

Chesapeake Lodging Trust
Form 8-K/A
February 07, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 15, 2010

CHESAPEAKE LODGING TRUST

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction

of incorporation)

001-34572
(Commission

File Number)

27-0372343
(IRS Employer

Identification No.)

1997 Annapolis Exchange Parkway, Suite 410

21401

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Annapolis, MD
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (410) 972-4140

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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This Form 8-K/A amends and supplements the registrant's Form 8-K, as filed on December 15, 2010, to include the historical financial statements and pro forma financial information required by Item 9.01(a) and (b).

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

Le Meridien San Francisco

Independent Auditors' Report

Balance Sheets as of September 30, 2010 (unaudited), December 31, 2009 and 2008

Statements of Operations for the nine months ended September 30, 2010 and 2009 (unaudited) and for the years ended December 31, 2009 and 2008

Statements of Net Assets for the nine months ended September 30, 2010 (unaudited) and for the years ended December 31, 2009 and 2008

Statements of Cash Flows for the nine months ended September 30, 2010 and 2009 (unaudited) and for the years ended December 31, 2009 and 2008

Notes to Financial Statements

(b) Pro forma financial information.

Chesapeake Lodging Trust

Unaudited Pro Forma Consolidated Balance Sheet as of September 30, 2010

Unaudited Pro Forma Consolidated Statement of Operations for the nine months ended September 30, 2010

Unaudited Pro Forma Consolidated Statement of Operations for the year ended December 31, 2009

(d) Exhibits.

Incorporated by reference to the Exhibit Index filed herewith and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 7, 2011

CHESAPEAKE LODGING TRUST

By: /s/ Graham J. Wootten
Graham J. Wootten
Senior Vice President and Chief Accounting Officer

Exhibit Index

Exhibit

Number Exhibit Description

23.1 Consent of Ernst & Young LLP

Report of Independent Auditors

To the Owners of Le Meridien San Francisco

We have audited the accompanying balance sheets of Le Meridien San Francisco (the Hotel), as of December 31, 2009 and 2008, and the related statements of operations, net assets and cash flows for the years then ended. These financial statements are the responsibility of the Hotel's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Hotel's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hotel's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hotel at December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

February 1, 2011

Le Meridien San Francisco

Balance Sheets

	September 30, 2010	December 31, 2009	December 31, 2008
	<i>(Unaudited)</i>		
Assets			
Real estate, net	\$ 106,266,458	\$ 109,274,809	\$ 112,437,723
Cash and cash equivalents	2,580,572	2,005,025	2,678,498
Restricted cash	1,478,671	1,463,642	2,052,416
Accounts receivable	1,856,601	1,121,701	1,458,638
Inventory	152,123	177,289	189,254
Prepaid expense and other assets	532,598	500,129	604,163
Goodwill	13,185,941	13,185,941	13,185,941
Total assets	\$ 126,052,964	\$ 127,728,536	\$ 132,606,633
Liabilities and net assets			
Liabilities:			
Accounts payable	\$ 361,172	\$ 526,536	\$ 881,975
Accrued expenses and other liabilities	2,967,373	2,334,696	3,341,905
Mortgage loan payable	92,100,000	92,100,000	99,100,000
Total liabilities	95,428,545	94,961,232	103,323,880
Net assets	30,624,419	32,767,304	29,282,753
Total liabilities and net assets	\$ 126,052,964	\$ 127,728,536	\$ 132,606,633

See accompanying notes.

Le Meridien San Francisco

Statements of Operations

	For the Nine-Month Period Ended		Year Ended	
	September 30, 2010 <i>(Unaudited)</i>	September 30, 2009 <i>(Unaudited)</i>	December 31, 2009	December 31, 2008
Departmental revenues:				
Rooms	\$ 16,784,576	\$ 15,018,745	\$ 20,504,331	\$ 23,429,876
Food and beverage	3,982,768	3,488,391	5,134,056	6,948,918
Other	377,610	529,358	662,784	931,852
Total departmental revenues	21,144,954	19,036,494	26,301,171	31,310,646
Departmental expenses:				
Rooms	4,838,864	4,554,931	6,149,858	6,449,320
Food and beverage	4,144,737	3,818,305	5,382,210	6,417,184
Other	287,257	271,357	365,944	388,245
Total departmental expenses	9,270,858	8,644,593	11,898,012	13,254,749
Operating expenses:				
Administrative and general	1,506,038	1,473,798	1,962,525	2,218,155
Marketing and sales	1,954,888	1,751,437	2,435,334	2,588,289
Depreciation	3,201,455	3,199,490	4,246,231	4,184,081
Property operation and maintenance	875,895	846,684	1,150,653	1,158,749
Utilities	569,939	634,605	845,237	963,493
Management fee	634,349	571,095	789,035	946,863
Real estate and other property taxes	825,900	1,407,960	1,884,655	1,636,520
Amortization	59,361	111,451	136,202	247,715
Other fixed expense	114,942	48,945	62,756	408,750
Insurance	254,280	396,828	498,045	715,755
Total operating expenses	9,997,047	10,442,293	14,010,673	15,068,370
Other expenses:				
Interest expense	1,647,106	1,787,725	2,333,985	4,872,897
	1,647,106	1,787,725	2,333,985	4,872,897
Net income (loss)	\$ 229,943	\$ (1,838,117)	\$ (1,941,499)	\$ (1,885,370)

See accompanying notes.

Le Meridien San Francisco

Statements of Net Assets

Balance at January 1, 2008	\$ 31,454,097
Contributions (distributions), net	(285,974)
Net loss	(1,885,370)
Balance at December 31, 2008	29,282,753
Contributions (distributions), net	5,426,050
Net loss	(1,941,499)
Balance at December 31, 2009	32,767,304
Contributions (distributions), net	(2,372,828)
Net Income	229,943
Balance at September 30, 2010 (unaudited)	\$ 30,624,419

See accompanying notes.

Le Meridien San Francisco

Statements of Cash Flows

	For the Nine-Month Period Ended		Year Ended	
	September 30, 2010	September 30, 2009	December 31, 2009	December 31, 2008
	(Unaudited)	(Unaudited)		
Operating activities				
Net income (loss)	\$ 229,943	\$ (1,838,117)	\$ (1,941,499)	\$ (1,885,370)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation	3,201,455	3,199,490	4,246,231	4,184,081
Amortization of deferred financing costs	59,361	111,451	136,202	247,715
Changes in operating assets and liabilities:				
Accounts receivable	(734,900)	208,650	336,937	238,141
Inventory	25,166	(14,444)	11,965	(88,539)
Prepaid expense and other assets	(70,830)	104,967	150,128	124,720
Accounts payable and accrued expenses	467,313	168,482	(1,362,648)	55,064
Net cash provided by operating activities	3,177,508	1,940,479	1,577,316	2,875,812
Investing activities				
Building improvement costs and equipment purchases	(193,104)	(1,019,883)	(1,083,317)	(3,170,516)
Restricted cash	(15,029)	(146,248)	588,774	(799,395)
Net cash used in investing activities	(208,133)	(1,166,131)	(494,543)	(3,969,911)
Financing activities				
Repayment of loans		(7,000,000)	(7,000,000)	
Deferred financing costs and other	(21,000)	(122,732)	(182,296)	42
Capital contributions (distributions), net	(2,372,828)	6,602,847	5,426,050	(285,974)
Net cash used in financing activities	(2,393,828)	(519,885)	(1,756,246)	(285,932)
Net increase (decrease) in cash and cash equivalents				