Cash and cash equivalents, end of year	**2,605,101**	**1,983,809**
Non-cash transactions		
Capital assets for insurance claim receivable *(note 4)*	2,369,587	–

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

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.

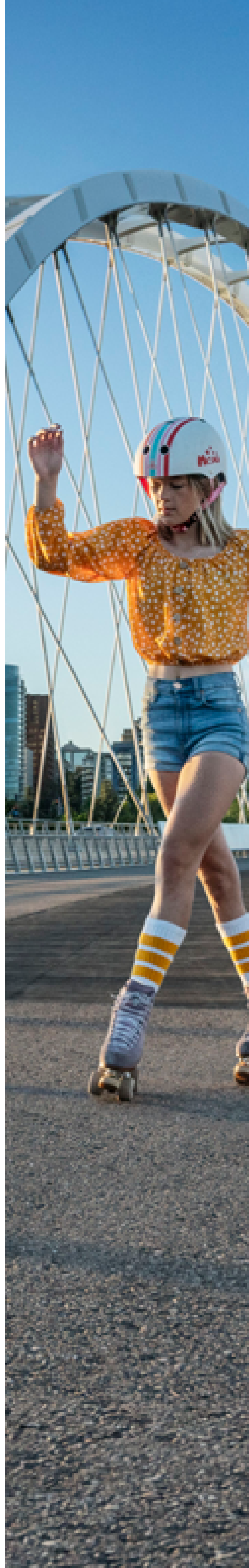
The Association accounts for its investment in a 69.57% owned joint venture, which operates as the Canadian Alpine Centre and International Hostel at Lake Louise ("LLAC" or "CAC joint venture"), by the proportionate consolidation method whereby the Association's proportionate share of the assets, liabilities and the related revenue and expenses of the CAC joint venture are included in these combined financial statements (note 11).

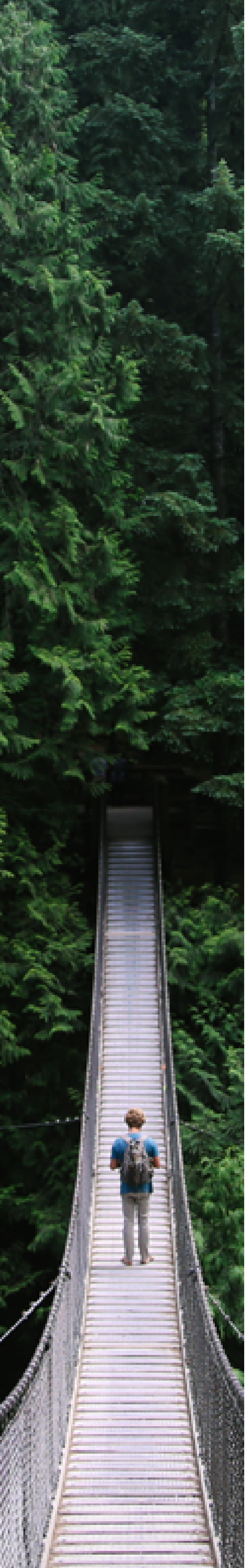
(b) Investments

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) Assets under construction

Assets under construction represents direct costs, including materials and direct supervisory labour, in respect to hostels, and buildings and energy-efficient projects undertaken by the Association. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

(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. 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.

NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025

(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.

(g) 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.

(h) 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.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months at the date of acquisition. These financial assets are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(j) Related party transactions

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

(k) 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. INVESTMENTS AT FAIR VALUE

	2025	2024
	$	$
Term deposit with interest of Prime - 2.00% per annum maturing in July 2025	12,724,654	12,100,000
Term deposit with interest of Prime - 2.00% per annum maturing in January 2025	–	3,000,000
Term deposit with interest of Prime - 2.25% per annum maturing in January 2025	–	1,765,000
Term deposit with interest of Prime - 2.20% per annum maturing in November 2025	8,000,000	–
Term deposit with interest of Prime - 2.25% per annum maturing in January 2026	510,000	–
	21,234,654	**16,865,000**

3. CAPITAL ASSETS

	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
			2025	2024
	$	$	$	$
Land	4,452,530	–	4,452,530	4,452,530
Buildings and leasehold improvements	40,474,948	21,004,122	19,470,826	27,541,995
Automobiles	293,759	171,697	122,062	34,886
Computer equipment and software	1,645,649	1,484,726	160,923	193,317
Furniture and equipment	6,774,207	4,782,417	1,991,790	1,630,997
	53,641,093	**27,442,962**	**26,198,131**	**33,853,725**
Hostel development planning and assets under construction	950,152	–	950,152	9,731
	54,591,245	**27,442,962**	**27,148,283**	**33,863,456**

4. JASPER WILDFIRE

In July 2024, a wildfire occurred at the Association's HI Jasper Hostel and some wilderness hostels. The wildfire destroyed capital assets owned by the Association with a net book value of $10,897,260. During the year, the Association filed its claims and received an interim payment for property loss and $539,044 for business interruption. Business interruption insurance proceeds of $396,182 were recognized as other income, and $142,862 was recorded as unearned revenue.

As at March 31, 2025, the Association accrued $2,369,587 as insurance claim receivable representing management's best estimate of the insurance receivable and net book value of the assets destroyed.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of $83,114 (2024 - $97,238) relating to goods and services tax, tourism levies and Workers' Compensation Board.

6. LOANS PAYABLE AND CREDIT FACILITIES

	2025	2024
	$	$
Whistler mortgage *(a)*	497,185	1,299,172
Jasper mortgage *(b)*	4,950,000	5,369,000
	5,447,185	**6,668,172**
Less: current portion	935,185	1,718,172
	4,512,000	**4,950,000**

(a) This mortgage includes one remaining term loan that was obtained to finance the acquisition of the Whistler property. The loan has a monthly payment of $24,898 and bears interest at a rate of 5.61%.

(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%.

NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025

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, 2025, the Association has not utilized this facility (2024 - nil).
- 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, 2025, the joint venture has not utilized this facility.

The Whistler and Jasper mortgage are secured by the following:

(i) a general security agreement covering a first ranking security interest in all property of the Association;

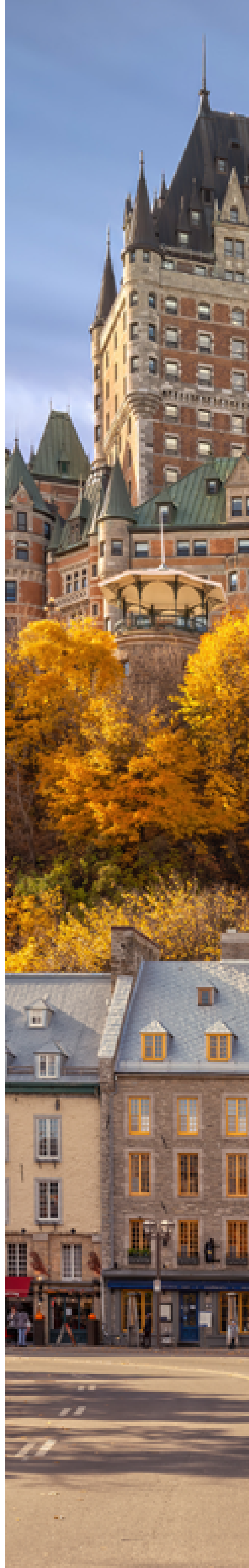
(ii) a guarantee and postponement of claims in full amount each provided by the Canadian Hostelling Association - British Columbia Region, Northern Alberta District and Southern Alberta Region, supported by a general security agreement covering all present and after-acquired property and a floating charge on land;

(iii) 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, 2025, 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	935,185
2026	454,000
2027	469,000
2028	486,000
2029	503,000
Thereafter	2,600,000
	5,447,185



7. DEFERRED CAPITAL CONTRIBUTIONS

	2025	2024
	$	$
Balance, beginning of year	507,783	547,162
Amortization during the year	(38,162)	(39,379)
Balance, end of year	**469,621**	**507,783**

8. 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
	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.

9. RELATED PARTY TRANSACTION

During the year, the Association provided management services for $78,750 (2024 - $78,750) and software services for $26,864 (2024 - $17,691) to the CAC joint venture.

NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025

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.

10. 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.

(c) 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, 2025, assets include a cash balance of $48,850 (2024 - $99,942) in US dollars.

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

11. 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:

	2025	2024
	$	$
Assets		
Current assets	1,532,840	1,160,654
Capital assets	2,551,652	2,154,398
	4,084,492	**3,315,052**
Liabilities and Net Assets		
Accounts payable and other current liabilities	198,371	168,070
Deferred contributions	215,989	227,357
Net assets	3,670,132	2,919,625
	4,084,492	**3,315,052**
Revenue	3,048,074	2,637,696
Excess of revenue over expenses	750,506	547,588
Cash flows provided by operating	908,188	608,111
Cash flows used in financing	–	(236,522)
Cash flows used in investing	(555,334)	(277,176)

12. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to the current year's presentation.

Owned Hostels

Alberta

HI Banff Alpine Centre

HI Beauty Creek

HI Calgary City Centre

HI Castle Mountain

HI Edmonton

HI Hilda Creek

HI Kananaskis

HI Lake Louise Alpine Centre

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

Hostelling International Canada

535 Thurlow Street, Suite 505, Vancouver, BC V6E 3L2

604.684.7111 | hihostels.ca

Hostelling International Canada

hicanadahostels

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 Squamish, Adventure Inn

HI Tofino, Whalers on the Point Guesthouse

Manitoba

HI Rossburn, 9 Finger Ranch

Québec

HI Québec, Auberge internationale de Québec

Newfoundland and Labrador

HI Bonavista, Out East Adventures

HI Gros Morne, Out East Adventures

HI St John’s

Prince Edward Island

HI Charlottetown, Backpackers Inn