

HERSHA HOSPITALITY TRUST  
Form 10-Q  
August 01, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the quarterly period ended June 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the transition period from \_\_\_\_ to \_\_\_\_

COMMISSION FILE NUMBER: 001-14765

HERSHA HOSPITALITY TRUST

(Exact Name of Registrant as Specified in Its Charter)

Edgar Filing: HERSHA HOSPITALITY TRUST - Form 10-Q

Maryland 251811499  
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

44 Hersha Drive, Harrisburg, PA 17102  
(Address of Registrant's Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (717) 236-4400

Indicate by check mark whether the registrant (i) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (ii) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  
Non-accelerated filer  Small reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No

As of August 1, 2013, the number of Class A common shares of beneficial interest outstanding was 202,669,197 and there were no Class B common shares outstanding.



Hersha Hospitality Trust

Table of Contents

PART I. FINANCIAL INFORMATION	Page
Item 1. Financial Statements.	
<u>Consolidated Balance Sheets as of June 30, 2013 [Unaudited] and December 31, 2012</u>	3
<u>Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2013 and 2012 [Unaudited]</u>	4
<u>Consolidated Statements of Comprehensive Income (Loss) for the Three and Six Months Ended June 30, 2013 and 2012 [Unaudited]</u>	6
<u>Consolidated Statements of Equity for the Six Months Ended June 30, 2013 and 2012 [Unaudited]</u>	7
<u>Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2013 and 2012 [Unaudited]</u>	9
<u>Notes to the Consolidated Financial Statements</u>	11
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations.</u>	37
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk.</u>	52
Item 4. <u>Controls and Procedures.</u>	54
PART II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings.</u>	55
Item	
1A. <u>Risk Factors.</u>	55
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds.</u>	55
Item 3. <u>Defaults Upon Senior Securities.</u>	55
Item 4. <u>Mine Safety Disclosures.</u>	55
Item 5. <u>Other Information.</u>	55
Item 6. <u>Exhibits.</u>	55
<u>Signatures</u>	56



## HERSHA HOSPITALITY TRUST AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

AS OF JUNE 30, 2013 [UNAUDITED] AND DECEMBER 31, 2012

[IN THOUSANDS, EXCEPT SHARE/UNIT AND PER SHARE AMOUNTS]

	June 30, 2013	December 31, 2012
Assets:		
Investment in Hotel Properties, net of Accumulated Depreciation, (including consolidation of variable interest entity assets of \$86,515 and \$86,657)	\$ 1,672,120	\$ 1,466,713
Investment in Unconsolidated Joint Ventures	14,365	16,007
Development Loans Receivable	-	28,425
Cash and Cash Equivalents	29,294	69,059
Escrow Deposits	33,394	26,792
Hotel Accounts Receivable, net of allowance for doubtful accounts of \$19 and \$365	13,974	11,538
Deferred Financing Costs, net of Accumulated Amortization of \$5,945 and \$4,841	9,098	8,695
Due from Related Parties	5,776	8,488
Intangible Assets, net of Accumulated Amortization of \$3,119 and \$2,413	8,251	8,698
Deposits on Hotel Acquisitions	16,486	37,750
Other Assets	21,304	25,514
Hotel Assets Held for Sale	8,193	-
 Total Assets	 \$ 1,832,255	 \$ 1,707,679
Liabilities and Equity:		
Line of Credit	\$ 66,200	\$ -
Unsecured Term Loan	150,000	100,000
Unsecured Notes Payable	51,548	51,548
Mortgages Payable, including net Unamortized Premium (including consolidation of variable interest entity debt of \$56,488 and \$57,256)	649,680	641,160
Accounts Payable, Accrued Expenses and Other Liabilities	34,641	33,838
Dividends and Distributions Payable	15,949	15,621
Due to Related Parties	6,139	4,403
 Total Liabilities	 974,157	 846,570
 Redeemable Noncontrolling Interests - Common Units (Note 1)	 \$ -	 \$ 15,321