

USALI

12th Revised Edition

Presenting the USALI 12th Revised Edition

Insight on Changes and Additions



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Uniform System of Accounts for the Lodging Industry

USALI does not define the accounting principles generally accepted in the United States (GAAP), or internationally under the International Financial Reporting Standards (IFRS).

USALI provides guidance for standardized financial reporting and analysis, critical for effective management and benchmarking, that is intended to be consistent with GAAP with reference to IFRS.

USALI Reporting includes many non-GAAP terms, such as:

- Gross Operating Profit (GOP)
- Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA)

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Global Finance Committee

The Global Finance Committee (GFC) was formed by HFTP and AHLA to update and maintain the USALI based on U.S. GAAP with consideration of IFRS.

The GFC is comprised of financial leaders from the largest U.S. and international hotel brands, operators, and owners.

Diverse and balanced membership:

- Owners, owner representatives, and asset managers
- Brands, operators, and management companies
- Educators, public practice, consultants, and reporting firms



Updates initiated by:

- Formal changes in accounting pronouncements (U.S. GAAP, IFRS, Regulatory Environment) and industry stakeholder input
- GFC meetings began in 2019
- Industry exposure drafts period began in December 2021
- Publication of 12th Revised Edition e-book and soft cover book is scheduled for Q3, 2024
- Effective date is January 1, 2026



First Poll
Question

What is the effective date for the USALI 12th Revised Edition?

- a. Jan 1, 2025
- b. Dec 31, 2025
- c. Jan 1, 2026
- d. Dec 31, 2026

Energy, Water, and Waste (EWW) – Schedule 9

- As the world advances on environmental & sustainability, the lodging industry needs to catch up with the needs of our planet
- Hotels are increasingly required to report to customers, investors, and regulators on their sustainability. The new reporting standards serve as a common benchmark for the lodging industry
- Cooperative effort of HFTP and AHLA. Members of the GFC include the major hotel brands, managers, owners and advisors
- GFC solicited feedback from industry leaders on sustainability and environmental reporting, including Greenview and the AHLA Sustainability Committee

- Energy, Water, and Waste (EWW) need to be consolidated in one place for hotels to accurately record all related expenses.
- Consumption tracking necessary to support Scope 1 and Scope 2 reporting included in Part V, Metrics, Ratios, and Optional Schedules
- Standardized metrics for hotels of all sizes.

- Corporate travel planners and individual travelers increasingly are asking the question of what a hotel is doing to reduce its carbon footprint.
- Disclosure is required in many RFPs, impacting large, medium, or small operations (MICE, SMERF, government and corporate travel)
- Impacts both brand and independent operators
- Government agencies for regulatory purposes

- Reclassifying waste expenses from the Property Operation and Maintenance Schedule to the Energy, Water, and Waste (EWW) Schedule.
- Expanding Energy, Water, and Waste with more detailed accounts and descriptions.
- New EWW metrics to record and align consumption reporting with Scope 1 and Scope 2 Green House Gas Emissions reporting requirements



Second Poll Question

Which account is deleted from POM and further expanded in EWW in the USALI 12th Revised Edition?

- a. Renewable Energy
- b. Waste Removal
- c. Municipal Water
- d. Contract Services

Fuels, Gases & District Energy

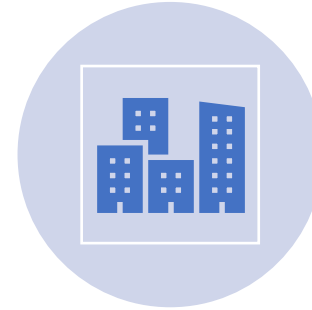
- The cost of fuels, gases, and district energy used in lodging properties is charged to this account and would include taxes/assessments and any bulk/future purchase fees or allocations. Below are the common fuels and gases
 - * Natural gas
 - * Propane
 - * Fuel oil.
 - * Other
 - * Purchased/district chilled water
 - * Purchased/district steam
 - * Purchased/district hot water
- Lodging properties may choose to create sub-accounts for these to track usage as desired for individual departments

- Cost of renewable energy (e.g., solar and wind), either purchased from outside producers or generated, is charged to this account and would include the cost of renewable attributes (e.g., renewable energy certificates or guarantee of origin), any taxes/assessments and any bulk/future purchase fees or allocations.
- Does not include capital expenditures for installing onsite renewable energy sources

The Metrics



Hotels come in different sizes, and resources to monitor and understand all regulations vary from property to property



To start, hotels should monitor and track the components necessary to understand its own environmental impact



Metrics such as energy consumption per occupied room (“POR”), water consumption POR, and waste production POR are important components of understanding and reducing a hotel’s utilities cost and environmental impact



For hotels that are part of a brand, these companies will typically support the calculation within their global brand databases and are being contacted by clients for information on hotels within their respective brand

Cost and Consumption Metrics

- **Cost Metrics**

1. Energy Cost per kWh
2. Water Cost per gal or m³
3. Waste Cost per lb or kg

- **Consumption Metrics**

1. Energy (kWh) used per square feet/meter (“Energy PSF” or “Energy PSM”)
2. Water (gal or m³) consumed “Water POR” or “Water PAR”
3. Waste (lb or kg) generated “Waste lb POR” or “Waste kg POR”, or “Waste lb PAR” or “Waste kg PAR”

- **Carbon Emissions, Carbon Footprint, or Green House Gases**



Third Poll Question

What of the following is NOT a recommended metric for EWW in the USALI 12th Revised Edition?

- a. Energy (kWh) used per square meter
- b. Waste generated per kilogram
- c. Water cost per pound
- d. Energy cost per kilowatt

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Release Schedule

E-book
July 2024

Soft Cover Book
Late summer
2024

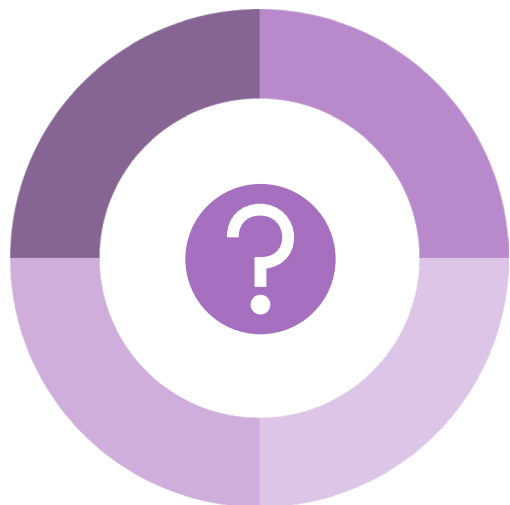
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Able to annotate
digital book

Softcover Book

Traditional publication

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What if I purchase a subscription, and the one-year subscription period overlaps with the 12th Edition release?

The subscription will **cover both editions**, so subscribers will be able to access both regardless of when purchased as long as the subscription is current.

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DEEP DIVE WEBINARS

Gain a comprehensive understanding of this edition directly from Global Finance Committee members.

A Review of the Major Changes

Archive available

Rooms – Schedule 1

Archive available

Energy, Water and Waste

July 30, 2024 · 11:00 a.m. CT

Payroll FTE and Annual Mandatory Brand and Operator Costs

August 8, 2024 · 11:00 a.m. CT

All-Inclusive Hotels

August 22, 2024 · 11:00 a.m. CT

Other Reporting Guidance

September 5, 2024 · 11:00 a.m. CT

Open to all. All webinars are first presented live, then made available in the webinar archive.

Register at usali.hftp.org

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HFTP Academy

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