

HERSHA HOSPITALITY TRUST  
Form 10-Q  
August 09, 2007

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**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, 2007

**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)

**Maryland**  
(State or Other Jurisdiction of Incorporation or Organization)

**251811499**  
(I.R.S. Employer Identification No.)

**44 Hersha Drive**  
**Harrisburg, Pennsylvania**  
(Address of Registrant's Principal Executive Offices)

**17102**  
(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer

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

Yes  No

As of June 30, 2007, the number of Class A common shares of beneficial interest outstanding was 40,986,779.

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**HERSHA HOSPITALITY TRUST AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS AS OF**  
**JUNE 30, 2007 [UNAUDITED] AND DECEMBER 31, 2006**  
**[IN THOUSANDS, EXCEPT SHARE AMOUNTS]**

	<b>June 30, 2007</b>	<b>December 31, 2006</b>
<b>Assets:</b>		
Investment in Hotel Properties, net of Accumulated Depreciation	\$ 901,914	\$ 807,784
Investment in Joint Ventures	58,174	50,234
Development Loans Receivable	44,716	47,016
Cash and Cash Equivalents	9,571	10,316
Escrow Deposits	16,574	14,927
Hotel Accounts Receivable, net of allowance for doubtful accounts of \$50 and \$30	10,219	4,608
Deferred Costs, net of Accumulated Amortization of \$2,270 and \$1,543	8,724	7,525
Due from Related Parties	2,237	4,059
Intangible Assets, net of Accumulated Amortization of \$758 and \$618	5,720	5,594
Other Assets	18,646	16,145
<b>Total Assets</b>	<b>\$ 1,076,495</b>	<b>\$ 968,208</b>
<b>Liabilities and Shareholders' Equity:</b>		
Line of Credit	\$ 48,800	\$ 24,000
Mortgages and Notes Payable, net of unamortized discount of \$85 and \$1,312	631,559	556,542
Accounts Payable, Accrued Expenses and Other Liabilities	16,149	14,740
Dividends and Distributions Payable	9,354	8,985
Due to Related Parties	3,555	3,297
<b>Total Liabilities</b>	<b>709,417</b>	<b>607,564</b>
<b>Minority Interests:</b>		
Common Units	\$ 36,953	\$ 25,933
Interest in Consolidated Joint Ventures	2,671	3,092
<b>Total Minority Interests</b>	<b>39,624</b>	<b>29,025</b>
<b>Shareholders' Equity:</b>		
Preferred Shares - 8% Series A, \$.01 Par Value, 29,000,000 Shares Authorized, 2,400,000 Shares Issued and Outstanding at June 30, 2007 and December 31, 2006, respectively. (Aggregate Liquidation Preference \$60,000 at June 30, 2007 and December 31, 2006, respectively)	24	24
Common Shares - Class A, \$.01 Par Value, 80,000,000 Shares Authorized, 40,986,779 and 40,671,950 Shares Issued and Outstanding at June 30, 2007 and December 31, 2006, respectively.	410	405
Common Shares - Class B, \$.01 Par Value, 1,000,000 Shares Authorized, None Issued and Outstanding	-	-

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Accumulated Other Comprehensive Income	221	233
Additional Paid-in Capital	390,993	381,592
Distributions in Excess of Net Income	(64,194)	(50,635)
<b>Total Shareholders' Equity</b>	<b>327,454</b>	<b>331,619</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1,076,495</b>	<b>\$ 968,208</b>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

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**HERSHA HOSPITALITY TRUST AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE**  
**THREE AND SIX MONTHS ENDED JUNE 30, 2007 AND 2006 [UNAUDITED]**  
**[IN THOUSANDS, EXCEPT SHARE/UNIT AND PER SHARE AMOUNTS]**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Revenue:</b>				
Hotel Operating Revenues	\$ 63,478	\$ 38,226	\$ 109,868	\$ 62,155
Interest Income from Development Loans	1,331	295	2,634	723
Land Lease Revenue	1,117	-	2,205	-
Hotel Lease Revenue	195	-		