

Chesapeake Lodging Trust
Form 8-K/A
September 11, 2012

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): August 21, 2012

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.)

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1997 Annapolis Exchange Parkway, Suite 410

Annapolis, MD
(Address of principal executive offices)

Registrant's telephone number, including area code: (410) 972-4140

21401
(Zip Code)

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 August 21, 2012, 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.

W Chicago Lakeshore

Independent Auditors Report

Balance Sheets as of June 30, 2012 (unaudited), and December 31, 2011 and 2010

Statements of Operations for the six-month periods ended June 30, 2012 and 2011 (unaudited) and for the years ended December 31, 2011 and 2010

Statements of Net Assets for the six-month period ended June 30, 2012 (unaudited) and for the years ended December 31, 2011 and 2010

Statements of Cash Flows for the six-month periods ended June 30, 2012 and 2011 (unaudited) and for the years ended December 31, 2011 and 2010

Notes to Financial Statements

(b) Pro forma financial information.

Chesapeake Lodging Trust

Unaudited Pro Forma Consolidated Balance Sheet as of June 30, 2012

Unaudited Pro Forma Consolidated Statement of Operations for the six months ended June 30, 2012

Unaudited Pro Forma Consolidated Statement of Operations for the year ended December 31, 2011

(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: September 10, 2012

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 W Chicago Lakeshore

We have audited the accompanying balance sheets of W Chicago Lakeshore (the Hotel), as of December 31, 2011 and 2010, 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, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

August 30, 2012

/s/ Ernst & Young LLP

W Chicago Lakeshore

Balance Sheets

	June 30, 2012 <i>(Unaudited)</i>	December 31, 2011	December 31, 2010
Assets			
Real estate, net	\$ 76,914,261	\$ 78,021,037	\$ 79,547,739
Cash and cash equivalents	107,538	208,611	60,580
Accounts receivable, net	2,556,432	918,679	1,336,725
Inventory	239,965	268,611	205,403
Prepaid expense and other assets	311,894	123,157	101,167
Total assets	\$ 80,130,090	\$ 79,540,095	\$ 81,251,614
Liabilities and net assets			
Liabilities:			
Accounts payable	\$ 1,627,581	\$ 1,159,478	\$ 1,137,114
Accrued expenses and other liabilities	4,636,902	3,964,871	4,105,259
Due to affiliate	65,541,599	68,685,866	78,559,943
Total liabilities	71,806,082	73,810,215	83,802,316
Net assets	8,324,008	5,729,880	(2,550,702)
Total liabilities and net assets	\$ 80,130,090	\$ 79,540,095	\$ 81,251,614

See accompanying notes.

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W Chicago Lakeshore

Statements of Operations

	Six-Month Period Ended		Year Ended	
	June 30, 2012	June 30, 2011	December 31, 2011	December 31, 2010
	(Unaudited)	(Unaudited)		
Departmental revenues:				
Rooms	\$ 13,042,564	\$ 12,568,203	\$ 28,107,350	\$ 26,410,226
Food and beverage	4,167,614	4,462,099	10,123,801	9,999,912
Other	1,297,891	1,374,138	3,057,950	3,048,122
Total departmental revenues	18,508,069	18,404,440	41,289,101	39,458,260
Departmental expenses:				
Rooms	4,017,507	3,926,102	8,188,685	8,047,262
Food and beverage	3,516,327	3,443,860	7,804,008	7,825,562
Other	1,058,706	987,458	2,019,310	1,945,226
Total departmental expenses	8,592,540	8,357,420	18,012,003	17,818,050
Operating expenses:				
Administrative and general	1,545,107	1,483,294	3,177,880	3,003,810
Marketing and sales	1,501,772	1,358,558	3,113,026	2,891,718
Depreciation	1,837,113	2,201,898	4,280,865	4,516,004
Property operation and maintenance	834,496	889,437	1,792,754	1,874,957
Utilities	376,969	408,037	786,895	855,702
Real estate and other property taxes	1,018,440	1,563,967	1,377,251	919,193
Other fixed expense	11,096	13,915	24,736	29,022
Insurance	196,408	219,890	443,109	437,758
Total operating expenses	7,321,401	8,138,996	14,996,516	14,528,164
Net income	\$ 2,594,128	\$ 1,908,024	\$ 8,280,582	\$ 7,112,046

See accompanying notes.

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W Chicago Lakeshore

Statements of Net Assets

Balance at January 1, 2010	\$ (9,662,748)
Net income	7,112,046
Balance at December 31, 2010	(2,550,702)
Net income	8,280,582
Balance at December 31, 2011	5,729,880
Net income	2,594,128
Balance at June 30, 2012 (unaudited)	\$ 8,324,008

See accompanying notes.

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W Chicago Lakeshore

Statements of Cash Flows

	Six-Month Period Ended		Year Ended	
	June 30, 2012 <i>(Unaudited)</i>	June 30, 2011 <i>(Unaudited)</i>	December 31, 2011	December 31, 2010
Operating activities				
Net income	\$ 2,594,128	\$ 1,908,024	\$ 8,280,582	\$ 7,112,046
Adjustments to reconcile net income to net cash (used in) provided by operating activities:				
Depreciation	1,837,113	2,201,898	4,280,865	4,516,004
Bad debt expense	15,761	(19,478)	205	20,892
Changes in operating assets and liabilities:				
Accounts receivable, net	(1,653,514)	(854,567)	417,841	(399,799)
Inventory	28,646	(66,747)	(63,208)	(51,097)
Prepaid expense and other assets	(188,737)	(237,870)	(21,990)	83,711
Accounts payable and accrued expenses	1,140,134	1,439,077	(118,024)	(349,477)
Due to/from affiliate	(3,144,267)	(3,138,885)	(9,874,077)	(9,076,339)
Net cash provided by operating activities	629,264	1,231,452	2,902,194	1,855,941
Investing activities				
Building improvement costs and equipment purchases	(730,337)	(1,238,977)	(2,754,163)	(1,861,257)
Net cash used in investing activities	(730,337)	(1,238,977)	(2,754,163)	(1,861,257)
Net (decrease) increase in cash and cash equivalents	(101,073)	(7,525)	148,031	(5,316)
Cash and cash equivalents at beginning of period	208,611	60,580	60,580	65,896
Cash and cash equivalents at end of period	\$ 107,538	\$ 53,055	\$ 208,611	\$ 60,580

See accompanying notes.

W Chicago Lakeshore

Notes to Financial Statements

June 30, 2012 (unaudited) and December 31, 2011 and 2010

1. Organization

The financial statements of W Chicago Lakeshore (the Hotel) present the financial position, results from operations and cash flows of the Hotel's operations. The Hotel is a full-service, luxury property with 520 guest rooms located at 644 North Lake Shore Drive in Chicago, Illinois.

The Hotel is owned by Starwood Chicago Lakeshore Realty LLC (the Owner), a wholly owned subsidiary of Starwood Hotels & Resorts, Worldwide Inc. (Parent or Starwood).

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared for purposes of enabling Chesapeake Lodging Trust (see Note 7) to comply with certain requirements of the Securities and Exchange Commission. The financial statements of the Hotel are prepared in conformity with U.S. generally accepted accounting principles (GAAP). The financial statements present the assets, liabilities and results of operations of the Hotel, and not of a legal entity.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the realizability of accounts receivable, useful lives of real estate for purposes of determining depreciation expense and assessments as to whether there is impairment in the va