

ASHFORD HOSPITALITY TRUST INC
Form 10-Q
August 09, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2016

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: 001-31775

ASHFORD HOSPITALITY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland 86-1062192
(State or other jurisdiction of incorporation or organization) (IRS employer identification number)

14185 Dallas Parkway, Suite 1100
Dallas, Texas 75254
(Address of principal executive offices) (Zip code)

(972) 490-9600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) 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 (2) 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 (§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, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$0.01 par value per share	96,176,799
(Class)	Outstanding at August 5, 2016

ASHFORD HOSPITALITY TRUST, INC
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2016

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (unaudited)

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(unaudited, in thousands, except share and per share amounts)

	June 30, 2016	December 31, 2015
Assets		
Investments in hotel properties, net	\$4,236,009	\$ 4,419,684
Cash and cash equivalents	261,821	215,078
Restricted cash	161,935	153,680
Accounts receivable, net of allowance of \$877 and \$715, respectively	55,147	40,438
Inventories	4,765	4,810
Note receivable, net of allowance of \$6,856 and \$7,083, respectively	3,850	3,746
Investment in unconsolidated entities	60,696	62,568
Deferred costs, net	3,347	3,847
Prepaid expenses	24,103	12,458
Derivative assets, net	15,800	3,435
Other assets	12,159	10,647
Intangible assets, net	11,245	11,343
Due from Ashford Prime OP, net	15	528
Due from related party, net	2,202	—
Due from third-party hotel managers	18,040	22,869
Assets held for sale	29,831	—
Total assets	\$4,900,965	\$ 4,965,131
Liabilities and Equity		
Liabilities:		
Indebtedness, net	\$3,758,767	\$ 3,840,617
Accounts payable and accrued expenses	138,786	123,444
Dividends and distributions payable	23,097	22,678
Unfavorable management contract liabilities	2,367	3,355
Due to Ashford Inc., net	7,336	9,856
Due to related party, net	—	1,339
Due to third-party hotel managers	2,989	2,504
Intangible liabilities, net	16,297	16,494
Other liabilities	16,789	14,539
Liabilities related to assets held for sale	24,429	—
Total liabilities	3,990,857	4,034,826
Commitments and contingencies (note 14)		
Redeemable noncontrolling interests in operating partnership	109,703	118,449
Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized:		
Series A Cumulative Preferred Stock, 1,657,206 shares issued and outstanding at June 30, 2016 and December 31, 2015	17	17
Series D Cumulative Preferred Stock, 9,468,706 shares issued and outstanding at June 30, 2016 and December 31, 2015	95	95
	46	46

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Series E Cumulative Preferred Stock, 4,630,000 shares issued and outstanding at June 30, 2016 and December 31, 2015

Common stock, \$0.01 par value, 200,000,000 shares authorized, 96,176,799 and 95,470,903 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively

	962	955
Additional paid-in capital	1,598,486	1,597,194
Accumulated deficit	(799,939)	(787,221)
Total stockholders' equity of the Company	799,667	811,086
Noncontrolling interests in consolidated entities	738	770
Total equity	800,405	811,856
Total liabilities and equity	\$4,900,965	\$4,965,131

See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited, in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue				
Rooms	\$325,906	\$291,670	\$616,521	\$492,660
Food and beverage	69,206	64,765	132,261	104,318
Other hotel revenue	15,115	12,473	28,824	21,305
Total hotel revenue	410,227	368,908	777,606	618,283
Other	443	430	836	1,290
Total revenue	410,670	369,338	778,442	619,573
Expenses				
Hotel operating expenses:				
Rooms	67,193	60,735	130,295	103,888
Food and beverage	45,419	42,041		