

CORRECTIONS CORP OF AMERICA

Form 10-Q

August 08, 2013

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED: JUNE 30, 2013

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: 001-16109

CORRECTIONS CORPORATION OF AMERICA

(Exact name of registrant as specified in its charter)

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MARYLAND
(State or other jurisdiction of
incorporation or organization)
62-1763875
(I.R.S. Employer
Identification Number)
10 BURTON HILLS BLVD., NASHVILLE, TENNESSEE 37215
(Address and zip code of principal executive offices)
(615) 263-3000
(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 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. See definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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

Indicate the number of shares outstanding of each class of Common Stock as of August 2, 2013:

Shares of Common Stock, \$0.01 par value per share: 115,701,833 shares outstanding.

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(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	June 30, 2013	December 31, 2012
<u>ASSETS</u>		
Cash and cash equivalents	\$ 37,875	\$ 62,897
Accounts receivable, net of allowance of \$2,127 and \$2,578 respectively	233,470	252,764
Current deferred tax assets	5,416	8,022
Prepaid expenses and other current assets	28,969	27,059
Total current assets	305,730	350,742
Property and equipment, net	2,538,825	2,568,791
Restricted cash	5,673	5,022
Investment in direct financing lease	6,500	7,467
Goodwill	11,158	11,988
Non-current deferred tax assets	9,035	
Other assets	40,239	30,732
Total assets	\$ 2,917,160	\$ 2,974,742
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Accounts payable and accrued expenses	\$ 228,022	\$ 166,000
Income taxes payable	652	102
Current liabilities of discontinued operations	79	356
Total current liabilities	228,753	166,458
Long-term debt	1,150,000	1,111,545
Deferred tax liabilities		139,526
Other liabilities	37,218	35,593
Total liabilities	1,415,971	1,453,122
Commitments and contingencies		
Preferred stock \$0.01 par value; 50,000 shares authorized; none issued and outstanding at June 30, 2013 and December 31, 2012, respectively		
Common stock \$0.01 par value; 300,000 shares authorized; 115,418 and 100,105 shares issued and outstanding at June 30, 2013 and December 31, 2012, respectively	1,154	1,001
Additional paid-in capital	1,711,821	1,146,488
Retained (deficit) earnings	(211,786)	374,131
Total stockholders' equity	1,501,189	1,521,620
Total liabilities and stockholders' equity	\$ 2,917,160	\$ 2,974,742

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The accompanying notes are an integral part of these consolidated financial statements.

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(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	For the Three Months Ended		For the Six Months	
	June 30,		Ended	
	2013	2012	2013	2012
REVENUE:	\$ 433,981	\$ 442,866	\$ 859,705	\$ 878,171
EXPENSES:				
Operating	314,277	316,584	621,807	632,118
General and administrative	25,360	23,095	56,592	44,935
Depreciation and amortization	28,097	28,302	55,727	56,689
Asset impairments	2,637		2,637	
	370,371	367,981	736,763	733,742
OPERATING INCOME	63,610	74,885	122,942	144,429
OTHER EXPENSES:				
Interest expense, net	11,912	14,729	24,478	31,619
Expenses associated with debt refinancing transactions	36,303	287	36,528	1,828
Other (income) expense	(36)	41	65	53
	48,179	15,057	61,071	33,500
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	15,431	59,828	61,871	110,929
Income tax benefit (expense)	4,998	(22,494)	139,650	(41,553)
INCOME FROM CONTINUING OPERATIONS	20,429	37,334	201,521	69,376
Loss from discontinued operations, net of taxes				(362)
NET INCOME	\$ 20,429	\$ 37,334	\$ 201,521	\$ 69,014
BASIC EARNINGS PER SHARE:				
Income from continuing operations	\$ 0.19	\$ 0.37	\$ 1.94	\$ 0.70
Loss from discontinued operations, net of taxes				
Net income	\$ 0.19	\$ 0.37	\$ 1.94	\$ 0.70
DILUTED EARNINGS PER SHARE:				
Income from continuing operations	\$ 0.19	\$ 0.37	\$ 1.91	\$ 0.69
Loss from discontinued operations, net of taxes				
Net income	\$ 0.19	\$ 0.37	\$ 1.91	\$ 0.69
REGULAR DIVIDENDS DECLARED PER SHARE	\$ 0.48	\$ 0.20	\$ 1.01	\$ 0.20
SPECIAL DIVIDENDS DECLARED PER SHARE	\$ 6.66	\$	\$ 6.66	\$

The accompanying notes are an integral part of these consolidated financial statements.

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(UNAUDITED AND AMOUNTS IN THOUSANDS)

	For the Six Months Ended June 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 201,521	\$ 69,014
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	55,727	56,689
Expenses associated with debt refinancing transactions	36,528	1,828
Asset impairments	2,637	
Amortization of debt issuance costs and other non-cash interest	1,966	2,224
Deferred income taxes	(145,955)	2,667
Income tax benefit of equity compensation	(31)	(2,282)
Non-cash equity compensation	6,411	5,903
Other expenses and non-cash items	753	926
Changes in assets and liabilities, net:		
Accounts receivable, prepaid expenses and other assets	17,489	15,008
Accounts payable, accrued expenses and other liabilities	5,232	(23,332)
Income taxes payable	581	1,367