Edgar Filing: CORRECTIONS CORP OF AMERICA - Form 10-Q

CORRECTIONS CORP OF AMERICA Form 10-Q August 08, 2013 Table of Contents

# 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)

MARYLAND (State or other jurisdiction of

62-1763875 (I.R.S. Employer

incorporation or organization) 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 x 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 x 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 x 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 x

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.

### CORRECTIONS CORPORATION OF AMERICA

### FORM 10-Q

### FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2013

### **INDEX**

	PAGE
PART 1 FINANCIAL INFORMATION	
Item 1. Financial Statements	
a) Consolidated Balance Sheets (Unaudited) as of June 30, 2013 and December 31, 2012	1
b) Consolidated Statements of Operations (Unaudited) for the three and six months ended June 30, 2013 and 2012	2
c) Consolidated Statements of Cash Flows (Unaudited) for the six months ended June 30, 2013 and 2012	3
d) Consolidated Statement of Stockholders Equity (Unaudited) for the six months ended June 30, 2013	4
e) Consolidated Statement of Stockholders Equity (Unaudited) for the six months ended June 30, 2012	5
f) Notes to Consolidated Financial Statements (Unaudited)	6
Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations	30
Item 3. Quantitative and Qualitative Disclosures About Market Risk	53
Item 4. Controls and Procedures	53
PART II OTHER INFORMATION	
Item 1. Legal Proceedings	54
Item 1A. Risk Factors	54
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	54
Item 3. Defaults Upon Senior Securities	54
Item 4. Mine Safety Disclosures	54
Item 5. Other Information	54
Item 6. Exhibits	54
SIGNATURES	56

#### PART I FINANCIAL INFORMATION

# ITEM 1. FINANCIAL STATEMENTS. CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS

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

Cash and cash equivalents			
ASSETIS           Cash and cash equivalents         \$37,875         \$23,767           Accounts receivable, net of allowance of \$2,127 and \$2,578 respectively         233,470         252,768           Current deferred tax assets         5,416         8,022           Prepaid expenses and other current assets         28,969         27,058           Total current assets         2,538,825         2,568,791           Property and equipment, net         2,538,825         5,628,791           Restricted cash         5,673         5,022           Investment in direct financing lease         6,500         7,467           Goodwill         11,58         11,988           Non-current deferred tax assets         9,035         10,002           Other assets         \$2,917,160         \$2,974,742           Total assets         \$2,917,160         \$2,974,742           ***Counts payable and accrued expenses         \$2,28,022         \$166,000           Income taxes payable         652         10           Current liabilities         228,753         1,66,458           Long-term debt         1,15,000         1,111,545           Long-term debt         1,15,000         1,11,540           Deferred tax liabilities         1,2		June 30,	December 31,
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           Propaid expenses and other current assets         305,730         350,742           Property and equipment, net         25,388,255         2,568,791           Restricted cash         6,500         7,467           Good will         11,158         11,988           Non-current deferred tax assets         9,035         1           Other assets         9,035         1           Total assets         \$2,917,160         \$2,974,742           Accounts payable and accrued expenses         \$2,917,160         \$2,974,742           Accounts payable and accrued expenses         \$228,022         \$160,000           Income taxes payable         652         102           Current liabilities of discontinued operations         79         356           Total current liabilities         1,150,000         1,115,45           Deferred tax liabilities         1,150,000         1,115,45           Comparter debt         1,453,722         1,453,722           Total liabilities         1,151,45         3,5,93	ASSETS	2013	2012
Accounts receivable, net of allowance of \$2,127 and \$2,578 respectively         233,470         522,764           Current deferred tax assets         28,060         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         5,673         5,022           Goodwill         11,158         11,988           Non-current deferred tax assets         9,035         7000           Other assets         40,239         30,732           Total assets         \$2,917,160         \$2,974,742           Accounts payable and accrued expenses         \$228,022         \$166,000           Income taxes payable         652         102           Current liabilities of discontinued operations         79         350           Total current liabilities         228,753         166,458           Long-term debt         1,150,000         1,11,545           Deferred tax liabilities         37,218         35,593           Total liabilities         37,218         35,593           Total liabilities         1,150,000         1,11,545           Deferred tax liabili		\$ 37.875	\$ 62,897
Current deferred tax assets         5,416         8,022           Prepaid expenses and other current assets         28,969         27,059           Total current assets         305,730         355,732           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         9,035         10           Other assets         9,035         40,239         30,732           Total assets         2,917,160         \$ 2,974,742           LIABILITIES AND STOCKHOLDERS EQUITY           Accounts payable and accrued expenses         \$ 28,022         \$ 166,000           Income taxes payable         652         102           Current liabilities of discontinued operations         7 22         1652         102           Total current liabilities of discontinued operations         228,753         166,458           Long-term debt         1,150,000         1,111,545         35,256           Other liabilities         37,218         35,593           Total liabilities         1,415,971         1,453,122           Comminitiments and contingencies         1,154         1,00			
Prepaid expenses and other 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         9,035           Other assets         \$2,917,160         \$2,974,742           LIABILITIES AND STOCKHOLDERS EQUITY           Accounts payable and accrued expenses         \$28,022         106,000           Income taxes payable         652         102           Current liabilities of discontinued operations         79         356           Total current liabilities         28,753         166,458           Long-term debt         1,150,000         1,111,454           Deferred tax liabilities         37,218         35,593           Total liabilities         37,218         35,593           Total liabilities         1,415,971         1,453,122           Commitments and contingencies         1,415,971         1,453,122           Commitments and contingencies         1,150,000         1,11,142         1,10           Common stock \$0.01 pa	• •		,
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         1           Other assets         40,239         30,732           LIABILITIES AND STOCKHOLDERS EQUITY           Accounts payable and accrued expenses         \$ 228,022         \$ 166,000           Income taxes payable         652         102           Current liabilities of discontinued operations         79         356           Total current liabilities         28,753         166,458           Long-term debt         1,150,000         1,111,454           Deferred tax liabilities         37,218         35,593           Total liabilities         1,415,971         1,453,122           Commitments and contingencies         1,415,971         1,453,122           Preferred stock S0.01 par value; 50,000 shares authorized; none issued and outstanding at June 30, 2013 and December 31, 2012, respectively         1,154         1,001           Commons tock S0.01 par value; 30,0000 shares authorized; 115,418 and 10			
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         10,202           Other assets         2,2917,160         \$ 2,974,742           **Counts payable and accrued expenses         \$ 228,022         \$ 166,000           Income taxes payable         652         102           Current liabilities of discontinued operations         79         356           Total current liabilities of discontinued operations         228,753         166,458           Long-term debt         1,150,000         1,11,545           Deferred dax liabilities         1,150,000         1,11,545           Deferred tax liabilities         37,218         35,593           Total liabilities         1,415,971         1,453,122           Commitments and contingencies         1,415,971         1,453,122           Preferred stock \$0.01 par value; 50,000 shares authorized; none issued and outstanding at June 30, 2013 and December 31, 2012, respectively         1,154         1,001           Commitments and contingencies         1,154         1,001	114puid elipenisto una suita vuitan usotis	20,505	27,000
Property and equipment, net         2,538,825         2,568,791           Restricted cash         5,673         5,022           Investment in direct financing lease         6,500         7,465           Goodwill         11,158         11,988           Non-current deferred tax assets         9,035         40,239         30,732           Total assets         \$2,917,60         \$2,974,742           **Current labelitation of discontinued expenses         \$228,022         \$166,000           Income taxes payable         652         102           Current liabilities of discontinued operations         79         356           Total current liabilities         1,150,000         111,545           Deferred dax liabilities         1,150,000         111,545           Deferred tax liabilities         37,218         35,593           Total liabilities         1,415,971         1,453,122           Commitments and contingencies         1,415,971         1,453,122           Preferred stock \$0.01 par value; 50,000 shares authorized; none issued and outstanding at June 30, 2013 and December 31, 2012, respectively         1,154         1,001           Commitments and contingencies         1,154         1,001           Preferred stock \$0.01 par value; 50,000 shares authorized; 115,418 and 100,105 shar	Total current assets	305 730	350.742
Restricted cash         5,673         5,022           Investment in direct financing lease         6,500         7,467           Goodwill         11,158         11,198           Non-current deferred tax assets         9,035         9,035           Other assets         40,239         30,732           LIABILITIES AND STOCKHOLDERS EQUITY           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         228,753         166,458           Long-term debt         37,218         35,593           Total 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         1,154,591         1,001           Additional paid-in capital         1,11,621         1,146,88         1,146,88           Retained (deficit) earnings         1,146,88         1,146,88         1,146,88			
Investment in direct financing lease		, ,	
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           LIABILITIES AND STOCKHOLDERS EQUITY           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         1,111,454           Deferred tax liabilities         37,218         35,593           Total liabilities         37,218         35,593           Total liabilities         1,415,971         1,453,122           Commitments and contingencies		,	,
Non-current deferred tax assets         9,035           Other assets         40,239         30,732           Total assets         \$2,917,160         \$2,974,742           LIABILITIES AND STOCKHOLDERS EQUITY           Accounts payable and accrued expenses         \$228,022         \$166,000           Income taxes payable         652         102           Current liabilities of discontinued operations         79         356           Total current liabilities         1,150,000         1,111,545           Long-term debt         1,150,000         1,111,545           Deferred tax liabilities         37,218         35,593           Total liabilities         37,218         35,593           Total liabilities         1,415,971         1,453,122           Commitments and contingencies         1,415,971         1,453,122           Commitments and contingencies         1,154         1,154           Preferred stock \$0.01 par value; 50,000 shares authorized; none issued and outstanding at June 30, 2013 and December 31, 2012, respectively         1,154         1,001           Additional paid-in capital         1,711,821         1,164,488           Retained (deficit) earnings         1,154         374,131           Total stockholders equity         1,501,189         1,52	•		,
Other assets         40,239         30,732           LIABILITIES AND STOCKHOLDERS EQUITY           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         1,115,450           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; 30,000 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         1,146,488           Retained (deficit) earnings         1,501,189         374,131			
LIABILITIES AND STOCKHOLDERS EQUITY           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         1,154         1,001           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			
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   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     Additional paid-in capital   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		10,20	50,752
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   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     Additional paid-in capital   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 assets	\$ 2 917 160	\$ 2 974 742
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         Freferred stock \$0.01 par value; 50,000 shares authorized; none issued and outstanding at June 30, 2013 and December 31, 2012, respectively         1,154         1,001           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 assets	\$ 2,717,100	φ 2,974,742
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         Freferred stock \$0.01 par value; 50,000 shares authorized; none issued and outstanding at June 30, 2013 and December 31, 2012, respectively         1,154         1,001           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	LIADII ITIES AND STOCKHOLDEDS FOLITV		
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         1,154         1,001           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		\$ 228.022	\$ 166,000
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         1,154         1,001           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         374,131           Total stockholders equity         1,501,189         1,521,620			
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			
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         1,154         1,001           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	Current natimites of discontinued operations	1)	330
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         1,154         1,001           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 current liabilities	228 753	166.459
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 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			
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 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		1,130,000	, ,
Total liabilities  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 Additional paid-in capital Retained (deficit) earnings  Total stockholders equity  1,415,971  1,453,122  1,453,122  1,154  1,001  1,711,821  1,146,488  1,711,821  1,146,488  1,711,821  1,501,189  1,521,620		37 218	
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 Additional paid-in capital Retained (deficit) earnings  1,154 1,001 1,711,821 1,146,488 Retained (deficit) earnings  1,501,189 1,521,620	Outer habilities	37,210	33,373
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 Additional paid-in capital Retained (deficit) earnings  1,154 1,001 1,711,821 1,146,488 Retained (deficit) earnings  1,501,189 1,521,620	T-4-11:-1:14:	1 415 071	1 452 122
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  Additional paid-in capital  Retained (deficit) earnings  1,154 1,001 1,711,821 1,146,488 Retained (deficit) earnings  1,501,189 1,521,620	Total habilities	1,415,971	1,433,122
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  Additional paid-in capital  Retained (deficit) earnings  1,154 1,001 1,711,821 1,146,488 Retained (deficit) earnings  1,501,189 1,521,620			
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	<u>C</u>		
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			
at June 30, 2013 and December 31, 2012, respectively Additional paid-in capital Retained (deficit) earnings  1,154 1,001 1,146,488 Retained (deficit) earnings  (211,786) 374,131  Total stockholders equity  1,501,189 1,521,620			
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		1 15/	1 001
Retained (deficit) earnings         (211,786)         374,131           Total stockholders equity         1,501,189         1,521,620		, .	,
Total stockholders equity 1,501,189 1,521,620			
	Retained (deficit) cariffigs	(211,/80	3/4,131
	T (1 ( 11 11	1 501 100	1.501.600
Total liabilities and stockholders equity \$2,917,160 \$2,974,742	Total stockholders equity	1,501,189	1,521,620
Total liabilities and stockholders equity \$2,917,160 \$2,974,742			
	Total liabilities and stockholders equity	\$ 2,917,160	\$ 2,974,742

## Edgar Filing: CORRECTIONS CORP OF AMERICA - Form 10-Q

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

1

### CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF OPERATIONS

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

	For the Three Months Ended June 30, 2013 2012			For the Six Months Ended June 30, 2013				
REVENUE:	\$	433,981	\$	442,866		59,705		378,171
EXPENSES:		214 255		216 504	0	21 007	,	22 110
Operating		314,277		316,584		21,807		32,118
General and administrative Depreciation and amortization		25,360 28,097		23,095 28,302		56,592 55,727		44,935 56,689
Asset impairments		2,637		20,302		2,637		30,089
Asset impairments		2,037				2,037		
		370,371		367,981	7.	36,763	7	33,742
OPERATING INCOME		63,610		74,885	1:	22,942	1	44,429
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	1	10,929
Income tax benefit (expense)		4,998		(22,494)		39,650		(41,553)
INCOME FROM CONTINUING OPERATIONS		20,429		37,334	2	01,521		69,376
Loss from discontinued operations, net of taxes								(362)
NET INCOME	\$	20,429	\$	37,334	\$ 20	01,521	\$	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	\$	

## Edgar Filing: CORRECTIONS CORP OF AMERICA - Form 10-Q

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

2

### CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED AND AMOUNTS IN THOUSANDS)

	For the Six	For the Six Months		
	Ended Ju	ne 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		