

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2009 AND 2008

**AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	2
CONSOLIDATED STATEMENT OF ACTIVITIES - 2009	4
CONSOLIDATED STATEMENT OF ACTIVITIES - 2008	5
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS	6
CONSOLIDATED STATEMENTS OF CASH FLOWS	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	19
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION	20
CONSOLIDATING STATEMENT OF ACTIVITIES - 2009	22
CONSOLIDATING STATEMENT OF ACTIVITIES - 2008	23



CPAs, Consultants & Advisors
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INDEPENDENT AUDITORS' REPORT

Board of Directors
American Hotel & Lodging Association
Washington, DC

We have audited the accompanying consolidated statements of financial position of the American Hotel & Lodging Association and Subsidiary as of December 31, 2009 and 2008, and the related consolidated statements of activities, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2 to the financial statements, the Organizations' financial statements do not include the accounts of the American Hotel and Lodging Educational Foundation, Inc. and the American Hotel & Lodging Educational Institute. In our opinion, the Organizations' financial statements should include the accounts of the American Hotel and Lodging Educational Foundation, Inc. and the American Hotel & Lodging Educational Institute, because the American Hotel & Lodging Association has a controlling interest in these affiliated organizations, to conform to accounting principles generally accepted in the United States of America.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the American Hotel & Lodging Association and Subsidiary as of December 31, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

LarsonAllen LLP
LarsonAllen LLP

Arlington, Virginia
April 30, 2010

(1)



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**AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008 AND 2008**

ASSETS	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash and Cash Equivalents:		
Operating	\$ 456,585	\$ 514,747
Money Market Reserve	1,283,423	765,603
Total Cash and Cash Equivalents	<u>1,740,008</u>	<u>1,280,350</u>
Accounts Receivable:		
Dues	1,258,609	1,152,435
Less: Allowance for Doubtful Accounts	(268,000)	(276,000)
Reserve for Dues Cancellations	<u>(266,000)</u>	<u>(207,000)</u>
Net Dues Receivable	724,609	669,435
Joint Venture	206,492	308,329
Royalties	47,791	12,137
Labor Communication Project	-	50,805
Other	<u>288,807</u>	<u>148,554</u>
Total Accounts Receivable	1,267,699	1,189,260
Due from Affiliated Entities:		
American Hotel and Lodging Educational Foundation, Inc.	167,371	119,947
American Hotel & Lodging Educational Institute	<u>40,692</u>	<u>17,278</u>
Total Due from Affiliated Entities	208,063	137,225
Prepaid Expenses and Other Assets	<u>97,020</u>	<u>74,652</u>
Total Current Assets	<u>3,312,790</u>	<u>2,681,487</u>
INVESTMENTS - MARKETABLE SECURITIES	2,746,991	2,728,500
INVESTMENTS - ALIS	25,866	25,866
PROPERTY AND EQUIPMENT		
Equipment and Software	729,886	661,434
Furniture and Fixtures	212,016	212,016
Leasehold Improvements	<u>368,255</u>	<u>368,255</u>
Total Property and Equipment	1,310,157	1,241,705
Less: Accumulated Depreciation and Amortization	<u>(1,007,439)</u>	<u>(897,196)</u>
	302,718	344,509
CASH SURRENDER VALUE OF LIFE INSURANCE	<u>272,088</u>	<u>263,060</u>
Total Assets	<u>\$ 6,660,453</u>	<u>\$ 6,043,422</u>

(Continued)

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2009 AND 2008**

	2009	2008
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 734,793	\$ 698,878
Due to Partner State Associations	146,889	198,181
Deferred Revenue:		
Dues	437,599	403,293
Other	1,098,220	1,083,488
Total Deferred Revenue	1,535,819	1,486,781
Total Current Liabilities	2,417,501	2,383,840
DEFERRED RENT CREDIT	443,799	459,057
Total Liabilities	2,861,300	2,842,897
NET ASSETS		
Unrestricted	3,383,651	2,984,201
Temporarily Restricted	415,502	216,324
Total Net Assets	3,799,153	3,200,525
 Total Liabilities and Net Assets	 \$ 6,660,453	 \$ 6,043,422

See accompanying Notes to Consolidated Financial Statements.

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDING DECEMBER 31, 2009

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Membership Dues	\$ 5,017,815	\$ -	\$ 5,017,815
Conferences	1,829,195	-	1,829,195
Conference Sponsorships	-	355,284	355,284
Royalties and Commissions	234,248	-	234,248
Interest and Dividends	90,209	-	90,209
Sublease Income and Other	351,887	-	351,887
Member Association Program Contributions	29,180	238,265	267,445
Legislative Readiness Fund	48,053	-	48,053
Net Assets Released from Restrictions:			
Member Association Programs	49,089	(49,089)	-
Convention/Conference Sponsorships	345,282	(345,282)	-
Total Revenue	7,994,958	199,178	8,194,136
EXPENSES			
Program:			
Government Affairs	1,192,237	-	1,192,237
Industry Relations	939,600	-	939,600
Committees and Contributions	961,743	-	961,743
Conferences	563,430	-	563,430
Marketing and Communications	366,486	-	366,486
Member Association Programs	120,054	-	120,054
Legislative Readiness Fund	48,054	-	48,054
Information Systems	290,812	-	290,812
Meetings	286,298	-	286,298
Business Development	127,244	-	127,244
Information Center	82,088	-	82,088
Directory of Hotel & Motel - Travel Planner	3,306	-	3,306
Total Program	4,981,352	-	4,981,352
Supporting:			
Central Administrative	1,440,868	-	1,440,868
Executive and Legal	543,825	-	543,825
Finance	678,638	-	678,638
General Operations	323,340	-	323,340
Total Supporting	2,986,671	-	2,986,671
Total Expenses	7,968,023	-	7,968,023
CHANGE IN NET ASSETS FROM OPERATIONS	26,935	199,178	226,113
Other Items:			
Realized Gain on Investments	19,371	-	19,371
Unrealized Gain on Investments and Other Assets	353,144	-	353,144
Total Other Items	372,515	-	372,515
CHANGE IN NET ASSETS	\$ 399,450	\$ 199,178	\$ 598,628

See accompanying Notes to Consolidated Financial Statements.

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDING DECEMBER 31, 2008

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Membership Dues	\$ 5,057,027	\$ -	\$ 5,057,027
Conferences	2,875,231	-	2,875,231
Conference Sponsorships	-	306,100	306,100
Publications	375	-	375
Royalties and Commissions	239,492	-	239,492
Interest and Dividends	168,659	-	168,659
Sublease Income and Other	489,495	-	489,495
Member Association Program Contributions	48,713	370,750	419,463
Legislative Readiness Fund	1,765,500	-	1,765,500
Net Assets Released from Restrictions:			
Member Association Programs	362,466	(362,466)	-
Convention/Conference Sponsorships	306,100	(306,100)	-
Total Revenue	<u>11,313,058</u>	<u>8,284</u>	<u>11,321,342</u>
EXPENSES			
Program:			
Government Affairs	1,532,986	-	1,532,986
Industry Relations	1,042,570	-	1,042,570
Committees and Contributions	1,413,491	-	1,413,491
Allied Members	177,472	-	177,472
Conferences	476,440	-	476,440
Marketing and Communications	435,113	-	435,113
Member Association Programs	197,940	-	197,940
Legislative Readiness Fund	1,890,500	-	1,890,500
Information Systems	322,916	-	322,916
Meetings	283,670	-	283,670
Printshop	95,463	-	95,463
Business Development	166,325	-	166,325
Information Center	86,056	-	86,056
Subscription Expense	8,387	-	8,387
Directory of Hotel & Motel - Travel Planner	1,757	-	1,757
Total Program	<u>8,131,086</u>	<u>-</u>	<u>8,131,086</u>
Supporting:			
Central Administrative	1,418,063	-	1,418,063
Executive and Legal	581,279	-	581,279
Finance	612,741	-	612,741
General Operations	282,695	-	282,695
Total Supporting	<u>2,894,778</u>	<u>-</u>	<u>2,894,778</u>
Total Expenses	<u>11,025,864</u>	<u>-</u>	<u>11,025,864</u>
CHANGE IN NET ASSETS FROM OPERATIONS	287,194	8,284	295,478
Other Items:			
Realized Loss on Investments	(41,444)	-	(41,444)
Unrealized Loss on Investments and Other Assets	(773,913)	-	(773,913)
Total Other Items	<u>(815,357)</u>	<u>-</u>	<u>(815,357)</u>
CHANGE IN NET ASSETS	<u>\$ (528,163)</u>	<u>\$ 8,284</u>	<u>\$ (519,879)</u>

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Consolidated Total</u>
BALANCES, JANUARY 1, 2008	\$ 3,512,364	\$ 208,040	\$ 3,720,404
Change in Net Assets	<u>(528,163)</u>	<u>8,284</u>	<u>(519,879)</u>
BALANCES, DECEMBER 31, 2008	2,984,201	216,324	3,200,525
Change in Net Assets	<u>399,450</u>	<u>199,178</u>	<u>598,628</u>
BALANCES, DECEMBER 31, 2009	<u><u>\$ 3,383,651</u></u>	<u><u>\$ 415,502</u></u>	<u><u>\$ 3,799,153</u></u>

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 598,628	\$ (519,879)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	114,023	101,419
Unrealized (Gain) Loss on Investments	(353,144)	773,913
Realized (Gain) Loss on Sales of Investments	(19,371)	41,444
Bad Debts	20,000	-
Change in Assets and Liabilities:		
Accounts Receivable	(98,439)	(162,045)
Due to / from Affiliated Entities	(70,838)	(234,812)
Prepaid Expenses and Other Assets	(22,368)	4,229
Accounts Payable and Accrued Expenses	(15,377)	(25,763)
Deferred Revenue	49,038	1,004,582
Deferred Rent Credit	(15,258)	7,544
Net Cash Provided by Operating Activities	186,894	990,632
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(356,248)	(1,469,966)
Proceeds from Sales and Maturities of Investments	701,244	997,898
Purchases of Property and Equipment	(72,232)	(43,461)
Net Cash Provided by (Used in) Investing Activities	272,764	(515,529)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Line of Credit	(500,000)	(700,000)
Proceeds from Line of Credit	500,000	700,000
Net Cash Used in Financing Activities	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	459,658	475,103
Cash and Cash Equivalents - Beginning of Period	1,280,350	805,247
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 1,740,008	\$ 1,280,350
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 3,561	\$ 7,398

See accompanying Notes to Consolidated Financial Statements.

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 ORGANIZATIONS

The American Hotel & Lodging Association (AH&LA) is a not-for-profit trade association organized to provide to state associations and their member properties representation and cost effective services at the national level in governmental affairs, education, and communications, which stimulate and encourage a free market lodging industry.

AH&LA may execute partnership agreements with one lodging association in each state (including the District of Columbia and the Hotel Association of New York City, Inc.) requiring member properties of the state lodging association to also become AH&LA members. AH&LA's membership structure also allows lodging properties located in a state that AH&LA does not enter into a partnership agreement with a state lodging association to become direct members of AH&LA.

The American Hotel Association Directory Corporation (AHADC) is a wholly owned subsidiary of AH&LA. Historically, its purpose has included conducting activities related to the lodging industry such as the publication of *Lodging* magazine and the "Directory of Hotel & Lodging Companies." During 2005 the *Lodging* magazine was sold. AHADC's activities were negligible in 2009 and 2008.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Parent-Only Financial Statements

The consolidated financial statements of the American Hotel & Lodging Association and subsidiary do not include the accounts of the American Hotel and Lodging Educational Foundation, Inc. and the American Hotel & Lodging Educational Institute, which are controlled affiliates of the Association. Consolidated financial statements of the American Hotel & Lodging Association and Affiliates have been issued and serve as the general purpose financial statements of the Association.

Principles of Consolidation

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and, as a result, all significant inter-company balances and transactions have been eliminated in consolidation.

Basis of Accounting

AH&LA and AHADC prepare their consolidated financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when obligations are incurred.

Income Tax Status

AH&LA is exempt from the payment of income taxes on its exempt activities under Section 501(c)(6) of the Internal Revenue Code. The American Hotel Association Directory Corporation is a for-profit corporation subject to Federal and state income tax.

The Organizations have adopted the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The adoption of this standard had no impact on the Organizations' financial statements.

**AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status (Continued)

AH&LA files as a tax-exempt organization. The Organizations' 2006 through 2009 tax years are open for examination by the IRS.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For financial statement purposes, the Organizations consider money market accounts and overnight sweep accounts invested in repurchase agreements to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The reserve for dues cancellation is established to reflect quarterly changes in members for membership dues previously billed and paid for. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

Investments

Investments are stated at their fair value based on quoted market prices. Realized gains and losses on investments are determined by specific identification. Unrealized gains and losses, interest, and dividends are recognized in the statement of activities.

Fair Value Measurements

AH&LA accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. AH&LA accounts for certain financial assets and liabilities at fair value under various accounting literature. AH&LA also accounts for certain assets at fair value under applicable industry guidance.

Fair Value Hierarchy

AH&LA has categorized its financial instruments based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value of the instrument.

**AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Hierarchy (Continued)

Financial assets and liabilities recorded on the consolidated statement of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1

Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that AH&LA has the ability to access.

Level 2

Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include among others, quoted prices for similar assets or liabilities in active market or non-active market.

Level 3

Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the assets (5-7 years). Leasehold improvements are amortized over the remaining life of the lease agreement. Acquisitions of property and equipment equal or greater than \$1,000 and with a useful life of one year or more are capitalized.

Cash Surrender Value of Insurance

AH&LA is the owner of certain insurance policies related to AH&LA's current and past President and CEO. The cash surrender fair value of each policy has been recognized as other assets on the consolidated statements of financial position.

Due to Partner State Associations

Represents a liability based on AH&LA incentive based programs to attract new members and encourage the use of AH&LA endorsed programs with partner state associations.

Deferred Rent Obligations

The annual rent increase is being amortized over the life of the lease, and as a result, AH&LA is recognizing rent expense on the straight-line basis over the lease term. The unamortized portion resulting from the difference between the amounts paid and expensed make up the deferred rent obligation on the consolidated statements of financial position.

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets are classified as unrestricted, temporarily restricted or permanently restricted based on the existence or absence of donor-imposed restrictions. In order to account for limitations placed on the use of resources available to AH&LA, its accounts are maintained in accordance with the principles of fund accounting. A description of each net asset group is as follows:

Unrestricted - represents resources that do not contain donor-imposed stipulations and are unrestricted as to use by AH&LA and its subsidiary.

Temporarily Restricted - represents resources received for convention/conference sponsorships and member association programs that are restricted as to their use.

Revenue Recognition

Membership dues of AH&LA are recognized as revenue on a pro rata basis during the membership year. The portion of membership dues relating to future periods is reported as deferred revenue. Revenue from conferences and other services is recognized as earned in the period in which the event takes place or the service is provided.

Temporarily Restricted Revenue

AH&LA's policy is to report all donor-restricted contributions (which include sponsorships) as temporarily restricted revenue even if those restrictions are met in the same reporting period the contributions are received.

Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, personnel and overhead costs have been allocated among the functional activities benefited.

AH&LA and its subsidiary allocate salaries and benefits, travel, communications and certain other costs to each department based on actual resources used in each program area. Occupancy expense, depreciation and amortization and other fixed expenses of the AH&LA are considered to be supporting costs of the various programs of AH&LA and are included in the Central Administrative department.

Measure of Operations

The Organizations consider realized and unrealized gains and losses on investments to be other items not included in operations.

Subsequent Events

In preparing these financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through April 30, 2010, the date the financial statements were available to be issued.

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 3 CONCENTRATION OF CREDIT AND MARKET VALUE RISKS

AH&LA maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. AH&LA also invests in a variety of investments. These investments are exposed to various risks, such as fluctuations in market value and credit risk. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

NOTE 4 INVESTMENTS – MARKETABLE SECURITIES

Investments are recorded at fair value. Investments are comprised of the following at December 31:

	2009		2008	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 1,787,880	\$ 1,595,736	\$ 2,042,407	\$ 1,487,298
Government Notes and Bonds	689,371	713,408	705,032	762,232
Corporate Bonds	380,764	405,180	451,252	464,243
Foreign Bonds	29,927	32,667	14,871	14,727
	<u>\$ 2,887,942</u>	<u>\$ 2,746,991</u>	<u>\$ 3,213,562</u>	<u>\$ 2,728,500</u>

Investment income, including interest from the operating accounts, consists of the following for the years ended December 31:

	2009	2008
Interest and Dividends	\$ 90,209	\$ 168,659
Realized Gain (Loss)	19,371	(41,444)
Unrealized Gain (Loss)	353,144	(773,913)
	<u>\$ 462,724</u>	<u>\$ (646,698)</u>

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 5 FAIR VALUE

The following table presents the AH&LA's fair value for those assets and liabilities, measured at fair value on a recurring basis as of December 31:

	2009			Total
	Level 1	Level 2	Level 3	
Equities	\$ 1,595,736	\$ -	\$ -	\$ 1,595,736
Government Notes and Bonds	-	713,408	-	713,408
Corporate Bonds	-	405,180	-	405,180
Foreign Bonds	-	32,667	-	32,667
	<u>\$ 1,595,736</u>	<u>\$ 1,151,255</u>	<u>\$ -</u>	<u>\$ 2,746,991</u>

	2008			Total
	Level 1	Level 2	Level 3	
Equities	\$ 1,487,298	\$ -	\$ -	\$ 1,487,298
Government Notes and Bonds	-	762,232	-	762,232
Corporate Bonds	-	464,243	-	464,243
Foreign Bonds	-	14,727	-	14,727
	<u>\$ 1,487,298</u>	<u>\$ 1,241,202</u>	<u>\$ -</u>	<u>\$ 2,728,500</u>

NOTE 6 INVESTMENT IN ALIS

During 2001, AH&LA made a capital contribution in the amount of \$10,000 to the Americas Lodging Investment Summit (ALIS), LLC. ALIS is a jointly developed pass-through limited liability company with two partners (AH&LA and Burba Hotel Network, LLC) organized for the purposes of developing and operating an educational lodging conference to be held in the western United States on an annual basis. The investment is recorded under the equity method of accounting in the accompanying consolidated financial statements. As prescribed under the operating agreement all profits and losses are to be evenly distributed between the two partners, in proportion to the amounts of their respective capital accounts. All distributions and changes in AH&LA's capital account will be reflected as a change in AH&LA's investment in ALIS and net asset accounts in the accompanying consolidated financial statements.

The following is a summary of the financial information of ALIS at December 31 and for the years ended:

	2009	2008
Assets	\$ 1,729,184	\$ 2,270,431
Liabilities	1,677,452	2,218,699
Member's Equity	<u>\$ 51,732</u>	<u>\$ 51,732</u>
Revenue	<u>\$ 2,820,215</u>	<u>\$ 3,974,288</u>
Net Income	<u>\$ 1,281,238</u>	<u>\$ 1,802,217</u>

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 6 INVESTMENT IN ALIS (CONTINUED)

During fiscal year 2008, ALIS changed its year-end to January 31. ALIS is treated as a partnership for tax purposes whereby its net income or loss is passed through to its investors' tax returns. For the years ended January 31, 2009 and 2008, the proportionate share of net income realized by AH&LA was \$1,281,238 and \$1,800,081, respectively, for ALIS and has been reflected in the accompanying consolidated financial statements under conferences revenue.

NOTE 7 PENSION PLAN AND DEFERRED COMPENSATION

AH&LA and its subsidiary established a multiple employer 401(k) defined contribution plan effective March 1, 1997. The 401(k) plan covers substantially all of its employees who meet certain age and length of service requirements. Under the plan, AH&LA and its subsidiary make matching contributions equal to 100% of the first 6% of the employees' elective contributions. All employee contributions are 100% vested. The plan stipulates that AH&LA and its subsidiary's matching contributions vest over a three-year period. However, all contributions become 100% vested in the event of the participant's death, disability or retirement. AH&LA and subsidiary's 401(k) plan expense totaled \$143,535 and \$152,227 for the years ended December 31, 2009 and 2008, respectively.

AH&LA, under an employment agreement with its current President & CEO, has a deferred compensation arrangement. The deferred compensation obligation amount totaled \$268,700 and \$197,500 at December 31, 2009 and 2008, respectively, and is included in accounts payable and accrued expenses in the consolidated statements of financial position.

NOTE 8 LINE OF CREDIT

AH&LA has a million dollar credit line with Bank of America bearing interest equal to the 30 day "LIBOR" rate plus one percent that requires monthly payments of interest. The line of credit agreement expires on July 31, 2011. At December 31, 2009 and 2008 AH&LA had an outstanding balance of \$-0-. The investments of AH&LA have been pledged as collateral to secure the line of credit agreement.

NOTE 9 RELATED PARTY TRANSACTIONS

AH&LA and its subsidiary pay certain expenses and collect certain receipts on behalf of the American Hotel and Lodging Educational Foundation, Inc. (Foundation) and the American Hotel and Lodging Educational Institute (Institute), affiliate organizations, and in some instances expenses are paid by affiliates on the Association and subsidiary's behalf. Such payments and receipts are accounted for through inter-company accounts.

The Foundation and Institute are exempt on their exempt activities under Section 501(c)(3) of the Internal Revenue Code. The Boards of Trustees for the Foundation and Institute are the same, but separate and apart from the Board of Directors of AH&LA.

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)

The Foundation and Institute are supporting organizations to AH&LA; however, the AH&LA does not have the ability to require that a majority of the Foundation and Institute's Board members come from the Board of AH&LA.

Receipts collected by the Association and subsidiary on behalf of the Foundation primarily include amounts relating to special events. AH&LA collected payments on behalf of the Foundation totaling approximately \$228,000 and \$410,000 for 2009 and 2008, respectively.

Expenses paid by the Association and subsidiary and charged to the Foundation primarily include occupancy, office and overhead costs. Total expenses paid by AH&LA and charged to the Foundation were approximately \$748,000 and \$755,000 in 2009 and 2008, respectively.

At December 31, 2009 and 2008, the Foundation owed AH&LA \$167,371 and \$119,947, respectively.

AH&LA collected payments on behalf of the Institute totaling approximately \$30,000 and \$22,000 in 2009 and 2008, respectively. Expenses paid by AH&LA and the Institute on behalf of one another primarily include costs relating to seminars and meetings and certain information technology personnel and professional costs. Net expenses incurred by AH&LA on behalf of the Institute totaled approximately \$174,000 and \$267,000 in 2009 and 2008, respectively. At December 31, 2009 and 2008, the Institute owed AH&LA \$33,461 and \$10,047, respectively.

AH&LA also incurred certain expenses with AHADC principally for print ads in *Lodging* magazine and sales of the *Directory of Hotel and Lodging Companies* during 2009 and 2008 totaling \$2,700 and \$1,200, respectively. At December 31, 2009 and 2008, the Institute owed AHADC \$7,231.

The American Hotel Political Action Committee (HOTELPAC) is a related entity that is a political organization that serves the hotel and lodging industry. HOTELPAC is separately governed, distinct from AH&LA, and is exempt from the payment of income taxes on its exempt function income under Section 527(a) of the Internal Revenue Code. HOTELPAC's activities are not included in AH&LA's financial statements. AH&LA provides office space, use of equipment, supplies, and administrative services to HOTELPAC at no charge.

NOTE 10 COMMITMENTS

Office Space Lease

AH&LA has entered into a 13-year, non-cancelable operating lease beginning July 23, 2001 and expiring December 31, 2014 at 1201 New York Avenue, Washington, D.C. The lease agreement contains a provision for increasing the annual base rent at a fixed amount per year. The annual rent increase is being amortized over the life of the lease, and as a result, AH&LA is recognizing rent expense on the straight-line basis over the lease term. The unamortized portion resulting from the difference between the amounts paid and expensed make up the deferred rent credit on the Consolidated Statements of Financial Position. The lease also requires payment of AH&LA's proportionate share of the operating expenses and real estate taxes in addition to minimum rental payments.

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 10 COMMITMENTS (CONTINUED)

Office rent expense recognized for the years ended December 31, 2009 and 2008 was \$894,363 and \$891,523, respectively.

Future minimum rental payments under the lease are as follows:

Year Ending December 31,	Amount
2010	\$ 805,608
2011	829,860
2012	854,852
2013	880,565
2014	907,006
Total Future Minimum Rentals	\$ 4,277,891

The lease may be extended by AH&LA for one consecutive five-year period, under terms and conditions consistent with the initial lease agreement.

A portion of the AH&LA's rent expense was charged to the Foundation based on usage of space. Such charges totaled \$28,016 and \$28,191 in 2009 and 2008, respectively.

AH&LA subleases a portion of its office space at 1201 New York Avenue to a total of three sub-tenants. Under the sublease agreements, rent charged totaled \$346,478 and \$361,221 for 2009 and 2008, respectively. Future minimum rentals to be received under the lease agreements are approximately as follows:

Year Ending December 31,	Amount
2010	\$ 258,000
2011	221,000
2012	227,000
2013	414,000
Total Future Minimum Rentals	\$ 1,120,000

Joint Venture

By agreement dated January 1, 1980 and amended November 8, 1985 between AH&LA, the Hotel Association of New York City, Inc. and the New York State Hotel & Motel Association, Inc., a joint venture was formed for the limited purpose of conducting an annual international exposition in New York City known as the International Hotel/Motel & Restaurant Show. As a member of the joint venture, AH&LA has undertaken certain financial obligations to the other joint venture members, as defined in the agreement. In addition, AH&LA is to receive certain specified amounts for its participation in the joint venture. The Organization's income, exclusive of sponsorships and other revenue, from the joint venture amounted to \$351,667 and \$839,666 in 2009 and 2008, respectively, and is included in conferences revenue. Amounts receivable from the joint venture totaled approximately \$206,500 and \$308,000 at December 31, 2009 and 2008, respectively.

**AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 10 COMMITMENTS (CONTINUED)

Financial Outsourcing

During 2004, AH&LA signed a sixty-two-month outsourcing service agreement with Outsource Partners International, Inc. (OPI) to perform accounting, bookkeeping and related financial services until December 31, 2009. During 2009, an amendment to this agreement was entered into whereby the agreement was to continue through December 31, 2013, with three one-year renewal extensions.

Hotel Contracts

AH&LA has entered into contracts with hotels for events through 2011. Hotel bill amounts are recorded as expenses in the year which the conference occurs. If these conferences are cancelled before the event occurs, AH&LA may be liable for certain amounts, depending on when cancellation occurs.

NOTE 11 CONFERENCES

Details of the results of the conferences for the years ended December 31, 2009 and 2008, not adjusted for the effects of recording corporate sponsorships, are as follows:

	2009		
	Income	Expense	Net Income (Loss)
Americas Lodging Investment Summit and LVH&RS	\$ 1,281,238	\$ -	\$ 1,281,238
Fall Conference	664,974	279,234	385,740
Legislative Action Summit	109,465	95,826	13,639
Summer Summit	66,400	80,855	(14,455)
100 Anniversary	52,400	107,515	(55,115)
	<u>\$ 2,174,477</u>	<u>\$ 563,430</u>	<u>\$ 1,611,047</u>
	2008		
	Income	Expense	Net Income (Loss)
Americas Lodging Investment Summit and LVH&RS	\$ 1,800,081	\$ -	\$ 1,800,081
Fall Conference	1,207,985	304,814	903,171
Legislative Action Summit	99,615	102,757	(3,142)
Summer Summit	73,650	68,869	4,781
	<u>\$ 3,181,331</u>	<u>\$ 476,440</u>	<u>\$ 2,704,891</u>

**AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 11 CONFERENCES (CONTINUED)

Conference revenue is presented as follows in the Consolidated Statements of Activities for the year ended December 31:

	<u>2009</u>	<u>2008</u>
Conferences	\$ 1,829,195	\$ 2,875,231
Conference Sponsorships		
Released from Restrictions	<u>345,282</u>	<u>306,100</u>
Total Conference Income	<u>\$ 2,174,477</u>	<u>\$ 3,181,331</u>

NOTE 12 ROYALTY AND LICENSE AGREEMENTS

In May 2005 AH&LA sold all rights and related tangible and intangible assets to produce and sell *Lodging* magazine (previously produced by AHADC) to a publisher in exchange for \$150,000 and an annual royalty fee of \$1.28 for each AH&LA paying member receiving *Lodging* magazine. Royalties received under the agreement totaled \$58,372 and \$58,459 for the years ended December 31, 2009 and 2008, respectively. Under the agreement, *Lodging* magazine will continue to be the official trade magazine of AH&LA.

NOTE 13 INCOME TAXES

AHADC is subject to both Federal and state corporate income taxes. AHADC's activity was minimal in 2009 and 2008. Remaining net operating losses of \$182,000 are available to offset net income in future years and will expire in 2023 if not utilized. The net operating loss carry forward is uncertain as to its realized benefit in future years and, is not recognized as a deferred tax asset in the accompanying financial statements.



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
American Hotel & Lodging Association
Washington, DC

Our report on our audits of the basic consolidated financial statements of the American Hotel & Lodging Association and Subsidiary for the years ended December 31, 2009 and 2008 appears on page 1. Those audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental financial information on pages 20 - 23 is presented for additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and, in our opinion, is fairly presented in all material respects in relation to the consolidated financial statements taken as a whole.

LarsonAllen LLP
LarsonAllen LLP

Arlington, Virginia
April 30, 2010

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2009 AND 2008
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	2009				2008			
	American Hotel & Lodging Association	American Hotel Association Directory Corporation	Eliminations	Consolidated Total	American Hotel & Lodging Association	American Hotel Association Directory Corporation	Eliminations	Consolidated Total
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents:								
Operating	\$ 445,684	\$ 10,901	\$ -	\$ 456,585	\$ 503,282	\$ 11,465	\$ -	\$ 514,747
Money Market Reserve	1,283,423	-	-	1,283,423	765,603	-	-	765,603
Total Cash and Cash Equivalents	1,729,107	10,901	-	1,740,008	1,268,885	11,465	-	1,280,350
Accounts Receivable:								
Dues	1,258,609	-	-	1,258,609	1,152,435	-	-	1,152,435
Less: Allowance for Doubtful Accounts	(268,000)	-	-	(268,000)	(276,000)	-	-	(276,000)
Reserve for Dues Cancellations	(266,000)	-	-	(266,000)	(207,000)	-	-	(207,000)
Total	724,609	-	-	724,609	669,435	-	-	669,435
Joint Venture	206,492	-	-	206,492	308,329	-	-	308,329
Royalties	47,791	-	-	47,791	12,137	-	-	12,137
Labor Communication Project	-	-	-	-	50,805	-	-	50,805
Other	288,807	-	-	288,807	148,554	-	-	148,554
Total Accounts Receivable	1,267,699	-	-	1,267,699	1,189,260	-	-	1,189,260
Due from Affiliated Entities:								
American Hotel and Lodging Educational Foundation, Inc.	167,371	-	-	167,371	119,947	-	-	119,947
American Hotel Association Directory Corporation	16,757	-	(16,757)	-	14,015	-	(14,015)	-
American Hotel & Lodging Educational Institute	33,461	7,231	-	40,692	10,047	7,231	-	17,278
Total Due from Affiliated Entities:	217,589	7,231	(16,757)	208,063	144,009	7,231	(14,015)	137,225
Prepaid Expenses and Other Assets	97,020	-	-	97,020	74,652	-	-	74,652
Total Current Assets	3,311,415	18,132	(16,757)	3,312,790	2,676,806	18,696	(14,015)	2,681,487
INVESTMENTS - MARKETABLE SECURITIES	2,746,991	-	-	2,746,991	2,728,500	-	-	2,728,500
INVESTMENTS IN SUBSIDIARIES								
ALIS	25,866	-	-	25,866	25,866	-	-	25,866
Directory Corporation	500	-	(500)	-	500	-	(500)	-
	26,366	-	(500)	25,866	26,366	-	(500)	25,866
PROPERTY AND EQUIPMENT								
Equipment and Software	729,886	-	-	729,886	661,434	-	-	661,434
Furniture and Fixtures	212,016	-	-	212,016	212,016	-	-	212,016
Leasehold Improvements	368,255	-	-	368,255	368,255	-	-	368,255
	1,310,157	-	-	1,310,157	1,241,705	-	-	1,241,705
Less: Accumulated Depreciation and Amortization	(1,007,439)	-	-	(1,007,439)	(897,196)	-	-	(897,196)
	302,718	-	-	302,718	344,509	-	-	344,509
CASH SURRENDER VALUE OF LIFE INSURANCE	272,088	-	-	272,088	263,060	-	-	263,060
Total Assets	\$ 6,659,578	\$ 18,132	\$ (17,257)	\$ 6,660,453	\$ 6,039,241	\$ 18,696	\$ (14,515)	\$ 6,043,422

(Continued)

AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2009 AND 2008
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	2009				2008			
	American Hotel & Lodging Association	American Hotel Association Directory Corporation	Eliminations	Consolidated Total	American Hotel & Lodging Association	American Hotel Association Directory Corporation	Eliminations	Consolidated Total
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts Payable and Accrued Expenses	\$ 731,488	\$ 3,305	\$ -	\$ 734,793	\$ 695,573	\$ 3,305	\$ -	\$ 698,878
Due to Partner State Associations	146,889	-	-	146,889	198,181	-	-	198,181
Due to Affiliated Entities:								
American Hotel and Lodging Educational Foundation, Inc.	-	-	-	-	-	-	-	-
American Hotel & Lodging Association	-	16,757	(16,757)	-	-	14,015	(14,015)	-
Total Due to Affiliated Entities	-	16,757	(16,757)	-	-	14,015	(14,015)	-
Deferred Revenue:								
Dues	437,599	-	-	437,599	403,293	-	-	403,293
Other	1,098,220	-	-	1,098,220	1,083,488	-	-	1,083,488
Total Deferred Revenue	1,535,819	-	-	1,535,819	1,486,781	-	-	1,486,781
Total Current Liabilities	2,414,196	20,062	(16,757)	2,417,501	2,380,535	17,320	(14,015)	2,383,840
DEFERRED RENT CREDIT	443,799	-	-	443,799	459,057	-	-	459,057
Total Liabilities	2,857,995	20,062	(16,757)	2,861,300	2,839,592	17,320	(14,015)	2,842,897
NET ASSETS AND SHAREHOLDER'S EQUITY								
Net Assets:								
Unrestricted	3,386,081	-	(2,430)	3,383,651	2,983,325	-	876	2,984,201
Temporarily Restricted	415,502	-	-	415,502	216,324	-	-	216,324
	3,801,583	-	(2,430)	3,799,153	3,199,649	-	876	3,200,525
Shareholders' Equity:								
Common Stock, No Par; 25 Shares Authorized, Issued and Outstanding	-	500	(500)	-	-	500	(500)	-
Retained Earnings	-	(2,430)	2,430	-	-	876	(876)	-
	-	(1,930)	1,930	-	-	1,376	(1,376)	-
Total Net Assets and Shareholder's Equity	3,801,583	(1,930)	(500)	3,799,153	3,199,649	1,376	(500)	3,200,525
Total Liabilities, Net Assets and Shareholder's Equity	\$ 6,659,578	\$ 18,132	\$ (17,257)	\$ 6,660,453	\$ 6,039,241	\$ 18,696	\$ (14,515)	\$ 6,043,422

**AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDING DECEMBER 31, 2009
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Consolidating Information					Consolidated Total
	American Hotel & Lodging Association			Directory Corporation	Eliminations	
	Unrestricted	Temporarily Restricted	Total	Unrestricted		
REVENUE						
Membership Dues	\$ 5,017,815	\$ -	\$ 5,017,815	\$ -	\$ -	\$ 5,017,815
Conferences	1,829,195	-	1,829,195	-	-	1,829,195
Conference Sponsorships	-	355,284	355,284	-	-	355,284
Royalties and Commissions	234,248	-	234,248	-	-	234,248
Interest and Dividends	90,209	-	90,209	-	-	90,209
Sublease Income and Other	351,887	-	351,887	-	-	351,887
Member Association Program Contributions	29,180	238,265	267,445	-	-	267,445
Legislative Readiness Fund	48,053	-	48,053	-	-	48,053
Net Assets Released from Restrictions						
Member Association Programs	49,089	(49,089)	-	-	-	-
Convention/Conference Sponsorships	345,282	(345,282)	-	-	-	-
Total Revenue	<u>7,994,958</u>	<u>199,178</u>	<u>8,194,136</u>	<u>-</u>	<u>-</u>	<u>8,194,136</u>
EXPENSES						
Program:						
Government Affairs	1,192,237	-	1,192,237	-	-	1,192,237
Industry Relations	939,600	-	939,600	-	-	939,600
Committees and Contributions	961,743	-	961,743	-	-	961,743
Conferences	563,430	-	563,430	-	-	563,430
Marketing and Communications	366,486	-	366,486	-	-	366,486
Member Association Programs	120,054	-	120,054	-	-	120,054
Legislative Readiness Fund	48,054	-	48,054	-	-	48,054
Information Systems	290,812	-	290,812	-	-	290,812
Meetings	286,298	-	286,298	-	-	286,298
Business Development	127,244	-	127,244	-	-	127,244
Information Center	82,088	-	82,088	-	-	82,088
Directory of Hotel & Motel - Travel Planner	-	-	-	3,306	-	3,306
Total Program	<u>4,978,046</u>	<u>-</u>	<u>4,978,046</u>	<u>3,306</u>	<u>-</u>	<u>4,981,352</u>
Supporting:						
Central Administrative	1,440,868	-	1,440,868	-	-	1,440,868
Executive and Legal	543,825	-	543,825	-	-	543,825
Finance	678,638	-	678,638	-	-	678,638
General Operations	323,340	-	323,340	-	-	323,340
Total Supporting	<u>2,986,671</u>	<u>-</u>	<u>2,986,671</u>	<u>-</u>	<u>-</u>	<u>2,986,671</u>
Total Expenses	<u>7,964,717</u>	<u>-</u>	<u>7,964,717</u>	<u>3,306</u>	<u>-</u>	<u>7,968,023</u>
CHANGE IN NET ASSETS FROM OPERATIONS	30,241	199,178	229,419	(3,306)	-	226,113
Other Items:						
Realized Gain on Investments	19,371	-	19,371	-	-	19,371
Unrealized Gain on Investments and Other Assets	353,144	-	353,144	-	-	353,144
Total Other Items	<u>372,515</u>	<u>-</u>	<u>372,515</u>	<u>-</u>	<u>-</u>	<u>372,515</u>
CHANGE IN NET ASSETS	<u>\$ 402,756</u>	<u>\$ 199,178</u>	<u>\$ 601,934</u>	<u>\$ (3,306)</u>	<u>\$ -</u>	<u>\$ 598,628</u>

**AMERICAN HOTEL & LODGING ASSOCIATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDING DECEMBER 31, 2008
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Consolidating Information					Consolidated Total
	American Hotel & Lodging Association			Directory Corporation	Eliminations	
	Unrestricted	Temporarily Restricted	Total	Unrestricted		
REVENUE						
Membership Dues	\$ 5,057,027	\$ -	\$ 5,057,027	\$ -	\$ -	\$ 5,057,027
Conferences	2,875,231	-	2,875,231	-	-	2,875,231
Conference Sponsorships	-	306,100	306,100	-	-	306,100
Publications	-	-	-	375	-	375
Royalties and Commissions	239,492	-	239,492	-	-	239,492
Interest and Dividends	168,659	-	168,659	-	-	168,659
Sublease Income and Other	489,495	-	489,495	-	-	489,495
Member Association Program Contributions	48,713	370,750	419,463	-	-	419,463
Legislative Readiness Fund	1,765,500	-	1,765,500	-	-	1,765,500
Net Assets Released from Restrictions						
Member Association Programs	362,466	(362,466)	-	-	-	-
Convention/Conference Sponsorships	306,100	(306,100)	-	-	-	-
Total Revenue	<u>11,312,683</u>	<u>8,284</u>	<u>11,320,967</u>	<u>375</u>	<u>-</u>	<u>11,321,342</u>
EXPENSES						
Program:						
Government Affairs	1,532,986	-	1,532,986	-	-	1,532,986
Industry Relations	1,042,570	-	1,042,570	-	-	1,042,570
Committees and Contributions	1,413,491	-	1,413,491	-	-	1,413,491
Allied Members	177,472	-	177,472	-	-	177,472
Conferences	476,440	-	476,440	-	-	476,440
Marketing and Communications	435,113	-	435,113	-	-	435,113
Member Association Programs	197,940	-	197,940	-	-	197,940
Legislative Readiness Fund	1,890,500	-	1,890,500	-	-	1,890,500
Information Systems	322,916	-	322,916	-	-	322,916
Meetings	283,670	-	283,670	-	-	283,670
Printshop	95,463	-	95,463	-	-	95,463
Business Development	166,325	-	166,325	-	-	166,325
Information Center	86,056	-	86,056	-	-	86,056
Subscription Expense	8,387	-	8,387	-	-	8,387
Directory of Hotel & Motel - Travel Planner	-	-	-	1,757	-	1,757
Total Program	<u>8,129,329</u>	<u>-</u>	<u>8,129,329</u>	<u>1,757</u>	<u>-</u>	<u>8,131,086</u>
Supporting:						
Central Administrative	1,418,063	-	1,418,063	-	-	1,418,063
Executive and Legal	581,279	-	581,279	-	-	581,279
Finance	612,741	-	612,741	-	-	612,741
General Operations	282,695	-	282,695	-	-	282,695
Total Supporting	<u>2,894,778</u>	<u>-</u>	<u>2,894,778</u>	<u>-</u>	<u>-</u>	<u>2,894,778</u>
Total Expenses	<u>11,024,107</u>	<u>-</u>	<u>11,024,107</u>	<u>1,757</u>	<u>-</u>	<u>11,025,864</u>
CHANGE IN NET ASSETS FROM OPERATIONS	288,576	8,284	296,860	(1,382)	-	295,478
Other Items:						
Realized Loss on Investments	(41,444)	-	(41,444)	-	-	(41,444)
Unrealized Loss on Investments and Other Assets	(773,913)	-	(773,913)	-	-	(773,913)
Total Other Items	<u>(815,357)</u>	<u>-</u>	<u>(815,357)</u>	<u>-</u>	<u>-</u>	<u>(815,357)</u>
CHANGE IN NET ASSETS	<u>\$ (526,781)</u>	<u>\$ 8,284</u>	<u>\$ (518,497)</u>	<u>\$ (1,382)</u>	<u>\$ -</u>	<u>\$ (519,879)</u>