

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-K**

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

For the fiscal year ended December 31, 2023

OR

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

Commission File Number 001-16109

**CORECIVIC, INC.**

(Exact name of registrant as specified in its charter)

**MARYLAND**  
(State or other jurisdiction of  
incorporation or organization)

**62-1763875**  
(I.R.S. Employer  
Identification No.)

**5501 VIRGINIA WAY  
BRENTWOOD, TENNESSEE**  
(Address of principal executive offices)

**37027**  
(Zip Code)

**REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (615) 263-3000**  
**SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01 per share	CXW	New York Stock Exchange

**SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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 every Interactive Data File required to be submitted 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 such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b)

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

The aggregate market value of the shares of the registrant's Common Stock held by non-affiliates was approximately \$1,048,718,811 as of June 30, 2023 based on the closing price of such shares on the New York Stock Exchange on that day. The number of shares of the registrant's Common Stock outstanding on February 12, 2024 was 112,608,075.

**DOCUMENTS INCORPORATED BY REFERENCE:**

Portions of the registrant's definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, currently scheduled to be held on May 16, 2024, are incorporated by reference into Part III of this Annual Report on Form 10-K.

**CORECIVIC, INC.**  
**FORM 10-K**  
**For the fiscal year ended December 31, 2023**  
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## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This Annual Report on Form 10-K, or Annual Report, contains statements as to our beliefs and expectations of the outcome of future events that are forward-looking statements as defined within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements other than statements of current or historical fact contained in this Annual Report, including statements regarding our future financial position, business strategy, budgets, projected costs and plans, and objectives of management for future operations, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "projects," "will," and similar expressions, as they relate to us, are intended to identify forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made in this Annual Report. These include, but are not limited to, the risks and uncertainties associated with:

- changes in government policy, legislation and regulations that affect utilization of the private sector for corrections, detention, and residential reentry services, in general, or our business, in particular, including, but not limited to, the continued utilization of our correctional and detention facilities by the federal government, including as a consequence of the United States Department of Justice, or DOJ, not renewing contracts as a result of President Biden's Executive Order on Reforming Our Incarceration System to Eliminate the Use of Privately Operated Criminal Detention Facilities, or the Private Prison EO, impacting utilization primarily by the United States Federal Bureau of Prisons, or BOP, and the United States Marshals Service, or USMS, and the impact of any changes to immigration reform and sentencing laws (we do not, under longstanding policy, lobby for or against policies or legislation that would determine the basis for, or duration of, an individual's incarceration or detention);
- our ability to obtain and maintain correctional, detention, and residential reentry facility management contracts because of reasons including, but not limited to, sufficient governmental appropriations, contract compliance, negative publicity and effects of inmate disturbances;
- changes in the privatization of the corrections and detention industry, the acceptance of our services, the timing of the opening of new facilities and the commencement of new management contracts (including the extent and pace at which new contracts are utilized), as well as our ability to utilize available beds;
- general economic and market conditions, including, but not limited to, the impact governmental budgets can have on our contract renewals and renegotiations, per diem rates, and occupancy;
- fluctuations in our operating results because of, among other things, changes in occupancy levels; competition; contract renegotiations or terminations; inflation and other increases in costs of operations, including a continuing rise in labor costs; fluctuations in interest rates and risks of operations;
- the impact resulting from the termination of Title 42, the federal government's policy to deny entry at the United States southern border to asylum-seekers and anyone crossing the southern border without proper documentation or authority in an effort to contain the spread of the coronavirus and related variants, or COVID-19;
- government budget uncertainty, the impact of the debt ceiling and the potential for government shutdowns and changing budget priorities;
- our ability to successfully identify and consummate future development and acquisition opportunities and realize projected returns resulting therefrom;

- our ability to have met and maintained qualification for taxation as a real estate investment trust, or REIT, for the years we elected REIT status; and
- the availability of debt and equity financing on terms that are favorable to us, or at all.

Any or all of our forward-looking statements in this Annual Report may turn out to be inaccurate. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, and financial needs. Our statements can be affected by inaccurate assumptions we might make or by known or unknown risks, uncertainties and assumptions, including the risks, uncertainties, and assumptions described in "Risk Factors" included elsewhere in this Annual Report and in other reports, documents, and other information we file with the Securities and Exchange Commission, or the SEC, from time to time.

In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Annual Report may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. When you consider these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this Annual Report, including in "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and "Risk Factors."

Our forward-looking statements speak only as of the date made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or circumstances or otherwise, except as required by law. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this Annual Report.

## RISK FACTORS SUMMARY

Our business faces significant risks and uncertainties. If any of the following risks are realized, our business, financial condition and results of operations could be materially and adversely affected. You should carefully review and consider the full discussion of our risk factors in "Part I, Item 1A. Risk Factors" of this Annual Report. Set forth below is a summary list of the principal risk factors as of the date of the filing of this Annual Report.

- Resistance to privatization of correctional, detention, and residential reentry facilities, and negative publicity regarding inmate disturbances or perceived poor operational performance, could result in our inability to obtain new contracts, the loss of existing contracts, or other unforeseen consequences.
- We are subject to fluctuations in occupancy levels, and a decrease in occupancy levels could cause a decrease in revenues and profitability.
- We are dependent on government appropriations, and our results of operations may be negatively affected by governmental budgetary challenges or government shutdowns.
- Efforts to reduce the U.S. federal deficit could adversely affect our liquidity, results of operations and financial condition.
- Competition may adversely affect the profitability of our business.
- We are subject to terminations, non-renewals, or competitive re-bids of our government contracts.
- Our ability to secure new contracts to develop and manage correctional, detention, and residential reentry facilities depends on many factors outside our control.
- We may face community opposition to facility location, which may adversely affect our ability to obtain new contracts.
- We may incur significant start-up and operating costs on new contracts before receiving related revenues, which may impact our cash flows and not be recouped.
- Government agencies may investigate and audit our contracts and operational performance, and if any deficiencies or improprieties are found, we may be required to cure those deficiencies or improprieties, refund revenues we have received, or forego anticipated revenues, and we may be subject to penalties and sanctions, including contract termination and prohibitions on our bidding in response to Requests for Proposals.
- Failure to comply with facility contracts or with unique and increased governmental regulation could result in material penalties or non-renewal or termination of noncompliant contracts or our other contracts to provide or manage correctional, detention, and residential reentry facilities.
- The failure to comply with data privacy, security and exchange legal requirements could have a material adverse impact on our business, financial position, results of operations, cash flows and reputation.
- We depend on a limited number of governmental customers for a significant portion of our revenues.
- We are dependent upon our senior management and our ability to attract and retain sufficient qualified personnel.
- We are subject to various types of litigation.
- We are subject to necessary insurance costs.
- We may be adversely affected by inflation.
- We depend in part on the performance and capabilities of third parties with whom we have commercial relationships.
- Technological changes or negative changes in the level of acceptance of, or resistance to, the use of electronic monitoring products could cause our electronic monitoring products and other technology to become obsolete or require the redesign of our electronic monitoring products, which could have an adverse effect on our business.
- We depend on a limited number of third parties to manufacture and supply our electronic monitoring products. If our suppliers cannot provide the products or services we require in a timely manner and with such quality as we expect, our ability to market and sell our electronic monitoring products and services could be harmed.
- We may be subject to costly product liability claims from the use of our electronic monitoring products, which could damage our reputation, impair the marketability of our products and services and force us to pay costs and damages that may not be covered by adequate insurance.

- We are subject to risks associated with ownership of real estate.
- We may be adversely affected by an increase in costs or difficulty of obtaining adequate levels of surety credit on favorable terms.
- Interruption, delay or failure of the provision of our technology services or information systems, or the compromise of the security thereof, could adversely affect our business, financial condition or results of operations.
- We are subject to risks related to corporate social responsibility.
- As an owner and operator of correctional, detention, and residential reentry facilities, we are subject to risks relating to acts of God, outbreaks of epidemic or pandemic disease, global climate change, terrorist activity and war.
- Our indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under our debt securities.
- The New Bank Credit Facility, indentures related to our senior notes, and other debt instruments have restrictive covenants that could limit our financial flexibility.
- Our indebtedness is secured by a substantial portion of our assets.
- Servicing our indebtedness will require a significant amount of cash or may require us to refinance our indebtedness before it matures. Our ability to generate cash depends on many factors beyond our control and there is no assurance that we will be able to refinance our debt on acceptable terms, or at all.
- We are required to repurchase all or a portion of our senior notes upon a change of control, and the debt under our New Bank Credit Facility is subject to acceleration upon a change of control.
- Despite current indebtedness levels, we may still incur more debt.
- Our access to capital may be affected by general macroeconomic conditions.
- Increasing activist resistance to the use of public-private partnerships for correctional, detention, and residential reentry facilities could impact our ability to obtain financing to grow our business or to refinance existing indebtedness, which could have a material adverse effect on our business, financial condition and results of operations.
- Rising interest rates increase the cost of our variable rate debt.
- If we failed to remain qualified as a REIT for those years we elected REIT status, we would be subject to corporate income taxes and would not be able to deduct distributions to stockholders when computing our taxable income for those years.
- Even if we remained qualified as a REIT for those years we elected REIT status, we may owe taxes under certain circumstances.
- The market price of our equity securities may vary substantially, which may limit our stockholders' ability to liquidate their investment.
- The number of shares of our common stock available for future sale could adversely affect the market price of our common stock.
- Future offerings of debt or equity securities ranking senior to our common stock or incurrence of debt (including under our New Bank Credit Facility) may adversely affect the market price of our common stock.
- Our issuance of preferred stock could adversely affect holders of our common stock and discourage a takeover.
- Our charter and bylaws and Maryland law could make it difficult for a third party to acquire our company.

## PART I.

### ITEM 1. BUSINESS.

#### Overview

We are a diversified government solutions company with the scale and experience needed to solve tough government challenges in flexible, cost-effective ways. Through three segments, CoreCivic Safety, CoreCivic Community, and CoreCivic Properties, we provide a broad range of solutions to government partners that serve the public good through corrections and detention management, a network of residential reentry centers to help address America's recidivism crisis, and government real estate solutions. We have been a flexible and dependable partner for government for 40 years. Our employees are driven by a deep sense of service, high standards of professionalism and a responsibility to help government better the public good.

We are the nation's largest owner of partnership correctional, detention, and residential reentry facilities and one of the largest prison operators in the United States. As of December 31, 2023, through our CoreCivic Safety segment, we operated 43 correctional and detention facilities, 39 of which we owned, with a total design capacity of approximately 65,000 beds. Through our CoreCivic Community segment, we owned and operated 23 residential reentry centers with a total design capacity of approximately 5,000 beds. In addition, through our CoreCivic Properties segment, we owned 6 properties, with a total design capacity of approximately 10,000 beds.

In addition to providing fundamental residential services, our correctional, detention, and residential reentry facilities offer a variety of rehabilitation and educational programs, including basic education, faith-based services, life skills and employment training, and substance abuse treatment. These services are intended to help reduce recidivism and to prepare offenders for their successful reentry into society upon their release. We also provide or make available to offenders certain health care (including medical, dental, and mental health services), food services, and work and recreational programs.

We are a Maryland corporation formed in 1983. Our principal executive offices are located at 5501 Virginia Way, Brentwood, Tennessee, 37027, and our telephone number at that location is (615) 263-3000. Our website address is [www.corecivic.com](http://www.corecivic.com). We make available on or through our website certain reports and amendments to those reports that we file with or furnish to the SEC in accordance with the Securities Exchange Act of 1934, as amended, or the Exchange Act. These include our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K and our definitive proxy statement. We make this information available on our website free of charge as soon as reasonably practicable after we electronically file the information with, or furnish it to, the SEC. In addition, we routinely post on the "Investors Relations" page of our website news releases, announcements and other statements about our business and results of operations, some of which may contain information that may be deemed material to investors. Therefore, we encourage investors to monitor the "Investors Relations" page of our website and review the information we post on that page. Information contained on our website is not part of this Annual Report.

The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at the following address: [www.sec.gov](http://www.sec.gov).

Our ongoing operations are organized into three principal business segments:

- CoreCivic Safety segment, consisting of 43 correctional and detention facilities that are owned, or controlled via a long-term lease, and managed by CoreCivic, as well as those correctional and detention facilities owned by third parties but managed by CoreCivic. CoreCivic Safety also includes the operating results of our subsidiary that provides transportation services to governmental agencies, TransCor America, LLC, or TransCor.
- CoreCivic Community segment, consisting of 23 residential reentry centers that are owned, or controlled via a long-term lease, and managed by CoreCivic. CoreCivic Community also includes the operating results of our electronic monitoring and case management services.
- CoreCivic Properties segment, consisting of 6 correctional real estate properties owned by CoreCivic and held for lease to third-party operators.

For the years ended December 31, 2023, 2022, and 2021, our total segment net operating income, which we define as a facility's revenues (including interest income associated with finance leases) less operating expenses, was divided among our three business segments as follows:

Segment:	For the Years Ended December 31,		
	2023	2022	2021
Safety	84.7%	84.1%	85.5%
Community	5.2%	3.9%	3.3%
Properties	10.1%	12.0%	11.2%

Our customers primarily consist of federal, state, and local government agencies. Federal correctional and detention authorities primarily consist of U.S. Immigration and Customs Enforcement, or ICE, the USMS, and the BOP. Payments by federal correctional, detention and residential reentry authorities represented 52%, 54%, and 56% of our total revenue for the years ended December 31, 2023, 2022, and 2021, respectively.

Our customer contracts for providing bed capacity and correctional, detention, and residential reentry services in our CoreCivic Safety and CoreCivic Community segments typically have terms of three to five years and contain multiple renewal options. Most of our facility contracts also contain clauses that allow the government agency to terminate the contract at any time without cause, and our facility contracts are generally subject to annual or bi-annual legislative appropriations of funds. Notwithstanding these termination clauses, the contract renewal rate for properties we owned or controlled via long-term lease in these segments was approximately 95% over the five years ended December 31, 2023. The lease agreements in our CoreCivic Properties segment typically have terms of five to twenty years including renewal options, and generally have more restrictive termination clauses.

In our CoreCivic Safety and CoreCivic Community segments, we are compensated for providing bed capacity and correctional, detention, and residential reentry services at a per diem rate based upon actual or minimum guaranteed occupancy levels. Occupancy rates for a particular facility are typically low when first opened or immediately following an expansion. However, beyond the start-up period, which typically ranges from 90 to 180 days, the occupancy rate tends to stabilize. Our occupancy rates declined during 2021 and 2022 due to the effects of COVID-19, but began to increase in 2023 following the expiration of Title 42, among other factors, and as further described hereinafter. The average compensated occupancy of our correctional, detention, and residential reentry facilities, based on rated capacity was as follows for 2023, 2022, and 2021:

	2023	2022	2021
CoreCivic Safety facilities	72%	71%	73%
CoreCivic Community facilities	62%	58%	55%
Total	72%	70%	72%

The average compensated occupancy of our CoreCivic Safety and CoreCivic Community facilities, excluding idled facilities, was 82%, 81%, and 80% for 2023, 2022, and 2021, respectively.



## **Operating Procedures and Offender Services for Correctional, Detention, and Residential Reentry Facilities**

Pursuant to the terms of our customer contracts, we are responsible for the overall operations of our facilities, including staff recruitment, general administration of the facilities, facility maintenance, security, and supervision of the residents in our care. We are required by our customer contracts to maintain certain levels of insurance coverage for general liability, workers' compensation, vehicle liability, and property loss or damage. We also are required to indemnify our customers for claims and costs arising out of our operations and, in certain cases, to maintain performance bonds and other collateral requirements.

### *Reentry programs.*

We believe a focus on inmate reentry provides great benefits for our communities – more people living healthy and productive lives and contributing to strong families and local economies. We have committed to evolving our model with an increased focus on reentry services, and we are working to equip the men and women in our care with the services, support, and resources they need to be successful upon reentry.

We provide a wide range of evidence-based reentry programs and activities in our facilities. At most of the facilities we manage, offenders have the opportunity to enhance their basic education from literacy through earning a high school equivalency certificate endorsed by their respective state. In some cases, we also provide opportunities for postsecondary educational achievements and chances to participate in college degree programs.

For the offenders who are close to taking their GED/HiSET exam, we have invested in the equipment needed to use the GED/HiSET Academy software program, which is an offline software program providing over 200 hours of individualized lessons up to a 12<sup>th</sup> grade level. The GED/HiSET Academy incorporates teaching best practices and provides an atmosphere to engage and motivate students to learn everything they need to know to pass the GED/HiSET exam. According to a 2022 study by Steven Sprick Schuster and Ben Stickle, "Are Schools in Prison Worth It? The Effects of and Economic Returns to Prison Education", prison education decreases the likelihood of recidivism by 14.8% and increases the likelihood of employment by 6.9%.

In addition, we offer a broad spectrum of career/technical education opportunities to help individuals learn marketable job skills. Our construction trade programs are certified by the National Center for Construction Education and Research, or NCCER. This progressive program has evolved into curricula for more than 70 craft and maintenance areas and a complete series of more than 70 assessments offered in over 6,000 NCCER-accredited training and assessment locations across the United States. Graduates of these programs enter the job market with certified skills that significantly enhance employability. We also offer other effective vocational programs, such as the Persevere and Pivot Tech coding programs discussed more thoroughly below.

We are proud of the educational programs we offer and intend to maintain and continue to develop such programs. Examples of programs and new programming technology we deployed or expanded over the previous two years:

- In 2023, we deployed a Resident Network, or ResNet, at approximately 20 of our correctional facilities, which involved the installation of a secure controlled network, and the addition of an average of 20 new Microsoft® Surface laptops at each of these sites. With strict security measures in place designed to ensure compliance and public safety, an important component of ResNet is connecting residents to online job skills training, testing and certification. ResNet is now the means by which many of our programs are offered, including our educational and vocational programs, some of which are listed below, and other programs we believe are vital to reentry such as anger management, substance abuse education, and financial literacy.
- In 2023, we partnered with Re-entry Coaching Academy, or ReCA, a non-profit organization, to offer Life Coaching training and certification for incarcerated individuals at our Saguaro Correctional Facility in Arizona. The program is peer-based, being led by certified life coaches, facilitators, and community leaders with lived experience. Graduates of the program will serve as future Peer Life Coaches at the Saguaro facility.

- In 2023, we partnered with Our Journey, a non-profit organization led by an individual who has lived experience. Our Journey produces reentry booklets customized for each state. The booklets are written from the lived-experience perspective and use information gathered from focus groups and community networks to develop customized local information. We have partnered with Our Journey to produce these booklets for each state in which we have facilities. In 2023, a booklet for the state of Georgia was completed and a booklet for the state of Tennessee is in process.
- In 2023, we implemented several additional programs to help prepare returning citizens for life after release, including "2<sup>nd</sup> Opportunity", a life skills and employment readiness program that we are piloting at our Tallahatchie County Correctional Facility in Mississippi, and Rebound Employment Training, which teaches the skills necessary to become a successful online freelancer or remote worker upon release. We are piloting the Rebound Employment Training program at five facilities. In 2023, we also partnered with Geographic Solutions whose "Virtual One Stop Reentry Employment Opportunities" software system was customized for us and allows incarcerated persons the opportunity to search and apply for current job openings in the communities to which they will be released. The Geographic Solutions program also provides employment readiness and resume building skills and is being piloted at our Jenkins Correctional Center in Georgia with plans of expanding the program to additional facilities.
- In 2023, we began piloting Steered Straight's "One Step Away" recovery program at our Hardeman County Correctional Facility in Tennessee and at our Cibola County Corrections Facility in New Mexico. Steered Straight is a non-profit organization formed in 2007 and is designed to carry an important message to youth on the extreme dangers of drugs, gang involvement and associated criminal activity. The "One Step Away" program is the organization's prison inmate rehabilitation program that works to reduce drug usage and overdoses, particularly fentanyl, as well as to strengthen incarcerated persons' recovery and aftercare.
- In 2023, we partnered with Reboot Recovery to offer a peer-led, 12-week research-based PTSD/Trauma and Resiliency program for incarcerated veterans. We piloted the program at four facilities and are now expanding the program to all of our CoreCivic Safety facilities.
- In 2022, we introduced MaxxContent as a pilot program at each of our Crossroads Correctional Center in Montana, our Lee Adjustment Center in Kentucky, our Red Rock Correctional Center in Arizona, our Trousdale Turner Correctional Center in Tennessee, and our La Palma Correctional Center in Arizona. MaxxContent is a custom online Learning Management System that includes content such as life skills, mental health, financial literacy, GED preparation, communications, workforce skills, and reentry preparation, and is available to students in the education computer labs at each of the pilot program facilities.
- In 2022, we partnered with Felon Education Project and introduced Felon Education as a pilot program at our Wheeler Correctional Facility in Georgia. Felon Education is a course that teaches inmate students how to start their own businesses. The course teaches the students how to write a business plan, obtain funding, set goals, and work through small business finances, regulations and much more.
- Since 2019, we have partnered with Persevere, a national non-profit organization, to offer offenders at our Trousdale Turner facility an opportunity to learn software coding and job readiness/employability skills specific to the technology field. The partnership with Persevere was expanded to include our Red Rock Correctional Center in 2020 and our Saguaro Correctional Facility in 2021. Both the Red Rock and Saguaro facilities are in Arizona. The instructor-led, self-paced program utilizes both a coding instructor and a Technology Employability Specialist to ensure students are learning the craft and how to obtain and maintain a job in the field, post-incarceration. The program is split into two phases that allows students to become certified Front-end Developers (phase 1) and Full Stack Developers (phase 2) upon completion. In 2022, to further expand our programming in this area, we partnered with Pivot Technology School to pilot Pivot Tech, a technology career program, at our Jenkins facility. Pivot Tech is a five-month "boot camp" style course taught in a classroom setting with instructors participating virtually. Students learn computer coding and data analytics and receive certificates that prepare them for career success upon reentry. We plan to expand the Pivot Tech program to other facilities.

For those with assessed substance abuse disorders, we offer cognitive behavioral evidence-based treatment programs with proven clinical outcomes, such as the Residential Drug Abuse Program. We offer both therapeutic community models and intensive outpatient programs. We also offer drug and alcohol use education/DWI programs at some of our facilities. Our goal in providing substance abuse treatment is to stimulate internal motivation for change and progress through the stages of change so that lasting behavioral change can occur. Our drug and alcohol education programs help participants understand their relationships with drugs and alcohol and the links between drug and alcohol use and crime, as well as equipping participants with information designed to help them make better choices that can lead to healthier relationships in their lives. According to a study by the Florida State University College of Criminology and Criminal Justice, "An Assessment of Substance Abuse Treatment Programs in Florida's Prisons Using a Random Assignment Experimental Design" submitted to the National Institute of Justice, Office of Justice Programs, U.S. Department of Justice, in 2016, inmates who completed addiction treatment in prison have significantly lower recidivism levels regardless of the treatment model used.

Additional program offerings include our Victim Impact Programs, available at a number of our Safety and Community facilities, which seek to educate offenders about the negative effects their criminal conduct can have on others. All of our facility chaplains facilitate diverse and inclusive opportunities for those in our care to engage in the practice of spirituality and to exercise individual religious freedom. In several facilities, we offer faith-based programs with an emphasis on character development, spiritual growth, and successful reentry. Presently, we utilize Threshold, an innovative, evidence-based inter-faith component of comprehensive reentry services.

Our Reentry and Life Skills programs prepare individuals for life after incarceration by teaching them how to successfully conduct a job search, how to manage their budget and financial matters, parenting skills, and relationship and family skills. Equally significant, we offer cognitive behavioral programs aimed at changing anti-social attitudes and behaviors in offenders, with a focus on altering the level of criminal thinking. In 2017, we introduced a comprehensive reentry strategy we call "Go Further," a forward thinking, process approach to reentry. "Go Further" encompasses all facility reentry programs, adds a proprietary cognitive/behavioral curriculum, and encourages staff and offenders to take a collaborative approach to assist in reentry preparation.

In 2021, we opened a "Go Further Release" program in the Denver, Colorado area. Go Further Release is a program we developed that provides stabilization services and reentry coaching to individuals being released from our facilities. The program provides "Reach-in" services during the returning citizen's last 90 days of incarceration which are designed to prepare individuals for release and make a connection with a reentry coach that will provide support to them after release. "Stabilization and Reentry Coaching" services are provided during an individual's first 90 days of release and an ongoing community support group is available as long as needed. All services are free of charge. In 2022, we received approval from the Georgia Department of Corrections, or GDOC, to implement a Go Further Release program to support our Coffee, Jenkins, and Wheeler facilities. We are providing this program through a partnership with Life Empowerment Enterprises, a local non-profit organization.

Across the country, our dedicated staff, along with the assistance of thousands of volunteers, work to provide guidance, direction, and post-incarceration services to the men and women in our care. We believe these critical reentry programs help fight the serious challenge of recidivism facing the United States.

Through our community corrections facilities, we provide an array of services to defendants and offenders who are serving their full sentence, the last portion of their sentence, waiting to be sentenced, or awaiting trial while supervised in a community environment. We offer housing and programs with a key focus on employment, job readiness, life skills and various substance abuse treatment programs, in order to help offenders successfully reenter their communities and reduce the risk of recidivism. For example, some of our community corrections facilities have community networking programs, like those at our Cheyenne Transitional Center in Wyoming, to help residents connect with community members and match them with jobs. Our staff takes an active role in going into the community and creating collaborative relationships with employers to assist residents when they first arrive at our facility and provide support for a smoother transition in job seeking. Beginning in 2022, our programs in the state of Colorado partnered with a financial institution to conduct classes with our residents on financial wellness, including the importance of having a savings account, the importance of, and how to establish, credit, and how to establish a bank account. In addition, in 2023, 24 residents at our CAI Ocean View facility in California received a "Certificate of Completion in Money Smarts and Transitional Skills". The classes are taught by our Employment Specialist and Program Facilitator at the Ocean View facility and are offered to all residents on a daily basis. The Ocean View facility has also partnered with the San Diego City College to offer residents classes in Forklift Operation, Auto Mechanics, and Carpentry. Also in 2023, we partnered with Coastline and Career Expansion, Inc. at our CAI Boston Avenue facility in California to provide a training program in workforce development, construction, utilities, energy and safety. Students learn skills from basic industry awareness to Occupational Safety and Health Administration, or OSHA, requirements in this five-week, on-site program. They also learn how to properly use hand and power tools, and how to safely handle construction materials. Upon completion, students receive an industry-recognized certificate. In some of our community corrections facilities, we offer housing and program services to parolees who have completed their sentence but lack a viable reentry plan. Through a focus on employment and skill development, we provide a means for these parolees to successfully reintegrate into their communities.

In addition, we provide day-reporting and substance abuse treatment programs at some of our community corrections facilities. These programs, depending on the needs of the offender, can provide cognitive behavioral-based programs to assist in the offender's successful reentry while holding the individual accountable while living in the community.

We also provide a number of non-residential correctional alternative services, including electronic monitoring and case management services, under our CoreCivic Community segment. Governmental customers use electronic monitoring products and services to monitor low risk offenders as a way to help reduce overcrowding in correctional facilities, as a monitoring and sanctioning tool, and to promote public safety by imposing restrictions on movement and serving as a deterrent for alcohol usage. Providing these non-residential services is a natural complement to our broad network of residential reentry facilities and can help keep individuals from returning to prison or being incarcerated in the first place.

Ultimately, the work we do is intended to give people the necessary skills to reintegrate with their communities permanently. We are proud of the teachers, counselors, case managers, chaplains, and other offender support service professionals who provide these services to the men and women entrusted in our care.

Further underscoring our long-term commitment to reducing recidivism, since October 2017, we have maintained a nationwide initiative to advocate for a range of government policies that will help formerly incarcerated people successfully reenter society and stay out of prison. As part of this continued initiative, we apply government relations resources and expertise to advocate for the following policies:

- "Ban-the-Box" proposals to help improve former inmates' chances at getting a job;
- Reduced legal barriers to make it easier and less risky for companies to hire former incarcerated individuals;
- Increased funding for reentry programs in areas such as education, addiction treatment, faith-based offerings, victim impact and post-release employment; and
- Social impact bond pilot programs that tie contractor payments to positive outcomes.

In 2020, we announced that we will publicly advocate at the federal and state levels for a slate of new policies that will help people succeed in their communities after being released from prison. Specifically, we pledged our support for Pell Grant Restoration, Voting Rights Restoration and Licensure Reform Policies. Also in 2020, we began a partnership with, and continue to invest in, Prison Fellowship, a leading advocate for criminal justice reform serving formerly incarcerated individuals and their family members. Through a network of programming and advocacy efforts, the organization seeks to effect positive change at every level of the criminal justice system. We have committed to a multi-year partnership in Prison Fellowship's First Chance Network, or FCN. Serving over 230,000 children annually, the FCN addresses persistent gaps in opportunity for children who have incarcerated parents and seeks to create a trajectory toward healthy life outcomes and prevent youth justice involvement.

Advocacy for Pell Grant Restoration is an extension of our longtime commitment to providing educational opportunities in our facilities, as research consistently shows that educational attainment can significantly reduce an incarcerated person's likelihood of recidivating. Currently, CoreCivic has working partnerships with fifteen colleges and institutions of higher learning nationwide to facilitate provision of post-secondary educational opportunities in various facilities. We continue to pursue opportunities to expand this network and the facilities in which these services are offered.

Supporting policies that advance the expansion of reentry programs aligns closely with our ongoing efforts to assess and expand reentry-focused programming in our facilities. To that end, we actively engage subject matter experts and practitioners, including formerly incarcerated individuals who bring valuable, lived experiences that better inform innovations and enhancements to those programmatic offerings.

We believe that as successful as we may be with our work inside our facilities, incarcerated individuals still face embedded societal barriers and collateral consequences when they return to their communities. Supporting recidivism-reducing policies is one way we can bridge the gap and give the men and women entrusted in our care a better opportunity at never returning to prison.

#### *Operating guidelines.*

The American Correctional Association, or ACA, is an independent organization comprised of corrections professionals that establishes accreditation standards for correctional and detention facilities around the world. Outside agency standards, such as those established by the ACA, provide us with the industry's most widely accepted operational guidelines. ACA accredited facilities must be audited and re-accredited at least every three years. We have sought and received ACA accreditation for 33, or approximately 97%, of the eligible facilities we operated as of December 31, 2023, excluding our residential reentry facilities. During 2023, 12 of the facilities we manage were newly accredited or re-accredited by the ACA with an average score of 99.6%, making our portfolio average 99.6%.

Beyond the standards provided by the ACA, our facilities are operated in accordance with a variety of company and facility-specific policies and procedures, as well as various contractual requirements. Many of these policies and procedures reflect the high standards generated by a number of sources, including the ACA, the National Commission on Correctional Healthcare, OSHA, as well as federal, state, and local government codes and regulations and longstanding correctional procedures.

In addition, our facilities are operated in compliance with the Prison Rape Elimination Act, or PREA, standards. All confinement facilities covered under the PREA standards must be audited at least every three years to maintain compliance with the PREA standards. We utilize DOJ certified PREA auditors to help ensure that all facilities operate in compliance with applicable PREA regulations.

Our facilities operate under these established standards, policies, and procedures, and also are subject to annual audits by our Quality Assurance Division, or QAD, which operates under, and reports directly to, our Office of General Counsel and acts independently from our Operations Division. Through the QAD, we have devoted significant resources to ensuring that our facilities meet outside agency and accrediting organization standards and guidelines.

The QAD employs a team of full-time auditors, who are subject matter experts from all major disciplines within institutional operations. Annually, QAD auditors generally conduct unannounced on-site evaluations of each CoreCivic Safety facility we operate using specialized audit tools, typically containing approximately 1,350 audit indicators across all major operational areas. In most instances, these audit tools are tailored to facility and partner specific requirements. In addition, audit teams provide guidance to facility staff on operational best practices and assist staff with addressing specific areas of need, such as meeting requirements of new partner contracts and providing detailed training on compliance requirements for new departmental managers.

The QAD management team coordinates overall operational auditing and compliance efforts across all correctional, detention, and residential reentry facilities we manage. In conjunction with subject matter experts and other stakeholders having risk management responsibilities, the QAD management team develops performance measurement tools used in facility audits. The QAD management team provides governance of the corrective action plan process for any items of nonconformance identified through internal and external facility reviews. Our QAD also contracts with teams of ACA certified correctional auditors to evaluate compliance with ACA standards at accredited facilities. Similarly, the QAD routinely incorporates a review of facility compliance with key ACA standards and PREA regulations during annual audits of company facilities.

In addition to our own internal audit and contract compliance efforts, we are also subject to oversight by our government partners. As part of their standard monitoring and compliance programs, approximately 71% of our federal and state government partners typically conduct formal contract-compliance audits and inspections at least annually at CoreCivic Safety facilities. In addition to these annual audits of our facilities, many partners conduct additional area-specific operational audits and inspections on a more frequent basis, including monthly, quarterly, and semi-annually. Some of these audits and facility inspections by our partners are conducted on an unannounced basis. In 2023, our government partners conducted approximately 220 annual, semi-annual, quarterly, and monthly compliance audits and inspections at our CoreCivic Safety facilities. In addition, the majority of our federal and state government partners employ on-site contract monitors who monitor performance and contract compliance at our facilities on a full- or part-time basis. In 2023, 94% of the CoreCivic Safety facilities we manage had an assigned contract monitor.

## **Business Development**

We believe we own, or control via a long-term lease, approximately 56% of all privately owned prison beds in the United States, manage nearly 38% of all privately managed prison beds in the United States, and are currently the second largest private owner and provider of community corrections services in the nation. Under the direction of our partnership development department, we market our facilities and services to government agencies responsible for federal, state, and local correctional, detention, and residential reentry facilities in the United States. With 2023 occupancy in our Safety and Community segments of 72%, including idle correctional and residential reentry facilities during the period they were idle, we have the capacity to grow earnings and cash flows without the need to deploy significant capital. At December 31, 2023, we also had a 2,400-bed idle facility in our Properties segment that could generate additional earnings and cash flow if we are able to enter into an agreement to utilize the facility. Under the direction of our innovation department, we also intend to continue to pursue new development opportunities in our Properties segment, to meet the need to modernize outdated correctional infrastructure across the country, and explore potential opportunities to expand the scope of non-residential correctional alternatives we provide in our Community segment. We will also respond to customer demand and may develop or expand correctional and detention facilities when we believe potential long-term returns justify the capital deployment.

We execute cross-departmental efforts to market CoreCivic Safety solutions to government partners that seek corrections and detention management services, CoreCivic Community solutions to government partners seeking residential reentry services, and CoreCivic Properties solutions to customers that need correctional real estate and maintenance services. Our flexible business model enables our customers to utilize our real estate assets to suit their needs, which can result in facilities moving among our Safety, Community, and Properties segments.

Business from our federal customers, including primarily ICE, the USMS, and the BOP, constituted 52%, 54%, and 56% of our total revenue during 2023, 2022, and 2021, respectively. Business from our federal customers continues to be a significant component of our business, although the source of revenue is derived from many contracts at various types of properties (i.e., correctional, detention, and reentry). ICE (30%, 29%, and 30% during 2023, 2022, and 2021, respectively) and the USMS (21%, 22%, and 23% during 2023, 2022 and 2021, respectively) each accounted for 10% or more of our total revenue during the last three years.

Certain of our contracts with federal partners contain clauses that guarantee the federal partner access to a minimum bed capacity in exchange for a fixed monthly payment. However, these contracts also generally provide the government the ability to cancel the contract for non-appropriation of funds or for convenience. The solutions we provide to our federal customers continue to be a significant component of our business. We believe our ability to provide flexible solutions and fulfill emergent needs of our federal customers would be very difficult and costly to replicate in the public sector.

On January 26, 2021, President Biden issued the Private Prison EO. The Private Prison EO directs the Attorney General to not renew DOJ contracts with privately operated criminal detention facilities. Two agencies of the DOJ, the BOP and the USMS, utilize our services. The BOP houses inmates who have been convicted, and the USMS is generally responsible for detainees who are awaiting trial. The BOP has experienced a steady decline in inmate populations over the last decade, a trend that was accelerated by the COVID-19 pandemic. Our remaining prison contract with the BOP at the 1,978-bed McRae Correctional Facility expired on November 30, 2022 and was not renewed. Following the non-renewal of the BOP contract in 2022 and our sale of the McRae facility to the state of Georgia in August 2022, we no longer operate any prison contracts for the BOP. The Private Prison EO only applies to agencies that are part of the DOJ, which includes the BOP and USMS. ICE facilities are not covered by the Private Prison EO, as ICE is an agency of the Department of Homeland Security, or DHS, not the DOJ. For the year ended December 31, 2023, USMS and ICE accounted for 21% (\$400.4 million) and 30% (\$565.5 million), respectively, of our total revenue. For the year ended December 31, 2022, USMS and ICE accounted for 22% (\$403.9 million) and 29% (\$527.3 million), respectively, of our total revenue. For the year ended December 31, 2021, USMS and ICE accounted for 23% (\$433.6 million) and 30% (\$552.2 million), respectively, of our total revenue.

Unlike the BOP, the USMS does not own detention capacity and relies on the private sector, along with various government agencies, for its detainee population. We currently have two detention facilities that have direct contracts with the USMS. Because of the lack of alternative bed capacity, one of the contracts was renewed upon its expiration in September 2023, and now expires in September 2028. The second direct contract expires in September 2025. It is too early to predict the outcome of the expiration of the contract scheduled to expire in September 2025, and future developments could occur prior to the scheduled expiration date.

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic. As a result, in the first quarter of 2020, the federal government decided to deny entry at the United States southern border to asylum-seekers and anyone crossing the southern border without proper documentation or authority in an effort to contain the spread of COVID-19, a policy known as Title 42. This policy resulted in a reduction to the number of people ICE detained, including in our detention facilities. The financial impact was somewhat mitigated by fixed monthly payments from ICE at certain of our facilities, to ensure ICE has adequate bed capacity in the event of a surge in the future. Based on COVID-19 trends, the Department of Health and Human Services allowed Title 42 to expire on May 11, 2023, which has resulted in an increase in the number of undocumented people permitted to enter the United States claiming asylum, and has resulted in an increase in the number of people apprehended and detained by ICE. Due to fixed payments under many of our federal contracts, the increase in residential populations does not result in a proportionate increase in our financial results at such facilities until populations clear the fixed payment levels for certain bed capacity. Residential populations under certain of our federal contracts largely cleared the minimum compensated bed total associated with fixed payments during the second half of 2023. During 2022, revenue from ICE was \$527.3 million compared to \$579.5 million during 2019, prior to the implementation of Title 42. During 2023, revenue from ICE was \$565.5 million. Revenue from ICE increased at facilities other than our La Palma facility by \$71.4 million from 2022 due to increased occupancy and the impact of per diem increases at certain facilities. During 2022, revenue from ICE at our La Palma facility was \$33.2 million. This facility was transitioned from an ICE population to a population from the state of Arizona throughout 2022, with the offender intake process being substantially completed during the fourth quarter of 2022.

Federal revenues from contracts at correctional, detention, and residential reentry facilities that we operate increased 0.1% from \$994.7 million during 2022 to \$995.2 million during 2023. The increase in federal revenues was primarily a result of increased occupancy and per diem increases at certain facilities. The increase in federal revenues resulting from these factors was partially offset by the impact of the aforementioned expiration of the contract with the BOP at the McRae facility, which resulted in a reduction in federal revenues of \$37.8 million (2% of our total revenue) and as a result of the transition at our La Palma facility from an ICE population to the state of Arizona throughout 2022, as further described in "*Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*", or MD&A.

State revenues from contracts at correctional, detention, and residential reentry facilities that we operate constituted 39%, 36%, and 32% of our total revenue during 2023, 2022, and 2021, respectively, and increased 10.4% from \$669.2 million during 2022 to \$738.6 million during 2023. The state of Tennessee is our largest state customer, accounting for 10% of our total revenue during 2023, with no other state customer generating 10% or more of our total revenue. State revenues increased primarily as a result of the new management contract with the state of Arizona at our La Palma facility for up to 2,706 inmates, as the state transferred inmate populations from public sector facilities into our La Palma facility. We began receiving inmates from the state of Arizona in April 2022, and as of December 31, 2023, we cared for approximately 2,200 inmates from the state of Arizona at this facility, as further described in MD&A. State revenue at the La Palma facility increased \$48.9 million during 2023 compared with 2022. State revenues also increased as a result of per diem increases under a number of our state contracts, as many of our state partners have recognized the need to provide additional funding to address increases in the wages of our employees.

We believe the long-term growth opportunities of our business remain attractive as government agencies consider their emergent needs, as well as the efficiency and offender programming opportunities we provide as flexible solutions to satisfy our partners' needs. We have also been in discussions with several state and county government agencies that have experienced challenges in staffing their public-sector facilities and are seeking solutions from the private sector. Further, several of our existing government partners, as well as prospective government partners, have been experiencing growth in offender populations and overcrowded conditions, as well as an increase in violent crime. Governments are continuing to assess their need for correctional space, and several are continuing to consider alternative correctional capacity for their aged or inefficient infrastructure, or are seeking cost savings by utilizing the private sector, which could result in increased future demand for the solutions we provide. For example, on September 25, 2023, we announced that we signed a new management contract with Hinds County, Mississippi to care for up to 250 adult male pre-trial detainees at our 2,672-bed Tallahatchie County Correctional Facility in Tutwiler, Mississippi. The initial contract term is for two years, which may be extended for an additional year upon mutual agreement. In addition, on November 16, 2023, we announced that we signed a new management contract with the state of Wyoming to care for up to 240 male inmates at the Tallahatchie facility. The term of the new contract runs through June 30, 2026. Also on November 16, 2023, we announced that we signed a new contract with Harris County, Texas, to care for up to 360 male inmates at the Tallahatchie facility. Upon mutual agreement, Harris County may access an additional 360 beds at the facility. The initial contract term began on December 1, 2023, and is scheduled to expire on November 30, 2024. However, the contract may be extended at Harris County's option for up to four additional one-year terms. In addition to the recent contracts with Hinds County, the state of Wyoming, and Harris County, we currently care for residents from the USMS, Vermont, South Carolina, the U.S. Virgin Islands, and Tallahatchie County at the Tallahatchie facility, which demonstrates the flexible solutions that we provide. On November 14, 2023, we announced that we signed a new management contract with the state of Montana to care for up to 120 inmates at our 1,896-bed Saguaro Correctional Facility in Eloy, Arizona. The new contract is scheduled to expire on October 31, 2025, and may be extended by mutual agreement for a total term of up to seven years. We currently care for residents from the state of Hawaii and the state of Idaho at the Saguaro facility. We also manage the fully occupied company-owned Crossroads Correctional Center in Shelby, Montana for the state of Montana pursuant to a separate management contract.

Further, in December 2021, the state of Arizona awarded us a new contract for up to 2,706 inmates at our 3,060-bed La Palma Correctional Center in Arizona, which commenced in April 2022. We are not aware of a larger prison contract awarded to the private sector by any state in over a decade. In August 2022, we completed the sale of the 1,978-bed McRae Correctional Facility to the Georgia Building Authority in order to update its aged and inefficient public sector correctional infrastructure. Competing budget priorities often impede our customers' ability to construct new prison beds of their own or update their older facilities, which we believe could result in further demand for private sector prison capacity solutions in the long-term.



Following our first priority of debt reduction, which may include the purchase of our outstanding debt in open market transactions, privately negotiated transactions or otherwise, we expect to allocate a substantial portion of our free cash flow to returning capital to our shareholders, which could include share repurchases and/or future dividends, and pursuing alternative growth opportunities. We believe the revocation of our REIT election and conversion to a taxable C Corporation, effective January 1, 2021, provides us with significantly more liquidity and financial flexibility, which enables us to reduce our reliance on the capital markets and enabled us to reduce the size of our Bank Credit Facility. We believe that we can further develop our business by, among other things:

- Maintaining and expanding our existing customer relationships and filling existing capacity within our facilities, while maintaining an adequate inventory of available capacity that we believe provides us with flexibility and a competitive advantage when bidding for new management contracts;
- Enhancing the terms of our existing contracts and expanding the services we provide under those contracts;
- Pursuing additional opportunities to lease our facilities to government and other third-party operators in need of correctional, detention, and residential reentry capacity;
- Pursuing mission-critical real estate solutions for government agencies focused on corrections and detention real estate assets;
- Pursuing other asset acquisitions and business combinations through transactions with non-government third parties;
- Maintaining and expanding our focus on community corrections and reentry programming that align with the needs of our government partners;
- Exploring potential opportunities to expand the scope of non-residential correctional alternative solutions we provide to government agencies; and
- Establishing relationships with new customers that have either previously not outsourced their correctional facility management needs or have utilized other private enterprises.

We generally receive inquiries from or on behalf of government agencies that are considering outsourcing the ownership and/or management of certain facilities or that have already decided to contract with a private enterprise. When we receive such an inquiry, we determine whether there is an existing need for our correctional, detention, and residential reentry facilities and/or services and whether the legal and political climate in which the inquiring party operates is conducive to serious consideration of outsourcing. Based on these findings, an initial cost analysis is conducted to further determine project feasibility.

Frequently, government agencies responsible for correctional, detention, and residential reentry facilities and services procure space and services through solicitations or competitive procurements. As part of our process of responding to such requests, members of our management team meet with the appropriate personnel from the agency making the request to best determine the agency's needs. If the project fits within our strategy, we submit a written response. A typical solicitation or competitive procurement requires bidders to provide detailed information, including, but not limited to, the space and services to be provided by the bidder, its experience and qualifications, and the price at which the bidder is willing to provide the facility and services (which services may include the purchase, renovation, improvement or expansion of an existing facility or the planning, design and construction of a new facility). The requesting agency selects a provider believed to be able to provide the requested bed capacity, if needed, and most qualified to provide the requested services, and then negotiates the price and terms of the contract with that provider.

## 2023 Accomplishments

In spite of the continued challenges presented by the actions in response to COVID-19 and the challenging labor market in 2023, we renewed several significant contracts and completed numerous other transactions and milestones, including the following:

### *CoreCivic Safety:*

- Renewed all of the 18 management contracts scheduled to expire during 2023.
- Entered into a new management contract with Hinds County, Mississippi to care for up to 250 adult male pre-trial detainees at our Tallahatchie County Correctional Facility in Tutwiler, Mississippi.
- Entered into a new management contract with the state of Wyoming to care for up to 240 male inmates at the Tallahatchie County Correctional Facility.
- Entered into a new management contract with Harris County, Texas, to care for up to 360 male inmates at the Tallahatchie County Correctional Facility.
- Entered into a new management contract with the state of Montana to care for up to 120 inmates at our 1,896-bed Saguaro Correctional Facility in Eloy, Arizona.
- Served our customer's unique surge in demand by accommodating and managing an average daily ICE population that more than doubled following the expiration of Title 42 in May 2023.
- Deployed ResNet at approximately 20 of our correctional facilities, which involved the installation of a secure controlled network, and the addition of an average of 20 new Microsoft® Surface laptops at each of these sites. With strict security measures in place designed to ensure compliance and public safety, an important component of ResNet is connecting residents to online job skills training, testing and certification. ResNet is now the means by which many of the programs we have in place are offered, including our educational and vocational programs and other programs we believe are vital to reentry such as anger management, substance abuse education and financial literacy.
- Partnered with ReCA, a non-profit organization, to offer Life Coaching training and certification for incarcerated individuals at our Saguaro facility in Arizona. Graduates of the program will serve as future Peer Life Coaches at the Saguaro facility.
- Partnered with Our Journey, a non-profit organization led by an individual who has lived experience to produce reentry booklets for each state in which we have facilities. In 2023, a booklet for the state of Georgia was completed and a booklet for the state of Tennessee is in process.
- Implemented several additional programs to help prepare returning citizens for life after release, including "2<sup>nd</sup> Opportunity", a life skills and employment readiness program, and Rebound Employment Training, which teaches the skills necessary to become a successful online freelancer or remote worker upon release. We also partnered with Geographic Solutions whose "Virtual One Stop Reentry Employment Opportunities" software system provides employment readiness and resume building skills and was customized for us to allow incarcerated persons the opportunity to search and apply for current job openings in the communities to which they will be released.
- Began piloting Steered Straight's "One Step Away" rehabilitation and recovery program at our Hardeman County Correctional Facility in Tennessee and at our Cibola County Corrections Facility in New Mexico to reduce drug usage, particularly fentanyl, and all overdoses, as well as to strengthen incarcerated persons' recovery and aftercare.
- Partnered with Reboot Recovery to offer a peer-led, 12-week research-based PTSD/Trauma and Resiliency program for incarcerated veterans. We piloted the program at four facilities and are now expanding the program to all of our facilities.
- Deployed the first in-facility Medication Assisted Treatment, or MAT, program at our Tallahatchie County Correctional facility for residents under the state of Vermont's jurisdiction and also at our Saguaro Correctional Facility for residents under the state of Montana's jurisdiction. MAT is the use of medications in combination with counseling and behavioral therapies, which is effective in the treatment of opioid use disorders and can help some people to sustain recovery.

- Launched "BriefCam", an AI-based camera solution designed to assist with monitoring risk areas at our facilities.
- Launched "Remote Vital Signs Monitoring" in certain facilities designed to fight overdose and suicide-related risks by providing constant monitoring of an individual while in a designated area.
- Our Librarian at the Trousdale Turner Correctional Center in Tennessee was selected as the 2023 winner of the "Exceptional Service Award" by the American Library Association. She was selected because of her noteworthy contributions to expand resources and literature at the Trousdale Turner facility.
- Our Warden at the Northeast Ohio Correctional Center received the North American Association of Wardens and Superintendents 2023 "Warden of the Year" award. The award recognizes a warden who has gone the extra mile to solve problems in their organization, involve themselves in community and local organizations, and mentor in the development of others.

*CoreCivic Community:*

- Renewed all of the 16 management contracts scheduled to expire during 2023.
- Twenty-four residents at our CAI Ocean View facility in California received a "Certificate of Completion in Money Smarts and Transitional Skills".
- Partnered with the San Diego City College to offer classes in Forklift Operation, Auto Mechanics, and Carpentry to residents at our Ocean View facility.
- Partnered with Coastline and Career Expansion, Inc. at our CAI Boston Avenue facility in California to provide a training program in workforce development, construction, utilities, energy and safety. Students learn skills from basic industry awareness to OSHA requirements in this five-week, on-site program. They also learn how to properly use hand and power tools, and how to safely handle construction materials. Upon completion, students receive an industry-recognized certificate.

*CoreCivic Properties:*

- Entered into a lease agreement with the Oklahoma Department of Corrections, or ODC, for our 1,670-bed Allen Gamble Correctional Center (formerly known as the Davis Correctional Facility). The new lease agreement includes a base term that commenced on October 1, 2023, with a scheduled expiration date of June 30, 2029, and unlimited two-year renewal options. We previously operated the Allen Gamble facility in our Safety segment under a management contract with the ODC. The management contract was scheduled to expire on June 30, 2023. However, effective July 1, 2023, we entered into a 90-day contract extension for the management contract, after which time, operations of the Allen Gamble facility transferred from us to the ODC in accordance with the new lease agreement. The new lease agreement meets the needs of our customer while providing us with more stable cash flows and enhanced profitability.
- Completed the sale of three residential reentry centers, generating net sales proceeds of \$10.3 million.

*Corporate and Other:*

- Amended and extended our Third Amended and Restated Credit Agreement, or the Previous Bank Credit Facility, by entering into a Fourth Amended and Restated Credit Agreement, or the New Bank Credit Facility, in an aggregate principal amount of \$400.0 million, consisting of a \$125.0 million term loan (previously \$100.0 million under the Previous Bank Credit Facility), or the Term Loan, and a revolving credit facility with a borrowing capacity of \$275.0 million (previously \$250.0 million under the Previous Bank Credit Facility), or the Revolving Credit Facility. The New Bank Credit Facility extends the maturity to October 2028 from the May 2026 maturity under the Previous Bank Credit Facility. The New Bank Credit Facility and the Previous Bank Credit Facility are together referred to herein as the Bank Credit Facility.
- Purchased \$21.0 million of our 8.25% senior unsecured notes with a maturity date of April 2026 and \$6.9 million of our 4.75% senior unsecured notes with a maturity date of October 2027 at a weighted average purchase price of approximately 97% of par through open market purchases.

- Redeemed in full our 4.625% senior unsecured notes that remained outstanding, amounting to \$153.8 million, on February 1, 2023. The notes, with an original principal amount of \$350.0 million, were originally scheduled to mature in May 2023.
- Repurchased a total of 3.5 million common shares at a total cost of \$38.1 million, or \$10.97 per share, under our existing share repurchase program.
- Named a 2023 Middle Tennessee Top Workplace by "The Tennessean", making us one of just 117 companies to make the 2023 list. The top workplaces award is based solely on employee feedback gathered through a third-party survey. The confidential survey uniquely measures 15 culture drivers that are critical to the success of any organization, including alignment, execution, and connection.

## Facility Portfolio

### *CoreCivic Safety and Community Facilities and Facility Management Contracts*

Our correctional, detention, and residential reentry facilities can generally be classified according to the level(s) of security at such facility. Minimum security facilities have open housing within an appropriately designed and patrolled institutional perimeter. Medium security facilities have either cells, rooms or dormitories, a secure perimeter, and some form of external patrol. Maximum security facilities have cells, a secure perimeter, and external patrol. Multi-security facilities have various areas encompassing minimum, medium or maximum security.

Our CoreCivic Safety and Community facilities can also be classified according to their primary function. The primary functional categories are:

- *Correctional Facilities.* Correctional facilities care for and provide contractually agreed upon programs and services primarily to sentenced adult prisoners, typically prisoners on whom a sentence in excess of one year has been imposed.
- *Detention Facilities.* Detention facilities care for and provide contractually agreed upon programs and services to (i) individuals being detained by ICE, (ii) individuals who are awaiting trial who have been charged with violations of federal criminal law (and are therefore in the custody of the USMS) or state criminal law, and (iii) prisoners who have been convicted of crimes and on whom a sentence of one year or less has been imposed.
- *Residential Facilities.* Residential facilities provide space and residential services in an open and safe environment to individuals who have been detained by ICE and are awaiting the outcome of immigration hearings. As contractually agreed upon, residential facilities offer services including, but not limited to, educational programs, medical care, recreational activities, counseling, and access to religious and legal services pursuant to Family Residential Standards issued by ICE.
- *Community Corrections.* Community corrections/residential reentry facilities offer housing and programs to offenders who are serving the last portion of their sentence or who have been assigned to the facility in lieu of a jail or prison sentence, with a key focus on employment, job readiness, and life skills.

As of December 31, 2023, through our CoreCivic Safety segment, we operated 43 correctional and detention facilities, 39 of which we owned and managed and four of which we managed and were owned by our government partners. Through our CoreCivic Community segment, we also owned and managed 23 residential reentry centers. Owned and managed facilities include facilities placed into service that we own or control via a long-term lease and manage. The following table includes certain information regarding each facility, including the term of the primary customer contract related to such facility.

Facility Name	Primary Customer	Design Capacity (A)	Security Level	Facility Type (B)	Term	Remaining Renewal Options (C)
<b>CoreCivic Safety Facilities:</b>						
<b>Safety - Owned and Managed:</b>						
Central Arizona Florence Correctional Complex Florence, Arizona	USMS	4,128	Multi	Detention	Sep-28	—
Eloy Detention Center Eloy, Arizona	ICE	1,500	Medium	Detention	Jun-28	Indefinite
La Palma Correctional Center Eloy, Arizona	State of Arizona	3,060	Multi	Correctional	Apr-27	(1) 5 year
Red Rock Correctional Center (D) Eloy, Arizona	State of Arizona	2,024	Medium	Correctional	Jul-26	(2) 5 year
Saguaro Correctional Facility Eloy, Arizona	State of Hawaii	1,896	Multi	Correctional	Jul-24	(2) 1 year
Leo Chesney Correctional Center Live Oak, California	Idled 2015	240	—	—	—	—
Otay Mesa Detention Center San Diego, California	ICE	1,994	Minimum/ Medium	Detention	Dec-24	(2) 5 year
Bent County Correctional Facility Las Animas, Colorado	State of Colorado	1,420	Medium	Correctional	Jun-24	(2) 1 year
Crowley County Correctional Facility Olney Springs, Colorado	State of Colorado	1,794	Medium	Correctional	Jun-24	(2) 1 year
Huerfano County Correctional Center Walsenburg, Colorado	Idled 2010	752	Medium	Correctional	—	—
Kit Carson Correctional Center Burlington, Colorado	Idled 2016	1,488	Medium	Correctional	—	—
Coffee Correctional Facility (E) Nicholls, Georgia	State of Georgia	2,312	Medium	Correctional	Jun-24	(10) 1 year
Jenkins Correctional Center (E) Millen, Georgia	State of Georgia	1,124	Medium	Correctional	Jun-24	(11) 1 year
Stewart Detention Center Lumpkin, Georgia	ICE	1,752	Medium	Detention	Indefinite	—
Wheeler Correctional Facility (E) Alamo, Georgia	State of Georgia	2,312	Medium	Correctional	Jun-24	(10) 1 year
Midwest Regional Reception Center Leavenworth, Kansas	Idled 2021	1,033	Multi	Detention	—	—
Lee Adjustment Center Beattyville, Kentucky	Commonwealth of Kentucky	816	Multi	Correctional	Jun-25	(3) 2 year

Facility Name	Primary Customer	Design Capacity (A)	Security Level	Facility Type (B)	Term	Remaining Renewal Options (C)
Marion Adjustment Center St. Mary, Kentucky	Idled 2013	826	Minimum/ Medium	Correctional	—	—
Prairie Correctional Facility Appleton, Minnesota	Idled 2010	1,600	Medium	Correctional	—	—
Adams County Correctional Center Adams County, Mississippi	ICE	2,232	Medium	Detention	Aug-24	Indefinite
Tallahatchie County Correctional Facility (F) Tutwiler, Mississippi	USMS	2,672	Multi	Correctional	Jun-24	Indefinite
Crossroads Correctional Center (G) Shelby, Montana	State of Montana	664	Multi	Correctional	Jun-25	(2) 2 year
Nevada Southern Detention Center Pahrump, Nevada	USMS	1,072	Medium	Detention	Sep-25	(1) 5 year
Elizabeth Detention Center Elizabeth, New Jersey	ICE	300	Minimum	Detention	Feb-24	(1) 6 month
Cibola County Corrections Center Milan, New Mexico	USMS	1,129	Medium	Detention	Indefinite	—
Torrance County Detention Facility Estancia, New Mexico	ICE	910	Multi	Detention	May-24	Indefinite
Lake Erie Correctional Institution (H) Conneaut, Ohio	State of Ohio	1,798	Medium	Correctional	Jun-32	Indefinite
Northeast Ohio Correctional Center Youngstown, Ohio	State of Ohio	2,016	Medium	Correctional	Jun-24	Indefinite
Cimarron Correctional Facility Cushing, Oklahoma	USMS	1,600	Multi	Detention	Sep-25	Indefinite
Diamondback Correctional Facility Watonga, Oklahoma	Idled 2010	2,160	Multi	Correctional	—	—
Trousdale Turner Correctional Center Hartsville, Tennessee	State of Tennessee	2,552	Multi	Correctional	Jun-26	—
West Tennessee Detention Facility Mason, Tennessee	Idled 2021	600	Multi	Detention	—	—
Whiteville Correctional Facility (I) Whiteville, Tennessee	State of Tennessee	1,536	Medium	Correctional	Jun-26	—
Eden Detention Center Eden, Texas	USMS	1,422	Medium	Detention	Indefinite	—

<b>Facility Name</b>	<b>Primary Customer</b>	<b>Design Capacity (A)</b>	<b>Security Level</b>	<b>Facility Type (B)</b>	<b>Term</b>	<b>Remaining Renewal Options (C)</b>
Houston Processing Center Houston, Texas	ICE	1,000	Medium	Detention	Aug-24	(6) 1 year
Laredo Processing Center Laredo, Texas	ICE	258	Minimum/ Medium	Detention	Feb-24	Indefinite
South Texas Family Residential Center Dilley, Texas	ICE	2,400	—	Residential	Sep-26	Indefinite
T. Don Hutto Residential Center Taylor, Texas	ICE	512	Medium	Detention	Jul-24	(6) 1 year
Webb County Detention Center Laredo, Texas	ICE	480	Medium	Detention	Feb-24	Indefinite
<b>Safety - Managed Only:</b>						
Citrus County Detention Facility Lecanto, Florida	Citrus County, FL	760	Multi	Detention	Sep-30	(2) 5 year
Lake City Correctional Facility Lake City, Florida	State of Florida	893	Medium	Correctional	Jun-24	Indefinite
Hardeman County Correctional Facility Whiteville, Tennessee	State of Tennessee	2,016	Medium	Correctional	Jun-25	(1) 2 year
South Central Correctional Center Clifton, Tennessee	State of Tennessee	1,676	Medium	Correctional	Jun-25	—
<b>Total design capacity for CoreCivic Safety Facilities</b>		<u>64,729</u>				

Facility Name	Primary Customer	Design Capacity (A)	Security Level	Facility Type (B)	Term	Remaining Renewal Options (C)
<b>CoreCivic Community Facilities:</b>						
CAI Boston Avenue San Diego, California	State of California	120	—	Community Corrections	Jun-24	—
CAI Ocean View San Diego, California	BOP	483	—	Community Corrections	Aug-24	(2) 1 year
Adams Transitional Center Denver, Colorado	Adams County	102	—	Community Corrections	Jun-24	Indefinite
Arapahoe Community Treatment Center Englewood, Colorado	Arapahoe County	135	—	Community Corrections	Jun-24	—
Centennial Community Transition Center Englewood, Colorado	Arapahoe County	107	—	Community Corrections	Jun-24	—
Columbine Facility Denver, Colorado	Idled 2020	60	—	Community Corrections	—	—
Commerce Transitional Center Commerce City, Colorado	Adams County	136	—	Community Corrections	Jun-24	Indefinite
Dahlia Facility* Denver, Colorado	Denver County	120	—	Community Corrections	Jun-24	—
Longmont Community Treatment Center Longmont, Colorado	Boulder County	69	—	Community Corrections	Jun-24	(1) 6 month
South Raleigh Reentry Center Raleigh, North Carolina	BOP	60	—	Community Corrections	Sep-24	(3) 1 year
Oklahoma Reentry Opportunity Center Oklahoma City, Oklahoma	BOP	494	—	Community Corrections	Jan-25	(1) 1 year
Tulsa Transitional Center Tulsa, Oklahoma	Idled 2020	390	—	Community Corrections	—	—
Turley Residential Center Tulsa, Oklahoma	BOP	289	—	Community Corrections	Jan-25	(1) 1 year
Austin Residential Reentry Center Del Valle, Texas	BOP	116	—	Community Corrections	Aug-24	—
Austin Transitional Center Del Valle, Texas	State of Texas	460	—	Community Corrections	Aug-25	(3) 1 year
Corpus Christi Transitional Center Corpus Christi, Texas	State of Texas	160	—	Community Corrections	Aug-25	(1) 2 year



<b>Facility Name</b>	<b>Primary Customer</b>	<b>Design Capacity (A)</b>	<b>Security Level</b>	<b>Facility Type (B)</b>	<b>Term</b>	<b>Remaining Renewal Options (C)</b>
Dallas Transitional Center Hutchins, Texas	State of Texas	300	—	Community Corrections	Aug-25	(3) 1 year
El Paso Multi-Use Facility El Paso, Texas	State of Texas	360	—	Community Corrections	Aug-25	(3) 1 year
El Paso Transitional Center El Paso, Texas	State of Texas	224	—	Community Corrections	Aug-25	(3) 1 year
Fort Worth Transitional Center Fort Worth, Texas	State of Texas	248	—	Community Corrections	Aug-25	(3) 1 year
Ghent Residential Reentry Center Norfolk, Virginia	BOP	36	—	Community Corrections	Aug-24	(3) 1 year
James River Residential Reentry Center Newport News, Virginia	BOP	84	—	Community Corrections	Aug-24	(3) 1 year
Cheyenne Transitional Center Cheyenne, Wyoming	State of Wyoming	116	—	Community Corrections	Jun-24	(2) 1 year and (1) 1 year
<b>Total design capacity for CoreCivic Community Facilities</b>		<b>4,669</b>				

\*Held for Sale

- (A) Design capacity measures the number of beds, and accordingly, the number of offenders each facility is designed to accommodate. Facilities housing detainees on a short-term basis may exceed the original intended design capacity due to the lower level of services required by detainees in custody for a brief period. From time to time, we may evaluate the design capacity of our facilities based on the customers using the facilities, and the ability to reconfigure space with minimal capital outlays.
- (B) We manage numerous facilities that have more than a single function (i.e., housing both long-term sentenced adult prisoners and pre-trial detainees). The primary functional categories into which facility types are identified were determined by the relative size of offender populations in a particular facility on December 31, 2023. If, for example, a 1,000-bed facility cared for 900 adult offenders with sentences in excess of one year and 100 pre-trial detainees, the primary functional category to which it would be assigned would be that of correctional facilities and not detention facilities. It should be understood that the primary functional category to which multi-user facilities are assigned may change from time to time.
- (C) Remaining renewal options represents the number of renewal options, if applicable, and the term of each option renewal.
- (D) Pursuant to the terms of a contract awarded by the state of Arizona in September 2012, the state of Arizona has an option to purchase the Red Rock facility at any time during the term of the contract, including extension options, based on an amortization schedule starting with the fair market value and decreasing evenly to zero over the 20-year term of the contract.
- (E) These facilities are subject to purchase options held by the GDOC, which grants the GDOC the right to purchase the facility for the lesser of the facility's depreciated book value, as defined, or fair market value at any time during the term of the contract between the GDOC and us.
- (F) The facility is subject to a purchase option held by the Tallahatchie County Correctional Authority that grants Tallahatchie County Correctional Authority the right to purchase the facility at any time during the contract at a price generally equal to the cost of the premises less an allowance for amortization that originally occurred over a 20-year period. The amortization period was extended through 2050 in connection with an expansion completed during the fourth quarter of 2007.
- (G) The state of Montana has an option to purchase the facility generally at any time during the term of the contract with us at fair market value.
- (H) The state of Ohio has the irrevocable right to repurchase the facility before we may resell the facility to a third party, or if we become insolvent or are unable to meet our obligations under the management contract with the state of Ohio, at a price generally equal to the fair market value.
- (I) The state of Tennessee has the option to purchase the facility in the event of our bankruptcy, or upon an operational or financial breach under the management agreement, at a price equal to the book value, as determined under such agreement.

### CoreCivic Properties

Through our CoreCivic Properties segment, we owned 6 correctional facilities held for lease to third-party operators. The following table includes certain information regarding each property.

Property Name	Primary Customer	Design Capacity	Square Footage	Lease Expiration	Remaining Renewal Options (A)
California City Correctional Center (B) California City, California	State of California	2,560	522,000	Mar-24	NA
Lansing Correctional Facility Lansing, Kansas	State of Kansas	2,432	401,000	Jan-40	NA
Southeast Correctional Complex (C) Wheelwright, Kentucky	Commonwealth of Kentucky	656	127,000	Jun-30	(5) 2 year
Northwest New Mexico Correctional Center Grants, New Mexico	State of New Mexico	596	188,000	Oct-24	(6) 3 year
Allen Gamble Correctional Center Holdenville, Oklahoma	State of Oklahoma	1,670	288,757	Jun-29	Indefinite
North Fork Correctional Facility Sayre, Oklahoma	Idled 2023	2,400	466,000	—	—
		<u>10,314</u>	<u>1,992,757</u>		

- (A) Remaining renewal options represents the number of renewal options, if applicable, and the term of each option renewal.
- (B) On December 6, 2022, we received notice from the California Department of Corrections and Rehabilitation, or CDCR, of its intent to terminate the lease agreement for the facility by March 31, 2024, due to the state's declining inmate population.
- (C) The KYDOC has an option to purchase the facility at any time during the term of the lease with us at a price equal to the fair market value of the property.

## Competitive Strengths

Through our three segments, CoreCivic Safety, CoreCivic Community, and CoreCivic Properties, we offer multiple solutions to unique challenges, allowing government organizations to address their various needs while customizing the solution based on their unique circumstances. Accordingly, we believe that we benefit from the following competitive strengths:

*Largest Private Owner of Correctional and Detention Facilities.* As of December 31, 2023, we owned, or controlled via a long-term lease, approximately 14.6 million square feet of real estate, all used directly or indirectly by government agencies. Our complementary set of business assets provide critical infrastructure and services under contracts with federal, state, and local government agencies that generally have credit ratings of single-A or better, which also contributes to our steady, predictable cash flows.

In our CoreCivic Safety segment, we own, or control via a long-term lease, 12.0 million square feet of real estate used to provide innovative, comprehensive, flexible, turn-key correctional and detention services to federal, state and local government agencies. As of December 31, 2023, our CoreCivic Safety segment operated 43 facilities, 39 of which we owned, with a total design capacity of 64,729 beds, making us the nation's largest private prison owner and one of the largest prison operators in the United States. Eight facilities in our Safety segment, containing 8,699 beds, are currently idle and available for growth opportunities. Our CoreCivic Safety segment generated 84.7% of our total segment net operating income during 2023.

In our CoreCivic Community segment, we own, or control via a long-term lease, 0.5 million square feet of real estate representing, as of December 31, 2023, 23 residential reentry centers with a design capacity of 4,669 beds, making us the second largest community corrections owner and operator in the United States. Two of our residential reentry centers, containing 450 beds, were idle as of December 31, 2023. Our CoreCivic Community segment generated 5.2% of our total segment net operating income during 2023.

In our CoreCivic Properties segment, as of December 31, 2023, we owned 2.0 million square feet of correctional real estate representing 6 properties with a total design capacity of 10,314 beds. One facility in our Properties segment, containing 2,400 beds, is currently idle and available for growth opportunities. Our CoreCivic Properties segment generated 10.1% of our total segment net operating income during 2023.

We believe our synergistic set of business segments, combined with our operating strategies, corrections-industry commitment to rehabilitation, extensive government relationships, and deep real estate expertise, provide us with a diversified platform for stable cash flows and sustainable growth, with multiple paths for organic expansions and acquisitions.

*Pioneered Modern-Day Private Prisons.* Through our CoreCivic Safety segment, we are the nation's largest private prison owner and one of the largest prison operators in the United States, which provides us significant credibility with our current and prospective clients. We believe we own, or control via a long-term lease, approximately 56% of all privately owned prison beds in the United States and manage nearly 38% of all privately managed prison beds in the United States. We pioneered modern-day private prisons with a list of notable accomplishments, such as:

- the first company to design, build, and operate a private prison;
- the first company to manage a private maximum-security facility under a direct contract with the federal government;
- the first company to purchase a government-owned correctional facility from a government agency in the United States and to manage the facility for the government agency;
- the first company to lease a private prison to a state government; and
- the first company to develop a privately-owned, build-to-suit correctional facility to be operated by a government agency through a long-term lease agreement.

In addition to providing us with extensive experience and institutional knowledge, our size also helps us deliver value to our customers by providing purchasing power and allowing us to achieve certain economies of scale.

*Available Beds within Our Existing Facilities.* We currently have 10,859 beds at eight correctional and detention facilities that are vacant and immediately available to use. We are actively engaged in marketing this available capacity as solutions to meet the needs of potential customers. Historically, we have been successful in identifying opportunities to utilize our inventory of available beds. Occupancy rates at our facilities were negatively impacted by COVID-19, and we have been focused on filling available capacity within our existing facilities. As available capacity within existing operating facilities is utilized, we believe increasing demand will result in the utilization of idle bed capacity. We also believe the scarcity in supply of available public sector beds, increases in the cost of constructing new facilities, and challenges in financing new correctional facilities in the public sector will result in an increase in the value of our portfolio and the utilization of our idle bed capacity over the long-term.

Our available bed capacity can also be used for emergent needs. For example, on September 25, 2023, we announced that we signed a new management contract with Hinds County, Mississippi to care for up to 250 adult male pre-trial detainees at our 2,672-bed Tallahatchie County Correctional Facility in Tutwiler, Mississippi. The initial contract term is for two years, which may be extended for an additional year upon mutual agreement. In addition, on November 16, 2023, we announced that we signed a new management contract with the state of Wyoming to care for up to 240 male inmates at the Tallahatchie facility. The term of the new contract runs through June 30, 2026. Also on November 16, 2023, we announced that we signed a new contract with Harris County, Texas, to care for up to 360 male inmates at the Tallahatchie facility. Upon mutual agreement, Harris County may access an additional 360 beds at the facility. The initial contract term began on December 1, 2023, and is scheduled to expire on November 30, 2024. However, the contract may be extended at Harris County's option for up to four additional one-year terms. In addition to the recent contracts with Hinds County, the state of Wyoming, and Harris County, we currently care for residents from the USMS, Vermont, South Carolina, the U.S. Virgin Islands, and Tallahatchie County at the Tallahatchie facility, which demonstrates the flexible solutions that we provide. On November 14, 2023, we announced that we signed a new management contract with the state of Montana to care for up to 120 inmates at our 1,896-bed Saguaro Correctional Facility in Eloy, Arizona. The new contract is scheduled to expire on October 31, 2025, and may be extended by mutual agreement for a total term of up to seven years. We currently care for residents from the state of Hawaii and the state of Idaho at the Saguaro facility. We also manage the fully occupied company-owned Crossroads Correctional Center in Shelby, Montana for the state of Montana pursuant to a separate management contract.

*Well-Established Community Corrections Platform.* Through our CoreCivic Community segment, as of December 31, 2023, we had a network of 23 residential reentry centers containing a total of 4,669 beds. We offer housing and programs, with a key focus on employment, job readiness and life skills in order to help offenders successfully re-enter the community and reduce the risk of recidivism. We also provide non-residential correctional alternatives, including electronic monitoring and case management services, to municipal, county and state governments in multiple states. We expect to continue to pursue opportunities that expand the scope of non-residential correctional alternative solutions available to government agencies.

We are the second largest community corrections owner and operator in the United States. We believe the demand for the housing and programs that community corrections facilities offer will grow as offenders are released from prison and due to an increased awareness of the important role these programs play in an offender's successful transition from prison to society. We expect to continue to pursue opportunities to provide these services to parolees, defendants, and offenders who are serving their full sentence, the last portion of their sentence, waiting to be sentenced, awaiting trial while supervised in a community environment, or as an alternative to incarceration. We believe we have the opportunity to maximize utilization of available beds within our community corrections portfolio that would further increase the number of individuals benefiting from the services we provide in such facilities. For example, in the first quarter of 2021, we activated a new contract with the BOP for residential reentry and home confinement services at our previously idled 289-bed Turley Residential Center and at our 494-bed Oklahoma Reentry Opportunity Center, both in Oklahoma. The new contract, which was renewed in January 2024 through January 2025, and contains an additional one-year renewal option through January 2026, supplements the existing utilization by the state of Oklahoma at the Oklahoma Reentry Opportunity Center. Further, we are exploring potential opportunities to expand the scope of non-residential correctional alternative solutions we provide to government agencies.

*Flexible Real Estate Solutions.* Through our CoreCivic Properties segment, as of December 31, 2023, we owned 6 correctional properties totaling 2.0 million square feet. We have an extensive network of government and other third-party relationships and the capability to manage and maintain complex properties, built over our 40-year history. In addition, we offer our customers an attractive portfolio of correctional, detention, and reentry facilities that can be leased for various needs as an alternative to providing "turn-key" correctional, detention, and residential reentry bed space and services to our government partners. In June 2023, we announced that we had entered into a lease agreement with the ODC for our 1,670-bed Allen Gamble Correctional Center. The new lease agreement includes a base term that commenced on October 1, 2023, with a scheduled expiration date of June 30, 2029, and unlimited two-year renewal options. We previously operated the Allen Gamble facility in our Safety segment under a management contract with the ODC. The management contract was scheduled to expire on June 30, 2023. However, effective July 1, 2023, we entered into a 90-day contract extension for the management contract, after which time, operations of the Allen Gamble facility transferred from us to the ODC in accordance with the new lease agreement. In September 2021, we announced that we had entered into a three-year lease agreement with the state of New Mexico at our 596-bed Northwest New Mexico Correctional Center. We previously operated the Northwest New Mexico facility in our Safety segment under a contract with the state of New Mexico. The new lease agreement commenced on November 1, 2021 and includes extension options that could extend the term of the lease through October 31, 2041. We will retain responsibility for facility maintenance throughout the term of the lease. The leases of these two facilities, along with the lease of our 656-bed Southeast Correctional Complex to the KYDOC originating in 2019 demonstrate our ability to react quickly to our partners' needs with innovative, flexible and cost-effective solutions. We previously operated these three correctional facilities for various government partners. We intend to pursue additional opportunities to lease prison facilities to government and other third-party operators in need of correctional capacity.

In January 2018, we entered into a 20-year lease agreement with the Kansas Department of Corrections, or KDOC, for a 2,432-bed correctional facility to be constructed in Lansing, Kansas. This transaction represented the first development of a privately owned, build-to-suit correctional facility to be operated by a government agency through a long-term lease agreement. We commenced construction of the facility in the first quarter of 2018. In December 2019, the Lansing facility began accepting offenders into the 512-bed minimum security complex ahead of schedule, with the remaining 1,920-bed medium/maximum security complex completed in January 2020. The new facility replaced the Lansing Correctional Facility, Kansas' largest correctional complex for adult male inmates, originally constructed in 1863. We are responsible for facility maintenance throughout the 20-year term of the lease, at which time ownership will revert to the state of Kansas. We financed the construction of the Lansing Correctional Facility 100% with project specific financing, requiring no equity commitment from us.

With the extensively aged criminal justice infrastructure in the U.S. today, we also believe we can provide our "turn-key" services to public correctional systems in need of replacement capacity, growing our business without an overall increase in incarcerated populations. In December 2021, we were awarded a new management contract from the state of Arizona for up to 2,706 inmates at our 3,060-bed La Palma Correctional Center in Arizona. The state of Arizona closed an outdated public-sector prison and transferred the inmate populations from this prison and multiple other public-sector prisons to our La Palma facility. The transfer commenced in April 2022 and was substantially completed in the fourth quarter of 2022. Before the new award, the La Palma facility supported the mission of ICE by caring for approximately 1,800 detainees. We also offer real estate only solutions to government agencies that need correctional capacity where they prefer to perform the operations, similar to our Allen Gamble Correctional Center in Oklahoma, as previously described herein. In addition, in August 2022, we completed the sale of the 1,978-bed McRae Correctional Facility to the Georgia Building Authority in order to update its aged and inefficient public sector correctional infrastructure. As previously described herein, we have also recently been awarded new management contracts from two county government agencies to accept transfers of offender populations from public-sector facilities because of their challenges in maintaining adequate staffing levels to manage their facilities. As a private enterprise, we have the ability to respond more quickly to changing market conditions, and can offer various types of incentives to attract and retain correctional staff that are more difficult for government agencies to provide.

*Attractive Real Estate Portfolio.* As of December 31, 2023, the properties we owned or controlled represented 94% of our portfolio of 72 facilities. The weighted average age of the facilities we own in the portfolio of facilities in our CoreCivic Safety, CoreCivic Community, and CoreCivic Properties segments is 25, 31, and 23 years, respectively. These valuable assets are located in areas with high barriers to entry, particularly due to the unique permitting and zoning requirements for these facilities. Further, the majority of our assets are constructed primarily of concrete and steel, generally requiring lower maintenance capital expenditures than other types of commercial properties.

We believe we are the largest developer of mission-critical, criminal justice center real estate projects over the past 15 years. We provide space and services under contracts with federal, state, and local government agencies that generally have credit ratings of single-A or better. In addition, a majority of our contracts have terms between one and five years, and we have experienced customer retention of approximately 95% at facilities we owned or controlled via long-term lease during the previous five years, which contributes to our relatively predictable and stable revenue base. This stream of revenue combined with our low maintenance capital expenditure requirement translates into steady, predictable cash flow.

*Development and Expansion Opportunities.* Several of our existing government partners, as well as prospective government partners, have been experiencing growth in offender populations and overcrowded conditions, as well as an increase in violent crime. Governments are continuing to assess their need for correctional space, and several are continuing to consider alternative correctional capacity for their aged or inefficient infrastructure, or are seeking cost savings by utilizing the private sector, which could result in increased future demand for the solutions we provide. Competing budget priorities often impede our customers' ability to construct new prison beds of their own or update their older facilities, which we believe could result in further demand for private sector prison capacity solutions in the long-term. Over the long-term, we would like to see meaningful utilization of our available capacity and better visibility from our customers into their potential future needs before we develop new prison capacity on a speculative basis. We will, however, respond to customer demand and may develop or expand correctional and detention facilities when we believe potential long-term returns justify the capital deployment. With the extensively aged criminal justice infrastructure in the U.S. today, we also believe we can bring real estate solutions to government agencies like we did in connection with the construction of the Lansing Correctional Facility that was brought online in January 2020.

*Increasing Financial Flexibility.* Effective January 1, 2021, we revoked our election to be taxed as a REIT. We believe this conversion in corporate tax structure improves our overall credit profile, as we are able to allocate our free cash flow toward the repayment of debt, which may include the purchase of our outstanding debt in open market transactions, privately negotiated transactions or otherwise, and to exercise more discretion in returning capital to our shareholders. Any such debt repurchases will depend upon prevailing market conditions, our liquidity requirements, contractual requirements, applicable securities laws requirements, and other factors. From January 1, 2021 through December 31, 2023, we have repaid \$711.5 million of debt, net of the change in cash. Following our first priority of utilizing free cash flow to reduce debt, we expect to allocate a substantial portion of our free cash flow to returning capital to our shareholders, which could include additional share repurchases and future dividends. Any future dividend is subject to the Board of Directors', or BODs', determinations as to the amount of distributions and the timing thereof, as well as limitations under the Company's debt covenants. We were not able to implement a meaningful share repurchase program under the REIT structure without increasing our debt because a substantial portion of our free cash flow was required to satisfy the distribution requirements under the REIT structure. On May 2, 2022, the BOD approved a share repurchase program to purchase up to \$150.0 million of our common stock. On August 2, 2022, the BOD increased the authorization to repurchase under the share repurchase program by up to an additional \$75.0 million of our common stock, which resulted in a total aggregate authorized amount to repurchase up to \$225.0 million of our common stock. Repurchases of our outstanding common stock will be made in accordance with applicable securities laws and may be made at our discretion based on parameters set by our BOD from time to time in the open market, through privately negotiated transactions, or otherwise. The share repurchase program has no time limit and does not obligate us to purchase any particular amount of our common stock. The authorization for the share repurchase program may be terminated, suspended, increased or decreased by the BOD in its discretion at any time. Through December 31, 2023, we completed the repurchase of 10.1 million shares of our common stock at a total cost of \$112.6 million, or \$11.16 per share, using cash on hand and cash provided by operations, including 3.5 million shares at a total cost of \$38.1 million, or \$10.97 per share, during 2023. For more information about the repurchases made under our share repurchase program, see "*Part II, Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities – Issuer Purchases of Equity Securities.*"

During 2023, we completed an amendment and extension of our Previous Bank Credit Facility, increasing its size from \$350.0 million to \$400.0 million, extending the maturity from May 2026 to October 2028, relaxing certain covenants, while essentially maintaining existing pricing. The New Bank Credit Facility provides us with additional liquidity and flexibility to execute our business plan.

As of December 31, 2023, we had cash on hand of \$121.8 million and \$257.1 million available under our Revolving Credit Facility, which has borrowing capacity of up to \$275.0 million. Our total weighted average effective interest rate on all outstanding debt was 7.6%, while our total weighted average maturity on all outstanding debt was 4.7 years. For the year ended December 31, 2023, our fixed charge coverage ratio was 3.8x and our debt leverage ratio was 2.8x. During the year ended December 31, 2023, we generated \$231.9 million in cash through operating activities.

*Offer Compelling Value to Correctional Agencies.* We believe our government partners seek a compelling value and service offering when selecting an outsourced correctional services provider. We believe we offer a cost-effective alternative to our government partners by reducing their correctional services costs, including the avoidance of long-term pension obligations and large capital investments in new bed capacity. We endeavor to improve operating performance and efficiency through the following key operating initiatives: (1) standardizing supply and service purchasing practices and usage; (2) implementing a standard approach to staffing and business practices; (3) improving offender management, resource consumption, and reporting procedures through the utilization of numerous technological initiatives; (4) reconfiguring facility bed space to optimize capacity utilization; and (5) improving outcomes for incarcerated individuals in our care through investments in a variety of programs intended to reduce recidivism. Through ongoing company-wide initiatives, we continue to focus on efforts to improve operating efficiencies.

Since 2017, we have maintained a nationwide initiative to advocate for a range of government policies that will help former offenders successfully reenter society and stay out of prison. In 2020, we announced that we will publicly advocate at the federal and state levels for a slate of new policies that will help people succeed in their communities after being released from prison. Specifically, we pledged our support for Pell Grant Restoration, Voting Rights Restoration and Licensure Reform Policies. Also in 2020, we began a partnership with, and continue to invest in, Prison Fellowship, a leading advocate for criminal justice reform serving current and formerly incarcerated individuals and their family members. Through a network of programming and advocacy efforts, the organization seeks to effect positive change at every level of the criminal justice system. We have committed to a multi-year partnership in Prison Fellowship's First Chance Network, or FCN. Serving over 230,000 children annually, the FCN addresses persistent gaps in opportunity for children who have incarcerated parents and seeks to create a trajectory toward healthy life outcomes and prevent youth justice involvement.

Supporting policies that advance the expansion of reentry programs aligns closely with our ongoing efforts to assess and expand reentry-focused programming in our facilities. To that end, we actively engage subject matter experts and practitioners, including formerly incarcerated individuals who bring valuable, lived experiences that better inform innovations and enhancements to those programmatic offerings and the delivery of other services to the individuals entrusted to our care.

We believe that as successful as we may be with our work inside our facilities, incarcerated individuals still face embedded societal barriers and collateral consequences when they return to their communities. Supporting recidivism-reducing policies is one way we can bridge the gap and give the men and women entrusted in our care a better opportunity at never returning to prison.

Through our strong commitment to community corrections and reentry programs, we offer our government partners additional long-term value. Our evidence-based reentry programs, including academic education, vocational training, substance abuse treatment, life skills training, and faith-based programming, are customizable based on partner needs and are applied utilizing best practices and/or industry standards. Our proprietary reentry process and cognitive/behavioral curriculum, "Go Further," promotes a comprehensive approach to addressing the barriers to a successful return to society. Through our efforts in community corrections and reentry programs, we can provide consistency and common standards across facilities. We can also serve multiple levels of government on an as-needed basis, all toward reaching the goal we share with our government partners of providing incarcerated individuals with the opportunity to succeed when they are released, making our communities safer, and, ultimately, reducing recidivism.

We also offer a wide variety of specialized services that address the unique needs of various segments of the offender population. Because the offenders in the facilities we operate differ with respect to security levels, ages, genders, and cultures, we focus on the particular needs of an offender population and tailor our services based on local conditions and our ability to provide services on a cost-effective basis.



We believe our government partners and other agencies in the criminal justice sector also seek a compelling value and service offering when pursuing solutions to their unique real estate needs. We believe our track record of constructing quality assets on time and within budget, our design and construction methods, unique financing alternatives, and our expertise and experience enable us to provide a compelling value proposition for the construction of mission-critical government real estate assets. We also offer utility management services using environmentally-friendly, state-of-the-art technology and believe our robust preventive maintenance program included in our service offering significantly reduces the risk of real estate neglect.

*Proven Senior Management Team.* Our senior management team has applied their prior experience and diverse industry expertise to improve our operations, related financial results, and capital structure. Under our senior management team's leadership, we have successfully executed strategies to diversify our business and offer a broader range of solutions to government partners, created new business opportunities with customers that have not previously utilized the private corrections sector, completed several business combination transactions and corporate structure changes adapting to dynamic environments, and successfully completed numerous financing transactions.

*ESG Reporting.* In April 2023, we issued our fifth Environmental, Social and Governance, or ESG, report, which summarizes efforts and aspirational goals across environmental, social, and governance topics. The report covers the year ended December 31, 2022, and addresses topics such as evidence-based practices in our reentry programs and human rights-related activities, including delivery of human rights training to all of our employees. The report also summarizes our management approach and activities in topics including energy/utilities management; DE&I; lobbying and political activity; supplier diversity; charitable giving; PREA compliance; ethics; and employee compensation, benefits and training.

The ESG report was designed to be in accordance with the Global Reporting Initiative, or GRI, standards: Core option issued by the Global Sustainability Standards Board. GRI is an international independent standards organization created to help business, government and other organizations understand and communicate how their operations affect stakeholders.

The ESG report may be accessed on our website at [www.corecivic.com/esg](http://www.corecivic.com/esg). The information included in the ESG report is not incorporated by reference into this Annual Report.

## Human Capital

In order to fulfill our mission of providing high quality, compassionate treatment to all those in our care, we strive to attract, develop, and retain a diverse workforce of individuals who are driven by a deep sense of service, high standards of professionalism, and a responsibility to help government partners better the public good. The following information outlines the human capital strategies and initiatives designed to address the twin challenges of turnover and retention.

### Demographics

<b>Employees</b>	<b>2023</b>	<b>Hiring</b>	<b>2023</b>
Total Employees	11,194	Total Hires	7,283
% Female	53%	% Female	53%
% People of Color or Under-represented Minorities (URM)	61%	% People of Color or Under-represented Minorities (URM)	61%
% Veterans	8%	% Veterans	12%
% Facility-level employees	95%	% Facility-level employees	99%

## ***Leadership & Learning***

We facilitate annual performance and career development discussions with all employees. These discussions consist of a continuous cycle of goal alignment, individual development planning, and performance and talent reviews. In 2023, 98% of all employees received annual performance reviews. We continue to use a leading cloud-based talent system to align performance, talent management, career development activities, and training.

In addition, every year we facilitate talent review discussions to help assess potential and identify developmental opportunities within our leadership pipeline. Through these discussions, we continue to see opportunities for advancement for our existing workforce. Our 2023, talent reviews included all leaders in our facilities, from facility department heads through wardens, plus headquarters-based directors and above. Of the 1,296 leaders assessed, 18% were identified for accelerated development, with 9% classified as "ready now" for advanced leadership responsibilities. Supervisors of the 91% of leaders who were not "ready now" received development resource guides with CoreCivic-specific ideas for experience, exposure, and education opportunities. Supervisors can use these resources to help those employees close the gap between their current performance and the requirements for higher levels of responsibility and complexity.

In 2023, we continued our focus on our leadership candidate pipeline and leader development needs. The CoreCivic Leadership Experiences and Rotations program, or CLEAR, continues to yield positive results as a development mechanism for top talent. CLEAR is a two-year rotational development program designed to provide individuals identified during our talent management discussions with accelerated development opportunities through multiple, short-term experiences. The breadth of roles can vary across different career paths and are intended to develop the rising leader's readiness for targeted roles with higher levels of responsibility and complexity following successful completion of the program. In 2023, we graduated our first cohort of CLEAR participants. These CLEAR graduates were all placed in facility leadership roles. We also began our second CLEAR cohort of participants.

We recognize the importance of investing in our people. Our management approach to training and development is overseen by our Chief Human Resources Officer and Managing Director, Enterprise Learning and Development, and is implemented by leaders at our headquarters as well as a network of learning and development managers across our facilities. Our training activity and records are managed according to our learning and development policy, and our BOD receives periodic updates on the delivery of strategic training programs.

All CoreCivic employees are eligible to participate in various leadership and operational trainings. For example, through CoreCivic University, our employees can refine their current skills as well as learn new, valuable skills. To date, we have graduated 4,733 employees from CoreCivic University programs. For new and existing employees alike, we provide training that meets or exceeds ACA and government partner standards, including an average of 200 hours of pre-service and on-the-job training for new employees. We also require a minimum of 40 hours of annual in-service and specialty training for employees in our Safety and Community segments.

## ***Culture & Employee Engagement***

People are at the center of what we do. We believe that culture influences employee engagement. Therefore, we seek the perspectives of our employees through our periodic, anonymous, full-census culture survey to help us enhance our culture and make the workplace more engaging.

In 2023, we conducted an abbreviated culture survey. This survey was an outcome of a recommendation by our DE&I Advisory Council to measure progress on our diversity and inclusion strategies. In addition to the DE&I related questions, we included questions designed to answer key questions about our organization's culture, giving us a pulse on the work we're doing to strengthen our culture and complimenting the internal pulse survey we conducted in 2022. The results of the 2023 survey will be disseminated to our employees and action plans created in early 2024.

We know that bringing out the best in our people is the greatest way to recruit, retain, and develop our employees. We continually work to create a culture of respect where we value everyone's differences, appreciate individual contributions, and support people so they reach their highest potential.

## ***Diversity, Equity & Inclusion***

We are proud of our diverse workforce. We recognize that employees come from many different backgrounds and that these differences are integral to how we view and experience the world. We believe that DE&I improves safety and security, drives quality, increases employee engagement, and provides greater accountability, all of which allow us to better serve the needs of our government and other third-party partners and employees.

Our Chief Human Resources Officer and our Vice President of Human Resources lead our strategic approach to DE&I. Our DE&I policies prohibit harassment and promote proactive efforts around DE&I initiatives. In accordance with federal contract requirements, we maintain affirmative action plans designed to provide equality of opportunity for all common diversity demographics, including but not limited to, qualified minorities, women, persons with disabilities, and covered veterans.

We believe there are opportunities to further advance our strategies around providing diversity of opportunity to all staff at CoreCivic. We have made significant investments and strides in the development of an executive-endorsed company roadmap for our DE&I-intended outcomes and established principles. We have communicated our plans to all leaders, employees, and the BOD. Additionally, we have taken steps towards achieving our stated DE&I principles (Create a Common DE&I Language, Create a Culture of Belongingness and Respect, and Create a Pipeline of Diverse Candidates) through the recommendations of our DE&I Advisory Council. This DE&I Advisory Council includes a select team of CoreCivic employees representing our organization's diversity by gender, ethnicity, tenure, business unit, and geography. In 2023, we concluded the successful pilot of our three Business Resource Groups, or BRGs, women's, military, and multicultural. We extended membership for all BRGs to our enterprise employees. We've already seen the tangible, positive impacts these groups are having on our culture.

In 2023, we issued our second DE&I Annual Report showcasing our DE&I journey from the beginning, our progress towards our DE&I goals, our external impact within the community and some brief highlights of our future work for the year ahead. The DE&I report may be accessed on our website at [www.corecivic.com/dei](http://www.corecivic.com/dei). The information included in the report is not incorporated by reference into this Annual Report.

In collaboration with executives and senior leaders, we continued our focus on measuring the outcomes of our DE&I actions for continuous improvement. In 2023, we had a collective 98% completion rate for yearly DE&I e-learning. We also continue to use a DE&I e-learning module as part of our pre-service and in-service curricula. We continued to refine governance for our DE&I strategy with accountability to enterprise executives and the BOD. We also extended our involvement and sponsorship of DE&I community organizations such as Advancement of Women in Nashville, The Table, and Middle Tennessee State University's Charlie and Hazel Daniels Veterans and Military Family Center, to name a few.

## ***Hiring & Sustaining our Workforce***

We are the largest employer in many of the areas in which our facilities are located. As such, we are committed to supporting and growing the local communities through our hiring and outreach efforts. Our long-term tenure in many of the communities we serve has provided stable careers and career growth opportunities to workforces in these areas. We provide equal opportunity employment to all candidates and follow the United States Department of Labor Office of Federal Contract Compliance Programs equal employment opportunity guidelines for hiring.

In 2023, we invested approximately \$9.2 million in talent attraction efforts to reach prospective candidates, and we received over 106,900 job applications, an increase of 61% over 2022. For the past thirteen consecutive years, CoreCivic has been recognized as a GI Jobs Military Friendly employer. CoreCivic has been notified that we will once again receive awards for Military Friendly Employer, Military Friendly Spouse, Military Friendly Brand, and Military Friendly Supplier Diversity Program in 2024.

## ***Compensation & Benefits***

We utilize descriptive and prescriptive Human Capital analytics to align pay with our compensation strategy. We leverage these analytics to act on changing labor market conditions to assist us with our efforts to maintain market competitive wages. In addition, we evaluate internal pay equity through the use of job evaluation and market analyses

that we then adjust for tenure, experience, location, performance, and other variables that can affect wages. We have experienced labor shortages and wage pressures in many markets across the country. During the third quarter of 2023, we provided wage increases to nearly all of our facility staff not covered by the McNamara-O'Hara Service Contract Act, which is applicable to our facilities with federal contracts, in order to remain competitive. Additionally, throughout the year we made out-of-cycle wage adjustments to maintain market competitiveness. We achieved higher staffing levels during 2023 as a result of these investments in staffing, and we expect to continue to invest in staffing resources during 2024, which may result in additional compensation and incremental expenses. While we have achieved recent successes, the benefits of our investments in staffing may not be sustained, and labor shortages could intensify again in the future.

We offer multiple medical and wellness benefit plans, dental, vision, and disability income insurance, flexible spending accounts, and life and accidental death and dismemberment insurance. In addition, we provide our employees with paid time off and paid holidays. We also provide retirement benefits to our employees through a 401(k) retirement plan. To be eligible for most benefit plans, employees must be in a full-time position; certain exceptions apply, such as eligibility for the 401(k) retirement plan if the 401(k) retirement plan's service and hour requirements are met or at locations where the McNamara-O'Hara Service Contract Act applies.

### ***Labor Relations***

As of December 31, 2023, we employed 11,694 full- and part-time employees, including employees with our transportation and electronic monitoring subsidiaries, TransCor and Recovery Monitoring Solutions Corporation, respectively. Approximately 1,860 of our employees at 12 of our facilities, or approximately 15.9% of our workforce, are represented by labor unions. All of our collective bargaining agreements contain no-strike clauses that bind the unions and the bargaining unit employees. Work stoppages at any of our facilities are exceedingly rare. In the opinion of management, overall employee relations are good. New executive orders, administrative rules and changes in National Labor Relations could increase organizing activity at locations where employees are currently not represented by a labor organization. Increases in organizational activity or any future work stoppages could have an adverse impact on our business, financial condition, or results of operations.

### ***Employee Safety***

We are committed to bettering the public good by making our facilities and communities safe for our team members, those under our care, and the public. In 2023, our "Team Safety" program continued initiatives to provide a safe environment and safe working conditions as reflected in our policies and procedures.

### **Government Regulation**

#### ***Business Regulations***

The industry in which we operate is subject to extensive federal, state, and local regulations, including educational, health care, data privacy and security, transportation, telecommunications, and safety regulations, which are administered by many governmental and regulatory authorities. Some of the regulations are unique to the corrections industry, and some target private, for-profit entities by imposing location requirements, compliance requirements, elevated litigation risk and financial penalties only on private, for-profit correction and detention providers. Facility management contracts typically include specific staffing requirements, reporting requirements, supervision, and on-site monitoring by representatives of the contracting governmental agencies. Corrections and reentry personnel are customarily required to meet certain training standards and, in some instances, facility personnel are required to be licensed and subject to background investigation. Certain jurisdictions also require us to award subcontracts on a competitive basis or to subcontract with certain types of businesses, such as small businesses and businesses owned by members of minority groups. Our facilities are also subject to operational and financial audits by the governmental agencies with which we have contracts. In addition, our technological infrastructure is required by federal agencies to undergo a security compliance audit and provide security logs on a monthly basis. Failure to comply with these regulations and contract requirements can result in material penalties or non-renewal or termination of facility management contracts which could have a material effect on our financial position, results of operations and cash flows, or on our competitive position as a dependable government partner.

### ***Environmental Matters***

Under various federal, state, and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under, or in such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. As an owner of real estate assets and as the result of our operation and management of correctional, detention, and residential reentry facilities, we have been, and continue to be, subject to these laws, ordinances, and regulations. Phase I environmental assessments have been obtained on substantially all of the properties we currently own. We are not aware of any environmental matters that are expected to materially affect our financial condition or results of operations; however, if such matters are detected in the future, the costs of complying with environmental laws could have a material effect on our financial position, results of operations and cash flows, or on our competitive position as a dependable government partner.

### ***Privacy and Security Requirements***

The Health Insurance Portability and Accountability Act of 1996, as amended and implementing regulations, or HIPAA, require covered entities, which include most health care providers, to protect the privacy and security of individually identifiable health information, known as “protected health information” and establish individual rights related to understanding and controlling how health information is used or disclosed. In the event of breaches of unsecured protected health information, covered entities must notify affected individuals, the U.S. Department of Health and Human Services, or DHHS, and, in certain situations involving large breaches, the media. Additionally, we are subject to complex and evolving U.S. federal and state privacy laws and regulations, including those pertaining to the processing of personal data, such as the California Consumer Privacy Act, as amended by the California Privacy Rights Act and similar laws in Colorado and Virginia.

Healthcare providers are also subject to a growing number of requirements intended to promote the interoperability and exchange of patient health information, including information blocking restrictions that prohibit practices that are likely to interfere with the access, exchange or use of electronic health information, with limited exceptions.

For additional information regarding data privacy and other risks related to our business, see Item 1A. Risk Factors—Risks Related to Our Business and Industry—*The failure to comply with data privacy, security and exchange legal requirements could have a material adverse impact on our business, financial position, results of operations, cash flows and reputation.*

### **Insurance**

We maintain general liability insurance for all the facilities we operate, as well as insurance in amounts we deem adequate to cover property and casualty risks, employee health, workers' compensation, automobile liability, cybersecurity, and directors and officers liability. In addition, each of our leases with third parties provides that the lessee will maintain insurance on each leased property under the lessee's insurance policies providing for the following coverages: (i) fire, vandalism, and malicious mischief, extended coverage perils, and all physical loss perils; (ii) comprehensive general public liability (including personal injury and property damage); and (iii) workers' compensation. Under each of these leases, we have the right to periodically review our lessees' insurance coverage and provide input with respect thereto.

Each of our management contracts and the statutes of certain states require the maintenance of insurance with some states imposing insurance requirements specific to private corrections and detention providers as a requirement for continued operation. Because we are significantly self-insured for employee health, workers' compensation, automobile liability, and general liability insurance, the amount of our insurance expense is dependent on claims experience, and our ability to control our claims experience. Our insurance policies contain various deductibles and stop-loss amounts intended to limit our exposure for individually significant occurrences. However, the nature of our self-insurance policies provides little protection for deterioration in overall claims experience or an increase in medical costs. We are continually developing strategies to improve the management of our future loss claims but can provide no assurance that these strategies will be successful. However, unanticipated additional insurance expenses resulting from adverse claims experience or an increasing cost environment for general liability and other types of insurance could adversely impact our results of operations and cash flows.

## Competition

The correctional, detention, and residential reentry facilities we own, operate, or manage, as well as those facilities we own but are managed by other operators, are subject to competition for offenders and residents from other private operators. We compete primarily on the basis of bed availability, cost, the quality and range of services offered, our experience in the design, construction, and management of correctional and detention facilities, and our reputation. We compete with government agencies that are responsible for correctional, detention, and residential reentry facilities and a number of companies, including, but not limited to, The GEO Group, Inc. and Management and Training Corporation. We also compete in some markets with small local companies that may have a better knowledge of the local conditions and may be better able to gain political and public acceptance. Other potential competitors may in the future enter into businesses competitive with us without a substantial capital investment or prior experience. We may also compete in the future for acquisitions and new development projects with companies that have more financial resources than we have or those willing to accept lower returns than we are willing to accept. Competition by other companies may adversely affect occupancy at our facilities, which could have an adverse impact on the operating revenue of our facilities. In addition, revenue derived from our facilities will be affected by a number of factors, including the demand for beds, general economic conditions, and the age of the general population.

## ITEM 1A. RISK FACTORS.

As the owner and operator of correctional, detention, and residential reentry facilities, we are subject to certain risks and uncertainties associated with, among other things, the corrections and detention industry and pending or threatened litigation in which we are involved. In addition, we are also currently subject to risks associated with real estate ownership, our indebtedness, as well as our qualification as a REIT for federal income tax purposes for those years we elected REIT status. The risks and uncertainties set forth below could cause our actual results to differ materially from those indicated in the forward-looking statements contained herein and elsewhere. The risks described below are not the only risks we face. Additional risks and uncertainties not currently known to us or those we currently deem to be immaterial may also materially and adversely affect our business operations. Any of the following risks could materially adversely affect our business, financial condition, or results of operations.

### Risks Related to Our Business and Industry

***Resistance to privatization of correctional, detention, and residential reentry facilities, and negative publicity regarding inmate disturbances or perceived poor operational performance, could result in our inability to obtain new contracts, the loss of existing contracts, or other unforeseen consequences.***

Privatization of correctional, detention, and residential reentry facilities has not achieved complete acceptance by either government agencies or the public at large. The operation of correctional, detention, and residential reentry facilities by private entities has encountered resistance from certain groups, such as labor unions, prison reform organizations, activists and others that believe that correctional, detention, and residential reentry facilities should only be operated by governmental agencies. Any political platform or promise, governmental agency report, investigation or inquiry, public statement by any governmental agency, policy or legislative change, or other similar occurrence or action, that seeks to, or purports to, prohibit, eliminate, or otherwise restrict or limit in any way, the federal government's (or any state or local government's) ability to contract with private operators of correctional, detention, and residential reentry facilities, could negatively impact our growth and our ability to renew or maintain existing contracts or to obtain new contracts and could have a material adverse effect on our business, financial condition, results of operations or the market price of our common stock.

On January 26, 2021, President Biden issued the Private Prison EO. The Private Prison EO directs the Attorney General to not renew DOJ contracts with privately operated criminal detention facilities. Two agencies of the DOJ, the BOP and the USMS, utilize our services. The BOP houses inmates who have been convicted, and the USMS is generally responsible for detainees who are awaiting trial. The BOP has experienced a steady decline in inmate populations over the last decade, a trend that was accelerated by the COVID-19 pandemic. Our remaining prison contract with the BOP at the 1,978-bed McRae Correctional Facility expired on November 30, 2022 and was not renewed. Following the non-renewal of the BOP contract in 2022 and our sale of the McRae facility to the state of Georgia in August 2022, we no longer operate any prison contracts for the BOP. The Private Prison EO only applies to agencies that are part of the DOJ, which includes the BOP and USMS. ICE facilities are not covered by the Private Prison EO, as ICE is an agency of the DHS, not the DOJ. For the year ended December 31, 2023, USMS and ICE accounted for 21% (\$400.4 million) and 30% (\$565.5 million), respectively, of our total revenue. For the year ended December 31, 2022, USMS and ICE accounted for 22% (\$403.9 million) and 29% (\$527.3 million), respectively, of our total revenue. For the year ended December 31, 2021, USMS and ICE accounted for 23% (\$433.6 million) and 30% (\$552.2 million), respectively, of our total revenue.

Unlike the BOP, the USMS does not own detention capacity and relies on the private sector, along with various government agencies, for its detainee population. We currently have two detention facilities that have direct contracts with the USMS. Because of the lack of alternative bed capacity, one of the contracts was renewed upon its expiration in September 2023, and now expires in September 2028. The second direct contract expires in September 2025. It is too early to predict the outcome of the expiration of the contract scheduled to expire in September 2025, and future developments could occur prior to the scheduled expiration date.

Immigration reform laws are currently a focus for legislators and politicians at the federal, state, and local level. Legislation has been passed in California, Colorado, and New Jersey, where we operate detention facilities, as well as Maryland, Illinois, Oregon and Washington, that prohibits state and local agencies from contracting to detain immigrants in ICE custody. In addition, legislation has been proposed in New Mexico, a state in which we own facilities, that would prohibit state and local agencies from contracting to detain immigrants in ICE custody. While recent court decisions in California and New Jersey have struck down these restrictions as to direct contracts between ICE and private companies, restrictions on state and local agency contracts to detain immigrants in ICE custody generally remain in place in the states where such laws have been passed.

In addition, negative publicity regarding offenders escaping, rioting or any other disturbances at our facilities or any public perception of poor operational performance at our facilities, contract non-compliance, or other conditions (including disease outbreaks at the facilities we own and manage) at a privately managed facility may result in adverse publicity to us and the private corrections industry in general and could negatively impact our growth and our ability to renew or maintain existing contracts or to obtain new contracts, which could have an adverse impact on our business, reputation, financial condition, results of operations or the market price of our common stock.

***We are subject to fluctuations in occupancy levels, and a decrease in occupancy levels could cause a decrease in revenues and profitability.***

While a substantial portion of our cost structure is fixed, a substantial portion of our revenue is generated under facility ownership and management contracts that specify per diem payments based upon daily or minimum guaranteed occupancy levels. We are dependent upon the governmental agencies with which we have contracts to provide offenders for facilities we operate. We cannot control occupancy levels at the facilities we operate. We do not lobby or advocate for any policies that determine the basis for or duration of an individual's incarceration or detention. Under a per diem rate structure, a decrease in our occupancy rates could cause a decrease in revenue and profitability. For the years 2023, 2022, and 2021, the average compensated occupancy of our facilities, based on rated capacity, was 72%, 70%, and 72%, respectively, for all of the facilities we operated, exclusive of facilities that are leased to third-party operators where our revenue is generally not based on daily occupancy. Occupancy rates may, however, decrease below these levels in the future. When combined with relatively fixed costs for operating each facility, a decrease in occupancy levels could have an adverse impact on our profitability.

***We are dependent on government appropriations, and our results of operations may be negatively affected by governmental budgetary challenges or government shutdowns.***

Our cash flow is subject to the receipt of sufficient funding of, and timely payment by, contracting governmental entities. If the appropriate governmental agency does not receive sufficient appropriations to cover its contractual obligations, it may terminate our contract or delay or reduce payment to us. While we have historically been required to continue to perform under our government contracts during government shutdowns, we are generally not paid until the government reopens. Any delays in payment, or the termination of a contract, could have an adverse effect on our results of operations, cash flow and financial condition. In addition, federal, state and local governments are constantly under pressure to control additional spending or reduce current levels of spending. In prior years, these pressures have been compounded by economic downturns. Accordingly, we have been requested and may be requested in the future to reduce our existing per diem contract rates or forego prospective increases to those rates. Further, our government partners could reduce offender population levels in facilities we own or manage to contain their correctional costs. In addition, it may become more difficult to renew our existing contracts on favorable terms or otherwise.

***Efforts to reduce the U.S. federal deficit could adversely affect our liquidity, results of operations and financial condition.***

Any reductions in government spending in an effort to reduce the U.S. federal deficit could result in a reduction in the utilization of our services or additional pricing pressure. Further, there is ongoing uncertainty regarding the federal budget and federal spending levels, including the possible impacts of a failure to increase the “debt ceiling.” Any U.S. government default on its debt could have broad macroeconomic effects that could, among other things, raise our borrowing costs. Any future shutdown of the federal government or failure to enact annual appropriations could also have a material adverse impact on our liquidity, results of operations and financial condition.

***Competition may adversely affect the profitability of our business.***

We compete with government entities and other private operators on the basis of bed availability, cost, quality and range of services offered, experience in designing, constructing, and managing facilities, and reputation of management and personnel. While there are barriers to entering the market for the ownership and management of correctional, detention, and residential reentry facilities, these barriers may not be sufficient to limit additional competition. In addition, our government customers may assume the management of a facility that they own and we currently manage for them upon the termination of the corresponding management contract or, if such customers have capacity at their facilities, may take offenders and residents currently cared for in our facilities and transfer them to government-run facilities. Since we are paid on a per diem basis with no minimum guaranteed occupancy under most of our contracts, the loss of such offenders and residents, and the resulting decrease in occupancy, would cause a decrease in our revenues and profitability.

***We are subject to terminations, non-renewals, or competitive re-bids of our government contracts.***

We typically enter into facility contracts with governmental entities for terms of up to five years, with additional renewal periods at the option of the contracting governmental agency. Notwithstanding any contractual renewal option of a contracting governmental agency, 32 of our facility contracts with the customers listed under "Business – Facility Portfolio" are currently scheduled to expire on or before December 31, 2024 but have renewal options (25), or are currently scheduled to expire on or before December 31, 2024 and have no renewal options (7). Although we generally expect these customers to exercise renewal options or negotiate new contracts with us, one or more of these contracts may not be renewed and we may not be able to negotiate a new contract on favorable terms or at all with the corresponding governmental agency. In addition, these and any other contracting agencies may determine not to exercise renewal options with respect to any of our contracts in the future. Our government partners can also re-bid contracts in a competitive procurement process upon termination or non-renewal of our contract. Competitive re-bids may result from the expiration of the term of a contract, including the initial term and any renewal periods, or the early termination of a contract. Competitive re-bids are often required by applicable federal or state procurement laws periodically in order to further competitive pricing and other terms for the government agency. The aggregate revenue



earned during the year ended December 31, 2023 for the 32 contracts with scheduled maturity dates, notwithstanding contractual renewal options, on or before December 31, 2024 was \$642.9 million, or 34% of total revenue.

As stated above, the Private Prison EO directs the Attorney General to not renew DOJ contracts with privately operated criminal detention facilities. Two agencies of the DOJ, the BOP and the USMS, utilize our services. The BOP houses inmates who have been convicted, and the USMS is generally responsible for detainees who are awaiting trial. The BOP has experienced a steady decline in inmate populations over the last decade, a trend that was accelerated by the COVID-19 pandemic. Our remaining prison contract with the BOP at the 1,978-bed McRae Correctional Facility expired on November 30, 2022 and was not renewed. The Private Prison EO only applies to agencies that are part of the DOJ, which includes the BOP and USMS. ICE facilities are not covered by the Private Prison EO, as ICE is an agency of the DHS, not the DOJ. For the year ended December 31, 2023, USMS and ICE accounted for 21% (\$400.4 million) and 30% (\$565.5 million), respectively, of our total revenue.

Unlike the BOP, the USMS does not own detention capacity and relies on the private sector, along with various government agencies, for its detainee population. We currently have two detention facilities that have direct contracts with the USMS. Because of the lack of alternative bed capacity, one of the contracts was renewed upon its expiration in September 2023, and now expires in September 2028. The second direct contract expires in September 2025. It is too early to predict the outcome of the expiration of the contract scheduled to expire in September 2025, and future developments could occur prior to the scheduled expiration date.

On December 6, 2022, we received notice from the CDCR, of its intent to terminate the lease agreement for our 2,560-bed California City Correctional Center by March 31, 2024, due to the state's declining inmate population. As part of its annual budget process for the fiscal year ending June 30, 2024, the California legislature approved funding for the lease through March 31, 2024. We have engaged with the state of California regarding the continued utilization of our California City facility by the CDCR. However, we can provide no assurance that we will be successful in reaching an agreement for the utilization of the facility beyond March 31, 2024. We are also marketing the facility to other potential customers. Rental revenue generated from the CDCR at the California City facility was \$31.1 million, \$34.0 million, and \$33.3 million for 2023, 2022, and 2021, respectively. Facility net operating income at the facility was \$25.5 million, \$27.9 million and \$27.4 million for 2023, 2022, and 2021, respectively.

Governmental agencies typically may terminate a facility contract at any time without cause or use the possibility of termination to negotiate a lower per diem rate. In the event any of our contracts are terminated or are not renewed on favorable terms or otherwise, we may not be able to obtain additional replacement contracts. The non-renewal, termination, renegotiation or competitive re-bid of any of our contracts with governmental agencies could materially adversely affect our financial condition, results of operations and liquidity, including our ability to secure new facility contracts from others.

Based on information available as of the date of this Annual Report, other than the previously mentioned lease agreement with the CDCR for our California City facility, we believe we will renew all other contracts with our government partners that have expired or are scheduled to expire within the next twelve months that could have a material adverse impact on our financial statements. We believe our renewal rate on existing contracts remains high due to a variety of reasons including, but not limited to, the constrained supply of available beds within the U.S. correctional system, our ownership of the majority of the beds we operate, and the cost effectiveness of the services we provide. However, we can provide no assurance that we will continue to achieve high renewal rates in the future.

***Our ability to secure new contracts to develop and manage correctional, detention, and residential reentry facilities depends on many factors outside our control.***

Our growth is generally dependent upon our ability to obtain new contracts to develop and manage correctional, detention, and residential reentry facilities. This possible growth depends on a number of factors we cannot control, including crime rates and sentencing patterns in various jurisdictions, governmental budgetary constraints, and governmental and public acceptance of the privatization of correctional, detention, and reentry facilities. The demand for our facilities and services could be adversely affected by the relaxation of enforcement efforts, the expansion of alternatives to incarceration and detention, leniency in conviction or parole standards and sentencing practices through the decriminalization of certain activities that are currently proscribed by criminal laws. For instance, any changes with respect to drugs and controlled substances or illegal immigration could affect the number of persons arrested, convicted, and sentenced, thereby potentially reducing demand for correctional or detention facilities to house them. Immigration reform laws are an ongoing focus for legislators and politicians at the federal, state, and local level. Legislation has also been proposed in numerous jurisdictions that could lower minimum sentences for some non-violent crimes and make more inmates eligible for early release based on good behavior. On December 21, 2018, President Trump signed legislation, known as The First Step Act, that reduces sentences for first-time offenders in possession of a gun when committing a crime, eliminates mandating life-time sentences for three-time offenders, provides judges more discretion in crafting sentences for some drug-related offenses, and allows offenders to seek a retroactive reduction in sentences affected by the disparity in the sentences for crack and powder cocaine cases narrowed by the Fair Sentencing Act of 2010. Although, under long-standing policy, CoreCivic does not draft, lobby for, promote, or in any way take a position on policies that determine the basis or duration of an individual's incarceration or detention, CoreCivic supported adoption of The First Step Act because the legislation aligns with our publicly stated commitment to advocate for a range of recidivism-reducing policies by providing additional resources to help ensure that incarcerated individuals are given the best possible chance to successfully return to their communities and stay out of prison. Also, the expansion of alternatives to incarceration and detention, such as electronic monitoring or the use of other technologies, may reduce the number of offenders who would otherwise be incarcerated or detained. Similarly, reductions in crime rates, increases in resources dedicated to preventing crime, reduced funding for law enforcement, or strained law enforcement resources could lead to a reduction in arrests, which could lead to a decrease in convictions and sentences requiring incarceration at correctional facilities.

Moreover, certain jurisdictions may require successful bidders to make a significant capital investment in connection with the financing of a particular project. We may compete for such projects with companies that have more financial resources than we have. Further, we may not be able to obtain capital resources with favorable terms, if at all, when needed. A prolonged downturn in the financial capital markets or in our stock price could make it more difficult to obtain capital resources at favorable rates of return or obtain capital resources at all.

***We may face community opposition to facility location, which may adversely affect our ability to obtain new contracts.***

Our success in obtaining new awards and contracts sometimes depends, in part, upon our ability to locate land that can be leased or acquired, on economically favorable terms, by us or other entities working with us in conjunction with our proposal to construct and/or manage a facility. Some locations may be in or near populous areas and, therefore, may generate legal action or other forms of opposition from residents in areas surrounding a proposed site. When selecting project sites, we attempt to conduct business in communities where local leaders and residents generally support the establishment of a privatized correctional, detention, or residential reentry facility. Even if we identify sites where local leaders and residents generally support the establishment of a correctional, detention, or residential reentry facility, whether to be publicly or privately operated, such endeavors may still face resistance by broader groups to facilities perceived as supporting over-incarceration. Therefore, future efforts to find suitable host communities may not be successful. We may incur substantial costs in evaluating the feasibility of the development of a correctional, detention, or residential reentry facility. As a result, we may report significant charges if we decide to abandon efforts to develop a correctional, detention, or residential reentry facility on a particular site. Further, in many cases, the site selection is made by the contracting governmental entity. In such cases, site selection may be made for reasons related to political and/or economic development interests and may lead to the selection of sites that have less favorable environments.

***We may incur significant start-up and operating costs on new contracts before receiving related revenues, which may impact our cash flows and not be recouped.***

When we are awarded a contract to provide or manage a facility, we may incur significant start-up and operating expenses, including the cost of constructing the facility, purchasing equipment and staffing the facility, before we receive any payments under the contract. We may also experience a disruption in cash flows when transitioning from one contract to another. For example, during 2022, as a result of a new contract award from the state of Arizona for up to 2,706 inmates, we transitioned the population at our 3,060-bed La Palma Correctional Center from ICE detainees to inmates from the state of Arizona, which resulted in the disruption of earnings and cash flows during the transition period. Further, due to higher staffing level requirements under the management contract with Arizona, combined with a challenging labor market, we expect the disruption at this facility will continue until we stabilize the operating expense structure by reducing incremental expenses associated with temporary staffing, which we have recently begun to experience. Disruptions like these could result in a significant reduction in our cash reserves and may make it more difficult for us to meet other cash obligations. In addition, a contract may be terminated prior to its scheduled expiration, and as a result, we may not recover these expenditures or realize any return on our investment.

***Government agencies may investigate and audit our contracts and operational performance, and if any deficiencies or improprieties are found, we may be required to cure those deficiencies or improprieties, refund revenues we have received, or forego anticipated revenues, and we may be subject to penalties and sanctions, including contract termination and prohibitions on our bidding in response to Requests for Proposals.***

Governmental agencies with which we contract have the authority to audit and investigate our contracts with them. As part of that process, government agencies may review our performance of the contract, our pricing practices, our cost structure and our compliance with applicable performance requirements, laws, regulations and standards. The regulatory and contractual environment in which we operate is complex and many aspects of our operations remain subject to manual processes and oversight that make compliance monitoring difficult and resource intensive. A governmental agency audit, review or investigation could result in a request to cure a performance or compliance issue, and if we are unable to, or otherwise fail to do so, the failure could lead to the imposition of monetary penalties or revenue deductions, or the termination of the contract in question and/or other contracts that we have with that governmental agency. Similarly, for contracts that actually or effectively provide for certain reimbursement of expenses, if an agency determines that we have improperly allocated costs to a specific contract, we may not be reimbursed for those expenses, and we could be required to refund the amount of any such expenses that have been reimbursed or pay liquidated damages. If a government audit asserts improper or illegal activities by us, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, suspension of payments, fines and suspension or disqualification from doing business with certain government entities. In addition to the potential civil and criminal penalties and administrative sanctions, any adverse determination with respect to contractual or regulatory violations could negatively impact our reputation and our ability to bid in response to Requests for Proposals, or RFPs, in one or more jurisdictions.

***Failure to comply with facility contracts or with unique and increased governmental regulation could result in material penalties or non-renewal or termination of noncompliant contracts or our other contracts to provide or manage correctional, detention, and residential reentry facilities.***

The industry in which we operate is subject to extensive federal, state, and local regulations, including educational, environmental, health care, data privacy, transportation, telecommunications, and safety regulations, which are administered by many regulatory authorities. Some of the regulations are unique to the corrections industry, some target private, for-profit entities by imposing location requirements, compliance requirements, elevated litigation risk and financial penalties only on private, for-profit correction and detention providers, and some are unique to government contractors. The combination of regulations we face is unique and complex. Facility management contracts typically include reporting requirements, supervision, and on-site monitoring by representatives of the contracting governmental agencies. Corrections and reentry personnel are customarily required to meet certain training standards and, in some instances, facility personnel are required to be licensed and subject to background investigation. Certain jurisdictions also require us to award subcontracts on a competitive basis or to subcontract with certain types of businesses, such as small businesses and businesses owned by members of minority groups. Our facilities are also subject to operational and financial audits by the governmental agencies with which we have contracts. Federal regulations also require federal government contractors like us to self-report evidence of certain forms of misconduct. We may not always successfully comply with these regulations and contract requirements, and failure to comply can result in material penalties, including financial penalties, non-renewal or termination of noncompliant contracts and/or our other facility contracts, exclusion from new contract procurement or RFP bidding, and suspension or debarment from contracting with certain government entities.

In addition, private prison managers are subject to government legislation and regulation attempting to restrict the ability of private prison managers to house certain types of inmates, such as inmates from other jurisdictions or inmates at medium or higher security levels. Legislation has been enacted in several states, and has previously been proposed in the United States Congress, containing such restrictions. Such legislation, if enacted, could have an adverse effect on us.

There also has been increasing focus by U.S. and foreign government authorities on environmental matters, such as climate change, the reduction of greenhouse gases and water consumption. In particular, the State of California recently passed the Climate Corporate Data Accountability Act and the Climate-Related Financial Risk Act that will impose broad climate-related disclosure obligations on certain companies doing business in California, starting in 2026. The SEC has included in its regulatory agenda potential rulemaking on climate change disclosures that, if adopted, could significantly increase compliance burdens, associated regulatory costs, and complexity. New or revised laws and regulations or new interpretations of existing laws and regulations, such as those related to climate change, could affect the operation of our properties or result in significant additional expense and restrictions on our business operations.

Our inmate transportation subsidiary, TransCor, is subject to regulations promulgated by the Departments of Transportation and Justice. TransCor must also comply with the Interstate Transportation of Dangerous Criminals Act of 2000, which covers operational aspects of transporting prisoners, including, but not limited to, background checks and drug testing of employees; employee training; employee hours; staff-to-inmate ratios; prisoner restraints; communication with local law enforcement; and standards to help ensure the safety of prisoners during transport. Any changes in such regulations could result in an increase in the cost of our transportation operations.

From time to time, we enter into agreements with telecommunications providers to provide telephone services to residents in our facilities. Although we are not a telecommunications provider, these services are subject to regulations which may change from time to time. We are subject to the direct and indirect effects of these regulations. Non-compliance with these regulations, either by us or by our telecommunications providers, subjects us to risks which could result in increases to our costs or decreases in our revenue. The impact to our revenue is limited because a significant amount of commissions paid by our telecommunications providers is passed along to our customers or is reserved and must be used for the benefit of offenders in our care.

***The failure to comply with data privacy, security and exchange legal requirements could have a material adverse impact on our business, financial position, results of operations, cash flows and reputation.***

We are subject to complex and evolving U.S. federal and state privacy laws and regulations, which sometimes conflict among the various jurisdictions where we do business. For example, we are subject to HIPAA, which requires us to protect the privacy and security of individually identifiable health information, known as “protected health information” and recognize individual rights related to understanding and controlling how health information is used or disclosed. Various states, including California, Colorado, Virginia and New Jersey, have passed laws pertaining to the processing of personal data that require companies, including us, to provide new disclosures and options to such persons about data collection, use and sharing practices. Some of these laws are already in effect, while others will go into effect during 2024 and 2025. HIPAA and state laws require us to report data breaches to affected individuals, government regulators, and in certain cases involving large breaches, the media. Further, the U.S. federal government and a significant number of additional states are considering expanding or passing privacy laws in the near term. We are also subject to increasing legal requirements with respect to the use of artificial intelligence and machine learning applications and tools (including in relation to hiring and employment practices) and biometric information. These legal requirements are rapidly changing and are subject to uncertain application, interpretation and enforcement standards.

The increasingly complex, restrictive and rapidly evolving regulatory environment at the federal and state level related to data privacy and data protection, including protected health information, may require significant continued effort and cost, changes to our business and data processing practices and impact our ability to obtain and use data. These laws provide for civil penalties for violations, and some confer a private right-of-action to certain individuals for data breaches. Federal and state regulatory bodies, including the Federal Trade Commission and the California Privacy Protection Agency are engaging in enforcement investigations and actions with respect to privacy and data protection. There is no assurance that our security controls, training of employees on data privacy and data security, and policies, procedures and practices will prevent the improper use or disclosure of personal data. Our inability to adapt or comply with such legal requirements, or the improper use or disclosure of personal data in violation of data privacy laws could harm our reputation, cause loss of consumer confidence, subject us to government enforcement actions, or result in private litigation against us, which could result in loss of revenue, increased costs, liability for monetary damages, fines and/or criminal prosecution, all of which could have a material adverse impact on our business, financial position, results of operations and cash flows.

***We depend on a limited number of governmental customers for a significant portion of our revenues.***

We currently derive, and expect to continue to derive, a significant portion of our revenues from a limited number of governmental agencies. The three primary federal governmental agencies with correctional and detention responsibilities, ICE, the USMS, and the BOP accounted for 52% of our total revenues for the year ended December 31, 2023 (\$995.0 million). For the year ended December 31, 2023, ICE, USMS, and the BOP accounted for 30% (\$565.5 million), 21% (\$400.4 million), and 2% (\$29.1 million), respectively, of our total revenue. Although the revenue generated from each of these agencies is derived from numerous management contracts and various types of properties, i.e. correctional, detention, and reentry, the loss or substantial reduction in value of one or more of such contracts could have a material adverse impact on our financial condition, results of operations, and cash flows. We expect to continue to depend upon federal agencies, including ICE and the USMS, and a relatively small group of other governmental customers for a significant percentage of our revenues.

Additionally, the Private Prison EO directs the Attorney General to not renew DOJ contracts with privately operated criminal detention facilities. Two agencies of the DOJ, the BOP and the USMS, utilize our services. The BOP houses inmates who have been convicted, and the USMS is generally responsible for detainees who are awaiting trial. The BOP has experienced a steady decline in inmate populations over the last decade, a trend that was accelerated by the COVID-19 pandemic. Our remaining prison contract with the BOP at the 1,978-bed McRae Correctional Facility expired on November 30, 2022 and was not renewed. The Private Prison EO only applies to agencies that are part of the DOJ, which includes the BOP and USMS. ICE facilities are not covered by the Private Prison EO, as ICE is an agency of the DHS, not the DOJ. For the year ended December 31, 2023, USMS and ICE accounted for 21% (\$400.4 million) and 30% (\$565.5 million), respectively, of our total revenue.

Unlike the BOP, the USMS does not own detention capacity and relies on the private sector, along with various government agencies, for its detainee population. We currently have two detention facilities that have direct contracts with the USMS. Because of the lack of alternative bed capacity, one of the contracts was renewed upon its expiration in September 2023, and now expires in September 2028. The second direct contract expires in September 2025. It is too early to predict the outcome of the expiration of the contract scheduled to expire in September 2025, and future developments could occur prior to the scheduled expiration date.

Revenue from our South Texas Family Residential Center, a facility that we believe is unique in its design and operation, was \$156.6 million in 2023, \$156.5 million in 2022, and \$159.9 million in 2021. The loss or reduction in value of this contract, whether due to change in mission, legal challenges, or change in government policy, could have an adverse impact on our financial condition, results of operations, and cash flows.

***We are dependent upon our senior management and our ability to attract and retain sufficient qualified personnel.***

The success of our business depends in large part on the ability and experience of our senior management. The unexpected loss of any of these persons could materially adversely affect our business and operations.

In addition, the services we provide are labor-intensive. The success of our business, and our ability to satisfy the staffing and operational performance requirements of our contracts, require that we attract, hire, develop and retain sufficient qualified personnel. When we are awarded a facility management contract or open a new facility, we must hire operating management, correctional officers, and other personnel. Our inability to hire sufficient qualified personnel on a timely basis, or experiencing excessive turnover or the loss of significant personnel at existing facilities, could adversely affect our business and operations. Many of our contracts include specific staffing requirements, and our failure to satisfy such requirements may result in the imposition of financial penalties or loss of contract. Staffing challenges have recently been exacerbated by labor shortages in the marketplace.

We have experienced labor shortages and wage pressures in many markets across the country, and have provided customary inflationary wage increases to remain competitive. The challenges of recruiting and retaining staff, including nursing, has been and could continue to be exacerbated by the current labor market. Further, we have incurred incremental expenses to help ensure sufficient staffing levels under unique and challenging working conditions. These incremental investments have enabled us to increase overall staffing levels.

We achieved higher staffing levels during 2023 when compared to 2022 and, correspondingly, we were able to reduce our use of temporary incentives by \$9.8 million as we began to see improvement in our attraction and retention of facility staff in this challenging labor market. We believe these investments in our workforce have positioned us to manage the increased number of residents we have begun to experience now that the remaining occupancy restrictions caused by the COVID-19 pandemic, most notably Title 42, have been removed. We have continued to invest in staffing resources during 2023, which has resulted in additional compensation and incremental expenses, and we expect to continue to invest in staffing resources in future quarters, which may result in additional compensation and incremental expenses. Incremental expenses include, but may not be limited to, incentive payments to our front-line and field staff, temporary employee housing expenses and other travel related reimbursements, additional paid time off, off-cycle wage increases in certain markets to remain competitive, and registry nursing expenses. As the labor market improves and labor shortages and wage pressures are alleviated, which we believe will take some additional time, we expect to further reduce our reliance on these temporary incentives. While we have achieved recent successes, the benefits of our investments in staffing may not be sustained, and labor shortages could intensify again in the future, which could adversely affect our results of operations, financial condition and cash flows.

To the extent federal and state agencies with oversight in areas where we operate review and adopt more permanent measures to address the continuing and future potential threat of airborne infections in work environments, it is possible that compliance with future mandates may impose additional compliance and other costs. The requirements could also result in attrition, including attrition of qualified personnel, and difficulty securing future labor needs, which could materially and adversely affect our results of operations, financial condition and cash flows.

***We are subject to various types of litigation.***

*Legal proceedings related to, and adverse developments in our relationship with, our employees could adversely affect our business, financial condition or results of operations.* We and our subsidiaries are party to a variety of claims and legal proceedings in the ordinary course of business, including but not limited to claims and legal proceedings related to employment matters. Because the resolution of claims and legal proceedings is inherently uncertain, there can be no assurance we will be successful in defending against such claims or legal proceedings, or that management's assessment of the materiality of these matters, including the reserves taken in connection therewith, will be consistent with the ultimate outcome of such claims or legal proceedings. In the event management's assessment of materiality of current claims and legal proceedings proves inaccurate or litigation that is material arises in the future, the resolution of such matters may have an adverse impact on our business, financial condition or results of operations.

As of December 31, 2023, we employed 11,694 full- and part-time employees, including employees with our transportation and electronic monitoring subsidiaries, TransCor and Recovery Monitoring Solutions Corporation, respectively. Approximately 1,860 of our employees at 12 of our facilities, or approximately 15.9% of our workforce, are represented by labor unions. All of our collective bargaining agreements contain no-strike clauses that bind the unions and the bargaining unit employees. Work stoppages at any of our facilities are exceedingly rare. In the opinion of management, overall employee relations are good. New executive orders, administrative rules and changes in National Labor Relations could increase organizing activity at locations where employees are currently not represented by a labor organization. Increases in organizational activity or any future work stoppages could have an adverse impact on our business, financial condition, or results of operations.

*We are subject to legal proceedings associated with owning and managing correctional, detention, and residential reentry facilities.* Our ownership and management of correctional, detention, and residential reentry facilities, and the provision of inmate transportation services by a subsidiary, expose us to potential third-party claims or litigation by prisoners or other persons relating to personal injury, illness, or other damages resulting from contact with a facility, its managers, personnel or other prisoners, including damages arising from a prisoner's escape from, or a disturbance or riot at, a facility we own or manage, from the misconduct of our employees, or the failure to prevent or detect the introduction of contraband and prohibited substances. To the extent the events serving as a basis for any potential claims are alleged or determined to constitute illegal or criminal activity, we could also be subject to criminal liability. Such liability could result in significant monetary fines and could affect our ability to bid on future contracts and retain our existing contracts. In addition, as an owner of real property, we may be subject to a variety of proceedings relating to personal injuries of persons at such facilities. The claims against our facilities may be significant and may not be covered by insurance. Even in cases covered by insurance, our deductible (or self-insured retention) may be significant.

***We are subject to necessary insurance costs.***

Workers' compensation, auto liability, employee health, and general liability insurance represent significant costs to us. Because we are significantly self-insured for workers' compensation, auto liability, employee health, and general liability risks, the amount of our insurance expense is dependent on claims experience, our ability to control our claims experience, and in the case of workers' compensation and employee health, rising health care costs in general. Unanticipated additional insurance costs could adversely impact our results of operations and cash flows, and the failure to obtain or maintain any necessary insurance coverage could have an adverse impact on us.

***We may be adversely affected by inflation.***

Many of our facility contracts provide for fixed fees or fees that increase by only small amounts during their terms. If, due to inflation or other causes, our operating expenses, such as wages and salaries of our employees, insurance, medical, and food costs, increase at rates faster than increases, if any, in our revenues, then our profitability would be adversely affected. We have experienced increases in personnel costs and expect the labor market to remain challenging, which could have a material adverse effect on our operations. See "*Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations and Management's Discussion and Analysis of Financial Condition and Results of Operations – Inflation.*"

***We depend in part on the performance and capabilities of third parties with whom we have commercial relationships.***

We maintain business relationships with key partners, suppliers, channel partners and other parties that have complementary products, services or skills. We depend, in part, on the performance and capabilities of these third parties and on the financial condition of, and our relationship with, distributors and other indirect channel partners, which can affect our capacity to effectively and efficiently serve current and potential government partners. We depend on these third parties and suppliers to also protect themselves from the risks of cybersecurity to ensure timely delivery of products and services we procure. Additionally, cost inflation and supply chain disruptions may lead to higher labor and other costs, as well as an inability to procure products needed to deliver the services we provide, which could adversely affect our results of operations.

***Technological changes or negative changes in the level of acceptance of, or resistance to, the use of electronic monitoring products could cause our electronic monitoring products and other technology to become obsolete or require the redesign of our electronic monitoring products, which could have an adverse effect on our business.***

Technological changes within our electronic monitoring business may require us to expend resources in an effort to acquire, maintain and/or utilize new electronic monitoring products and technology. We may not be able to anticipate or respond to technological changes in a timely manner, and our response may not result in successful electronic monitoring product offerings. If we are unable to anticipate or timely respond to technological changes, our business could be adversely affected. Further, our business could be adversely affected if the level of acceptance of or resistance to the use of electronic monitoring products and services by governmental customers were to change over time in a negative manner so that governmental customers decide to decrease their usage levels and contracting for electronic monitoring products and services.

***We depend on a limited number of third parties to manufacture and supply our electronic monitoring products. If our suppliers cannot provide the products or services we require in a timely manner and with such quality as we expect, our ability to market and sell our electronic monitoring products and services could be harmed.***

If our suppliers fail to supply, in a timely manner, electronic monitoring products that meet our quantity, quality, cost requirements, or technical specifications, we may not be able to access alternative sources of these products within a reasonable period of time or at commercially reasonable rates. A reduction or interruption in the supply of such products, or a significant increase in the price of such products, including as a result of supply chain delays, could have an adverse impact on our marketing and sales initiatives, which could adversely affect our financial condition and results of operations. In addition, contracts with such suppliers may not continue to be available on acceptable terms or at all.

***We may be subject to costly product liability claims from the use of our electronic monitoring products, which could damage our reputation, impair the marketability of our products and services and force us to pay costs and damages that may not be covered by adequate insurance.***

The operation of our electronic monitoring products and services entails a risk of product liability. We could be subject to product liability claims to the extent these electronic monitoring products fail to perform as intended. Even unsuccessful claims against us could result in the expenditure of funds in litigation, the diversion of management time and resources, damage to our reputation and impairment of the marketability of our electronic monitoring products and services. While we maintain liability insurance, it is possible that a successful claim could be made against us, that the amount of our insurance coverage would not be adequate to cover the costs of defending against or paying such a claim, and that damages payable by us would harm our business.

***We are subject to risks associated with ownership of real estate.***

Our ownership of correctional, detention, and residential reentry facilities subjects us to risks typically associated with investments in real estate. Investments in real estate and, in particular, correctional and detention facilities have limited or no alternative use and thus are relatively illiquid. Therefore, our ability to divest ourselves of one or more of our facilities promptly in response to changing conditions is limited. Investments in real estate properties subject us to risks involving potential exposure to environmental liability and uninsured loss. Our operating costs may be affected



by the obligation to pay for the cost of complying with existing environmental laws, ordinances and regulations, as well as the cost of complying with future legislation. In addition, although we maintain insurance for many types of losses, there are certain types of losses, such as losses from earthquakes and acts of terrorism, which may be either uninsurable or for which it may not be economically feasible to obtain insurance coverage in light of the substantial costs associated with such insurance. As a result, we could lose both our capital invested in, and anticipated profits from, one or more of the properties we own. Further, it is possible to experience losses that may exceed the limits of insurance coverage.

The primary risk we face for asset impairment charges is associated with real estate that we own. As of December 31, 2023, we had \$2.1 billion in property and equipment, including \$253.2 million in long-lived assets at eight idled CoreCivic Safety facilities, two idled CoreCivic Community facilities, and one idled CoreCivic Properties correctional facility. We can provide no assurance that we will be able to secure agreements to utilize our idle properties, or that we will not incur impairment charges in the future.

*Certain of our facilities are subject to options to purchase and reversions.* Nine of our facilities are subject to an option to purchase by certain governmental agencies. Such options are exercisable by the corresponding contracting governmental entity generally at any time during the term of the respective facility contract. Certain of these purchase options are based on the depreciated book value of the facility, which essentially could result in the transfer of ownership of the facility to the governmental agency at the end of the life used for accounting purposes, while other options to purchase are exercisable at prices below fair market value. See "Business – Facility Portfolio." If any of these options are exercised, there exists the risk that we will be unable to invest the proceeds from the sale of the facility in one or more properties that yield as much cash flow as the property acquired by the government entity. In addition, in the event any of these options is exercised, there exists the risk that the contracting governmental agency will terminate the management contract associated with such facility. For the year ended December 31, 2023, the nine facilities currently subject to these options generated \$304.2 million in revenue (16.0% of total revenue) and incurred \$260.6 million in operating expenses.

*Risks related to facility construction and development activities may increase our costs related to such activities.* When we are engaged to perform construction and design services for a facility, we typically act as the primary contractor and subcontract with other companies that act as the general contractors. As primary contractor, we are subject to the various risks associated with construction (including, without limitation, shortages of labor and materials, work stoppages, labor disputes, and weather interference which could cause construction delays). In addition, we are subject to the risk that the general contractor will be unable to complete construction at the budgeted costs or be unable to fund any excess construction costs, even though we require general contractors to post construction bonds and insurance. Under such contracts, we are ultimately liable for all late delivery penalties and cost overruns.

***We may be adversely affected by an increase in costs or difficulty of obtaining adequate levels of surety credit on favorable terms.***

We are often required to post bid or performance bonds issued by a surety company as a condition to bidding on or being awarded a contract. Availability and pricing of these surety commitments are subject to general market and industry conditions, among other factors. Increases in surety costs could adversely affect our operating results if we are unable to effectively pass along such increases to our customers. We cannot assure you that we will have continued access to surety credit or that we will be able to secure bonds economically, without additional collateral, or at the levels required for any potential facility development or contract bids. If we are unable to obtain adequate levels of surety credit on favorable terms, we would have to rely upon letters of credit under our Revolving Credit Facility, which could entail higher costs if such borrowing capacity was even available when desired, and our ability to bid for or obtain new contracts could be impaired.

***Interruption, delay or failure of the provision of our technology services or information systems, or the compromise of the security thereof, could adversely affect our business, financial condition or results of operations.***

Components of our business depend significantly on effective information systems and technologies, some of which are provided and/or maintained by third parties. As with all companies that utilize information systems, we are vulnerable to negative impacts to our business if the operation of those systems malfunctions or experiences errors, interruptions or delays, or certain information contained therein is compromised. As a matter of course, we may store or process the personal information of offenders, employees and other persons as required to provide our services and such personal information or other data may be hosted or exchanged with our government partners and other third-party providers. While we employ industry standard administrative, technical and physical safeguards designed to protect the confidentiality, integrity, availability and security of personal data we collect or process, despite the security measures we have in place, and any additional measures we may implement in the future, our facilities and systems, and those of our vendors, government partners, and third-party service providers, could be vulnerable to service interruptions, outages, cyberattacks and security breaches and incidents, human error, earthquakes, hurricanes, floods, pandemics, fires, other natural disasters, power losses, disruptions in telecommunications services, fraud, military or wars and other geopolitical conflicts (including between Ukraine and Russia and Israel and Hamas), terrorist attacks and other geopolitical unrest, changes in social, political, or regulatory conditions or in laws and policies, or other changes or events.

The current cybersecurity threat environment presents increased risk for all companies, including companies in our industry. We, our employees, government partners, and third parties are regularly the target of cyberattacks and other attempts to breach, or gain unauthorized access to, our information systems and databases. Moreover, given the current cybersecurity threat environment, we expect the volume and intensity of cyberattacks and attempted intrusions to continue to increase in the future. Cybersecurity threats and techniques used in cyberattacks are pervasive, sophisticated and difficult to prevent, including, computer viruses, malicious or destructive code (such as ransomware), social engineering (including phishing, vishing and smishing), denial of service or information or security breach tactics that could result in disruptions to our business and operations, unauthorized disclosure, release, gathering, monitoring, misuse, loss or destruction or theft of confidential, proprietary or other information, including intellectual property of ours, our employees or of third parties. Cyberattacks are carried out on a worldwide scale and by a growing number of cyber actors, including organized crime groups, hackers, terrorist organizations, extremist parties, hostile foreign governments, state-sponsored actors, activists, disgruntled employees and other third parties. For example, several well-known companies have recently disclosed high-profile security breaches involving sophisticated and highly targeted attacks on their company's infrastructure or their customers' data, which were not recognized or detected until after such companies had been affected notwithstanding the preventive measures they had in place. In addition, since Russia's invasion of Ukraine and the recent Israel and Hamas conflict, many companies have experienced heightened cybersecurity risks. Cybersecurity threats and the techniques used in cyberattacks change, develop and evolve rapidly, including from emerging technologies, such as advanced forms of artificial intelligence, machine learning and quantum computing. Further, the information systems of third parties upon which we rely in connection with our business, such as vendors, suppliers, government partners, and other third-party service providers, could be comprised in a manner that adversely affects us and our information systems. Additionally, the failure of our employees to exercise sound judgment and vigilance when targeted by social engineering or other cyberattacks may increase our vulnerability.

There is no assurance that the security measures we take to reduce the risk of such incidents and protect our systems will be sufficient. Any cyberattack, data breach, security breach, or other security incident resulting in the interruption, delay, compromise or failure of our services or information systems, or the misappropriation, loss, or other unauthorized disclosure of personal data or confidential information, including confidential information about our employees, or other proprietary information, including intellectual property, whether by us directly, our vendors, our employees, our government partners, those entrusted to our care, or our third-party service providers, could damage our reputation, expose us to the risks of litigation and liability, result in significant monetary penalties and/or regulatory actions for violation of applicable laws or regulations, disrupt our business and result in significant costs for investigation and notification regarding the incident and remedial measures to prevent future occurrences and mitigate past violations, result in lost business, or otherwise adversely affect our results of operations. Moreover, any significant cybersecurity incident could require us to devote significant management time and resources to address such incident, interfere with our pursuit of other important business strategies and initiatives, and cause us to incur additional expenditures, which could be material. There is no assurance that any remedial actions will meaningfully limit the success of future attempts to breach our information systems, particularly because malicious actors are increasingly sophisticated and utilize tools and techniques specifically designed to circumvent security measures, avoid detection and obfuscate forensic evidence, which means we may be unable to identify, investigate or remediate effectively or in a timely manner. Although we maintain cybersecurity insurance covering certain security and privacy damages and claim expenses, we may not carry insurance or maintain coverage sufficient to compensate for all liability and in any event, insurance coverage would not address the reputational damage that could result from a security incident.

***We are subject to risks related to corporate social responsibility.***

The growing integration of ESG factors in making investment decisions is relatively new; frameworks and methods used by investors for assessing ESG policies are not fully developed and vary considerably among the investment community; and investor, societal and political sentiments on ESG, both as to particular ESG factors and as to its general relevance to investors and their decisions, continue to evolve. Further, pending rules proposed by the SEC and the Federal Acquisition Regulatory Council may require new environmental and climate risk disclosures which may introduce additional regulatory obligations and legal and reputational risk. Additionally, the State of California recently passed the Climate Corporate Data Accountability Act and the Climate-Related Financial Risk Act that will impose broad climate-related disclosure obligations on certain companies doing business in California, starting in 2026. During 2023, we issued our fifth ESG report, which broadly describes how we attempt to deliver on our service commitment to our government and other third-party partners and manage our operations responsibly and ethically. The policies and practices we summarize in our ESG reporting, whether they relate to the standards we set for ourselves or ESG criteria established by third parties, and whether or not we meet such standards, may influence our reputation. For example, the perception held by the general public, our governmental partners, vendors, suppliers, other stakeholders, or the communities in which we do business may depend, in part, on the standards we have chosen to aspire to meet, whether or not we meet these standards on a timely basis or at all, and whether or not we meet external ESG factors they deem relevant. Nonetheless, the subjective and evolving nature and wide variety of methods and processes used by various stakeholders, including investors, to assess a company with respect to ESG criteria can result in the perception of negative ESG factors or a misrepresentation of our ESG policies and practices. Our failure, or perceived failure, to meet expectations on ESG reporting, achieve meaningful progress on ESG-related policies and practices, address stakeholder expectations or meet ESG criteria set by third parties on a timely basis, or at all, could adversely affect our business, results of operations, financial condition and cash flows.

By electing to publicly share ESG-related information and our approach to ESG standards, our business may also face increased scrutiny related to ESG activities. As a result, our reputation could be harmed if we fail to meet goals we share, report accurate data or act in a manner deemed appropriate or responsible in light of shifting social and political standards and perspectives in the areas in which we report, such as safety and security, human rights, diversity, quality assurance, community engagement, and environmental sustainability. Any harm to our reputation resulting from sharing information, setting goals, attempting to meet external standards set by third-parties or our failure or perceived failure to meet such standards or act in a manner that meets evolving societal and political perspectives could impact, among other things: employee retention; the willingness of our governmental partners, vendors and suppliers to do business with us; investors willingness or ability to purchase or hold our securities; or our ability to access capital, any of which could adversely affect our business, results of operations, financial condition and cash flows. Our ESG report is not incorporated by reference into and does not form any part of this Annual Report.

***As an owner and operator of correctional, detention, and residential reentry facilities, we are subject to risks relating to acts of God, outbreaks of epidemic or pandemic disease, global climate change, terrorist activity and war.***

We may encounter staffing constraints as well as costs and expenses associated with owning and/or operating our correctional, detention, and residential reentry facilities as a result of acts of God, outbreaks of epidemic or pandemic disease, global climate change (including the potential for increased inclement weather and natural disasters), wars and other geopolitical conflicts (including between Ukraine and Russia and Israel and Hamas) and the potential for war, terrorist activity (including threats of terrorist activity), political unrest, geopolitical uncertainty and other forms of civil strife, in or around locations where we own and/or operate significant properties. These events could have an adverse impact on our business, financial condition, results of operations or the market price of our common stock.

### **Risks Related to Our Indebtedness**

***Our indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under our debt securities.***

We have a significant amount of indebtedness. As of December 31, 2023, we had total indebtedness of \$1,106.7 million. Our indebtedness could have important consequences. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, dividends, stock repurchases and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restrict us from pursuing strategic acquisitions or certain other business opportunities;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds or refinance existing indebtedness on favorable terms, or at all.

If we are unable to meet our debt service obligations, we may need to suspend our share repurchase program, reduce capital expenditures, restructure or refinance our indebtedness, obtain additional equity financing or sell assets. We may be unable to restructure or refinance our indebtedness, obtain additional equity financing or sell assets on satisfactory terms or at all.

***The New Bank Credit Facility, indentures related to our senior notes, and other debt instruments have restrictive covenants that could limit our financial flexibility.***

The indentures related to our 8.25% senior notes due 2026, and 4.75% senior notes due 2027, collectively referred to herein as our senior notes, and the credit agreement related to our New Bank Credit Facility contain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Our New Bank Credit Facility requires us to comply with certain financial covenants, including leverage and fixed charge coverage ratios. The New Bank Credit Facility includes other restrictions that, among other things, limit our ability to incur indebtedness; grant liens; engage in mergers, consolidations and liquidations; make asset dispositions, make restricted payments and investments; issue disqualified stock; enter into transactions with affiliates; and amend, modify or prepay certain indebtedness. The indentures related to our senior notes contain limitations on our ability to effect mergers and change of control events, as well as other limitations on our ability to create liens on our assets. The indenture related to our 8.25% senior notes due 2026 additionally limits our ability to incur indebtedness, make restricted payments and investments and prepay certain indebtedness.

Our failure to comply with these covenants could result in an event of default that, if not cured or waived, could result in the acceleration of all or a substantial portion of our debt. We do not have sufficient working capital to satisfy our debt obligations in the event of an acceleration of all or a significant portion of our outstanding indebtedness.

***Our indebtedness is secured by a substantial portion of our assets.***

Our New Bank Credit Facility is secured by a pledge of all of the capital stock (or other ownership interests) of our domestic restricted subsidiaries, 65% of the capital stock (or other ownership interests) of our "first-tier" foreign subsidiaries, all of our accounts receivable and those of our domestic restricted subsidiaries, and substantially all of our deposit accounts and those of our domestic restricted subsidiaries. In the event that (a) the consolidated total leverage equals or exceeds 4.25 to 1.00 or (b) we incur certain debt above a specified threshold, certain intangible assets and unencumbered real estate assets that meet a 50% loan-to-value requirement are required to be added as collateral. Subject to compliance with the restrictive covenants under our existing indebtedness, we may incur additional indebtedness secured by existing or future assets of ours or our subsidiaries. In the event of a default under our New Bank Credit Facility or any other secured indebtedness, or if we experience insolvency, liquidation, dissolution or reorganization, the holders of our secured debt would be entitled to payment from their collateral security, and after that the holders of our unsecured debt (including the holders of any deficiency remaining after application of collateral to secured debt) would be entitled to payment from our remaining assets. In such an event, there can be no assurance that we would have sufficient assets to pay amounts due to holders of our unsecured debt, and unsecured debtholders may receive less than the full amount to which they are entitled.

***Servicing our indebtedness will require a significant amount of cash or may require us to refinance our indebtedness before it matures. Our ability to generate cash depends on many factors beyond our control and there is no assurance that we will be able to refinance our debt on acceptable terms, or at all.***

Currently, our Term Loan and Revolving Credit Facility both mature in October 2028. We also have outstanding \$593.1 million in aggregate principal amount of our 8.25% senior notes due 2026, and \$243.1 million in aggregate principal amount of our 4.75% senior notes due 2027. In addition, we have \$145.5 million outstanding under a non-recourse mortgage note with an interest rate of 4.43% maturing in 2040. Our ability to make payments on our indebtedness, to refinance our indebtedness, and to fund planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control.

The risk exists that our business will be unable to generate sufficient cash flow from operations or that future borrowings will not be available to us in an amount sufficient to enable us to pay our indebtedness, including our existing senior notes, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness, including our senior notes, on or before maturity. Our ability to refinance all or a portion of our indebtedness on acceptable terms, or at all, will be dependent upon a number of factors, including our degree of leverage, the amount of our cash flows, the value of our assets, borrowing and other financial restrictions imposed by lenders, and conditions in the credit markets at the time we refinance. If we are unable to refinance our indebtedness on acceptable terms, we may be forced to agree to otherwise unfavorable financing terms or to sell one or more properties at unattractive prices or on disadvantageous terms. Any one of these options could have a material adverse effect on our business, financial condition, results of operations and our cash flows.

***We are required to repurchase all or a portion of our senior notes upon a change of control, and the debt under our New Bank Credit Facility is subject to acceleration upon a change of control.***

Upon certain change of control events, as that term is defined in the indentures for our senior notes, including a change of control caused by an unsolicited third party, we are required to make an offer in cash to repurchase all or any part of each holder's notes at a repurchase price equal to 101% of the principal thereof, plus accrued interest. The source of funds for any such repurchase would be our available cash or cash generated from operations or other sources, including borrowings, sales of equity or funds provided by a new controlling person or entity. Sufficient funds may not be available to us, however, at the time of any change of control event to repurchase all or a portion of the tendered notes pursuant to this requirement. Our failure to offer to repurchase notes, or to repurchase notes tendered, following a change of control will result in a default under the respective indentures, which could lead to a cross-default under our New Bank Credit Facility and under the terms of our other indebtedness. A change in control (as described in our New Bank Credit Facility), is also a default under our New Bank Credit Facility, entitling the lenders to refuse to make further extensions of credit thereunder and to accelerate the maturity of the debt outstanding under the New Bank Credit Facility. Prior to repurchasing the notes upon a change of control event, we must either repay outstanding indebtedness under our New Bank Credit Facility or obtain the consent of the lenders under our New Bank Credit Facility. If we do not obtain the required consents or repay our outstanding indebtedness under our New Bank Credit Facility, we would effectively be prevented from offering to repurchase the notes, which would cause a default under the indentures governing the notes.

***Despite current indebtedness levels, we may still incur more debt.***

The terms of the indentures for our senior notes and our New Bank Credit Facility restrict our ability to incur indebtedness; however, we may nevertheless incur additional indebtedness in the future, and in the future, we may refinance all or a portion of our indebtedness, including our New Bank Credit Facility indebtedness, and may incur additional indebtedness as a result so long as we comply with the limitations in our senior notes and New Bank Credit Facility while they are in effect. As of December 31, 2023, we had \$257.1 million of additional borrowing capacity available under our Revolving Credit Facility. The New Bank Credit Facility includes an option to increase the availability under the Revolving Credit Facility and to request term loans from the lenders in an aggregate amount not to exceed the greater of (a) \$200.0 million and (b) 50% of consolidated EBITDA for the most recently ended four-quarter period, subject to, among other things, the receipt of commitments for the increased amount. In addition, so long as we comply with the limitations in our senior notes and New Bank Credit Facility while they are in effect, we may incur additional debt from time to time when we determine that market conditions and the opportunity to utilize the proceeds therefrom are favorable. If new debt is added to our and our subsidiaries' current debt levels, the related risks that we and they now face could intensify.

***Our access to capital may be affected by general macroeconomic conditions.***

Credit markets may tighten significantly for various reasons that may or may not result from company-specific activities such that our ability to obtain new capital could be more challenging and more expensive. Further, we can provide no assurance that the banks that have made commitments under our New Bank Credit Facility will continue to operate as going concerns in the future or will agree to extend commitments beyond the maturity date. If any of the banks in the lending group were to fail, or fail to renew their commitments, it is possible that the capacity under our New Bank Credit Facility would be reduced. In the event that the availability under our New Bank Credit Facility was reduced significantly, we could be required to obtain capital from alternate sources in order to continue with our business and capital strategies. Our options for addressing such capital constraints would include, but not be limited to (i) delaying certain capital expenditure projects, (ii) obtaining commitments from the remaining banks in the lending group or from new banks to fund increased or new amounts under the terms of our New Bank Credit Facility, (iii) accessing the public capital markets, or (iv) retaining more of our cash flow. Such alternatives could be on terms less favorable than under existing terms, which could have a material effect on our consolidated financial position, results of operations, or cash flows.

***Increasing activist resistance to the use of public-private partnerships for correctional, detention, and residential reentry facilities could impact our ability to obtain financing to grow our business or to refinance existing indebtedness, which could have a material adverse effect on our business, financial condition and results of operations.***

Our company does not, under longstanding policy, lobby for or against policies or legislation that would determine the basis for, or duration of, an individual's incarceration or detention. This strict policy also applies to external government relations professionals working on our behalf at all levels of government. Nonetheless, contracting for correctional, detention, and residential reentry facilities and related services has not achieved complete acceptance by certain governments or the public at large. The operation of correctional, detention, and residential reentry facilities by private entities has encountered resistance from certain groups, such as immigration advocates, labor unions, prison reform organizations and other special interest groups that believe correctional, detention, and residential reentry facilities should only be operated by governmental agencies, or that alternatives to immigrant detention should be utilized to enforce the nation's border policies. Further, opposition to immigration, detention and incarceration policies and the association of private companies with the enforcement of such policies have caused some financial institutions to decline to provide capital, credit or financial services to private entities that own or operate correctional and detention facilities, including CoreCivic, or to otherwise participate in the provision of capital, credit or financial services in connection with the development of correctional and detention facilities that are associated with private companies. Moreover, proposed and future legislation could restrict financial institutions from providing capital, credit or financial services to private entities that own or operate correctional and detention facilities, including CoreCivic. For example, the New York State Legislature is considering a bill that would prohibit New York state chartered banks from investing in and providing financing for privately operated secured facilities. If this legislation becomes law, certain financial institutions may be prohibited from providing us with capital, credit or financial services. While we believe we will continue to have access to capital, restrictions on our access to capital, or increases in the cost of capital, could have a material adverse effect on our business, financial condition and results of operations.

***Rising interest rates increase the cost of our variable rate debt.***

We have incurred and expect in the future to incur indebtedness that bears interest at variable rates, including indebtedness under our New Bank Credit Facility. Accordingly, rising interest rates increase our interest costs, which could have an adverse impact on us and our ability to pay down our debt, return capital to our stockholders and pay maturing debt or cause us to be in default under certain debt instruments.

#### **Risks Related to our Corporate Tax Structure**

***If we failed to remain qualified as a REIT for those years we elected REIT status, we would be subject to corporate income taxes and would not be able to deduct distributions to stockholders when computing our taxable income for those years.***

We operated in a manner that was intended to allow us to qualify as a REIT for federal income tax purposes during those years we elected REIT status, 2013 through 2020. However, we cannot assure you that we qualified as a REIT during those years. Qualification as a REIT required us to satisfy numerous requirements established under highly technical and complex sections of the Internal Revenue Code of 1986, as amended, or the Code, which may change from time to time and for which there are only limited judicial and administrative interpretations. Satisfaction of these requirements depended on the determination of various factual matters and circumstances not entirely within our control. For example, in order to qualify as a REIT, the REIT must derive at least 95% of its gross income in any year from qualifying sources. In addition, a REIT is required to distribute annually to its stockholders at least 90% of its REIT taxable income (determined without regard to the dividends paid deduction and by excluding capital gains) and must satisfy specified asset tests on a quarterly basis. These REIT provisions of the Code are complex and are not always subject to clear interpretation.

If we failed to qualify as a REIT in any taxable year we elected REIT status, we would be subject to federal income tax (including any applicable alternative minimum tax for years before 2018 and after 2022) on our taxable income computed in the usual manner for corporate taxpayers and without any deduction for distributions to our stockholders. Any such corporate income tax liability could be substantial and would reduce the amount of cash available for other purposes, because, unless we would be entitled to relief under certain statutory provisions, we would be taxable as a C Corporation, beginning in the year in which the failure occurred and for each year thereafter, and we would not be allowed to re-elect to be taxed as a REIT for the following four years. In addition, it is possible that we would need to borrow additional funds or issue additional securities to pay any such additional tax liability.

***Even if we remained qualified as a REIT for those years we elected REIT status, we may owe taxes under certain circumstances.***

Even if we qualify as a REIT for those years we elected REIT status, we will be subject to certain U.S. federal, state and local taxes on our income and property, including on taxable income that we did not distribute to our stockholders, and on net income from certain "prohibited transactions". In addition, the REIT provisions of the Code are complex and are not always subject to clear interpretation. For example, a REIT must derive at least 95% of its gross income in any year from qualifying sources, including rents from real property. Rents from real property include amounts received for the use of limited amounts of personal property and for certain services. Whether amounts constitute rents from real property or other qualifying income may not be entirely clear in all cases. We may fail to qualify as a REIT for those years we elected REIT status if we exceed the permissible amounts of non-qualifying income unless such failures qualify for relief under certain statutory relief provisions. Even if we qualify for statutory relief, we may be required to pay an excise or penalty tax (which could be significant in amount) in order to utilize one or more such relief provisions under the Code to maintain our qualification as a REIT for those years we elected REIT status. Furthermore, we conducted substantial activities through TRSs, and the income of those subsidiaries is subject to U.S. federal income tax at regular corporate rates.

*Performing services through our TRSs during those years we elected REIT status may increase our overall tax liability or subject us to certain excise taxes.* During those years we elected REIT status, we conducted significant business activities through our TRSs. A TRS may hold assets and earn income, including income earned from the performance of correctional services, that would not be qualifying assets or income if held or earned directly by a REIT. During those years we elected REIT status, we conducted a significant portion of our business activities through our TRSs. The TRS rules impose a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis. We believe our arrangements with our TRSs were on arm's-length terms. If it is determined that our arrangements with our TRSs were not on an arm's-length terms, we would be subject to the 100% excise tax.

*The value of the securities we owned in our TRSs during those years we elected REIT status was limited under the REIT asset tests.* Under the Code, we would fail to qualify as a REIT if more than 20% of the value of our gross assets were represented by securities of one or more TRSs. While we monitored the value of the securities of our TRSs, there can be no assurance that we were able to comply with this limitation. If it is determined that we were unable to comply with this limitation, we would fail to qualify as a REIT for those years we elected REIT status beginning in the year in which we did not comply with this limitation.

*The tax imposed on REITs engaging in "prohibited transactions" limited our ability to engage in transactions during those years we elected REIT status which would be treated as sales for federal income tax purposes.* A REIT's net income from prohibited transactions is subject to a 100% penalty tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. Although we do not believe that we held any properties that would be characterized as held for sale to customers in the ordinary course of our business during those years we elected REIT status, we would be subject to such 100% excise tax if the Internal Revenue Service, or IRS, were to successfully challenge our characterization of our properties or the availability of certain safe harbors.



## **General Risk Factors**

***The market price of our equity securities may vary substantially, which may limit our stockholders' ability to liquidate their investment.***

Factors that could affect the market price of our equity securities include, but are not limited to, the following:

- actual or anticipated variations in our quarterly results of operations;
- changes in market valuations of companies in the corrections, detention, or residential reentry industries;
- changes in expectations of future financial performance or changes in estimates of securities analysts;
- changes in government policy, legislation and regulations that affect utilization of the private sector for corrections, detention, and residential reentry services including, but not limited to, government funding proposals;
- fluctuations in stock market prices and volumes;
- issuances and re-purchases of common shares or other securities in the future; and
- announcements by us or our competitors of acquisitions, investments or strategic actions.

***The number of shares of our common stock available for future sale could adversely affect the market price of our common stock.***

We cannot predict the effect, if any, of future sales of common stock, or the availability of common stock for future sale, on the market price of our common stock. Sales of substantial amounts of common stock, including stock issued under equity compensation plans, or the perception that these sales could occur, may adversely affect prevailing market prices for our common stock.

***Future offerings of debt or equity securities ranking senior to our common stock or incurrence of debt (including under our New Bank Credit Facility) may adversely affect the market price of our common stock.***

If we decide to issue debt or equity securities in the future ranking senior to our common stock or otherwise incur indebtedness (including under our New Bank Credit Facility), it is possible that these securities or indebtedness will be governed by an indenture or other instrument containing covenants restricting our operating flexibility and limiting our ability to return capital to our stockholders. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges, including with respect to distributions, more favorable than those of our common stock and may result in dilution to owners of our common stock. Because our decision to issue debt or equity securities in any future offering or otherwise incur indebtedness will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings or financings, any of which could reduce the market price of our common stock and dilute the value of our common stock.

***Our issuance of preferred stock could adversely affect holders of our common stock and discourage a takeover.***

Our Board of Directors has the authority to issue up to 50.0 million shares of preferred stock without any action on the part of our stockholders. Our Board of Directors also has the authority, without stockholder approval, to set the terms of any new series of preferred stock that may be issued, including voting rights, dividend rights, liquidation rights and other preferences superior to our common stock. In the event that we issue shares of preferred stock in the future that have preferences superior to our common stock, the rights of the holders of our common stock or the market price of our common stock could be adversely affected. In addition, the ability of our Board of Directors to issue shares of preferred stock without any action on the part of our stockholders may impede a takeover of us and discourage or prevent a transaction that may be favorable to our stockholders.

***Our charter and bylaws and Maryland law could make it difficult for a third party to acquire our company.***

The Maryland General Corporation Law and our charter and bylaws contain provisions that could delay, deter, or prevent a change in control of our company or our management. These provisions could also discourage proxy contests and make it more difficult for our stockholders to elect directors and take other corporate actions. These provisions:

- authorize us to issue "blank check" preferred stock, which is preferred stock that can be created and issued by our Board of Directors, without stockholder approval, with rights senior to those of common stock;
- provide that directors may be removed with or without cause only by the affirmative vote of at least a majority of the votes of shares entitled to vote thereon; and
- establish advance notice requirements for submitting nominations for election to the Board of Directors and for proposing matters that can be acted upon by stockholders at a meeting.

We are also subject to anti-takeover provisions under Maryland law, which could delay or prevent a change of control. Together, these provisions of our charter and bylaws and Maryland law may discourage transactions that otherwise could provide for the payment of a premium over prevailing market prices for our common stock, and also could limit the price that investors are willing to pay in the future for shares of our common stock.

**ITEM 1B. UNRESOLVED STAFF COMMENTS.**

None.

**ITEM 1C. CYBERSECURITY.**

**Cybersecurity Risk Management and Strategy**

We recognize the importance of developing, implementing and maintaining the integrity of our information technology systems and safeguarding the personal data and confidential information we receive and store. We have a cybersecurity risk management program in place designed to assess, identify and manage material risks from cybersecurity threats utilizing a defense-in-depth security strategy that integrates our staff, technology and operations to establish various securities barriers across multiple layers and missions of our operations. Our cybersecurity risk management program is designed to employ industry standard practices across our operations and business functions, including monitoring and analysis of the threat environment, vulnerability assessments, and third-party cybersecurity risks; detecting and responding to cybersecurity incidents, attacks and data breaches; cybersecurity preparedness, incident response plans, and business continuity and disaster recovery capabilities; and investments in cybersecurity infrastructure and program needs. Key aspects of our cybersecurity risk management program include, but are not limited to, the following:

- Surveillance controls and technical protective capabilities, including a centralized security incident event management system, or SIEM, and a third-party continuous monitoring engagement, that monitors threat detection and response 24/7/365;
- Utilization of third parties to assess our practices related to, and provide expertise and assistance with, various aspects of information security, as further described below;
- Annual cybersecurity training for all employees, including social engineering (e.g., phishing, vishing, and smishing), privacy and other related topics;
- Established policies and procedures that govern information security and cybersecurity which apply to all employees and information systems we control;
- Business continuity, incident response and disaster recovery procedures, including quarterly tabletop incident response exercises, annual disaster recovery tests, annual unannounced penetration tests, annual phishing campaigns, and annual security control assessments;
- Database activity monitoring, encryption, secure file transfer protocols and application firewalls; and

- Maintaining cybersecurity insurance covering certain security and privacy damages and claim expenses resulting from cybersecurity incidents (we periodically meet with our insurer to discuss trends in cybersecurity).

We engage third parties in connection with assessing, identifying and managing our cybersecurity risks, including, but not limited to, the following:

- We engage an independent third-party with incident response expertise to provide intelligence-based cybersecurity solutions and services to assist us with preparing for, investigating, and responding to cybersecurity incidents, including attacks that target on premise, cloud, and critical infrastructure environments.
- We engage an independent third-party service provider to conduct an annual security program assessment of the controls, maturity and performance of our information security program and the information security risks associated with our technology and business systems.
- We engage an independent third-party service provider to annually perform external and internal penetration and intrusion testing using industry standard tools and techniques.
- We engage an independent third-party auditor to help ensure compliance with certain information security standards required under some of our federal contracts.
- We have an established cadence of reviews, reporting and coordination with government agencies to review cybersecurity metrics, findings and any applicable remediation efforts. These agencies conduct assessments of our controls on a periodic basis using the National Institute of Standards and Technology Cybersecurity Framework.
- We engage a third-party auditor to review processes and procedures designed to control access to information systems as part of its Sarbanes-Oxley testing.

In addition to the third parties described above, we regularly engage consultants, advisors, service providers and other third parties to help develop and manage our cybersecurity risk management program. Further, our internal audit team conducts annual assessments of our cybersecurity risk management program and controls.

To help identify and manage cybersecurity risks associated with our use of third-party service providers, we have implemented processes to assess third-party systems which could be compromised in a manner that adversely impacts us and our technology systems. We conduct diligence of significant third-party service providers who will have access to our data or information technology systems and incorporate certain cybersecurity protections in our engagement contracts with such providers. In addition, we require such third-party service providers to promptly notify us of any actual or suspected breach impacting our data or operations.

We have a risk assessment program in place to assess, identify and manage material risks from cybersecurity threats. Cybersecurity risks we face include cyberattacks, computer viruses, malicious or destructive code (such as ransomware), social engineering (including phishing, vishing and smishing), denial of service or information or security breach tactics as well as attacks to our website, financial applications, operational technology, telecommunications and human resources data. Our cybersecurity risk management program includes technology and processes designed to maintain active security of our information technology systems. We do not believe that any risks we have identified to date from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition. However, we cannot ensure you that future cybersecurity incidents will not materially affect our business strategy, results of operations or financial condition.

For more information on the Company's risks associated with cybersecurity threats and incidents, information and security breaches and technology failures, see Part I, Item 1A. Risk Factors - *Interruption, delay or failure of the provision of our technology services or information systems, or the compromise of the security thereof, could adversely affect our business, financial condition or results of operations.*

## Governance

Our cybersecurity risk management program is integrated into our overall risk management system. Our BOD has a formalized enterprise risk management program, or ERM Program, which the Risk Committee of the BOD, or Risk Committee, on behalf of the BOD and the Audit Committee of the BOD, oversees. Our ERM Program addresses the identification, prioritization and assessment of a broad range of risks (e.g., cybersecurity, financial, operational, business, reputational, governance and managerial), and the formulation of plans to develop and improve controls for managing these risks or mitigating their effects in an integrated effort involving our BOD, relevant committees of the BOD, management, and other personnel. Our ERM Program is led by our General Counsel and is a component of management's strategic planning process. Our BOD and Risk Committee have primary oversight responsibility regarding our cybersecurity risk management program. Our BOD and Risk Committee each receives regular and frequent updates on cybersecurity and information technology matters from management (including our Chief Information Officer, or CIO) and, periodically, from outside experts. For example, the CIO provides reports to our BOD, Technology Steering Committee and Risk Committee regarding cybersecurity risks, as well as plans and strategies to mitigate those risks, on a periodic basis.

In addition, our Enterprise Risk Council, or ERC, is a management-level team comprised of a select group of executive officers, vice presidents, and senior managers overseeing risk, which is responsible for managing enterprise risks and planning and organizing the activities of our organization to minimize the effects of risk on our business, operations and financial results. ERC is led by our General Counsel and our Managing Director, Litigation & Risk Management. The ERC coordinates enterprise risk management reports to the Risk Committee and/or our BOD. Further, the Risk Committee reviews management's cybersecurity risk management program controls, including management's assessment of recent cybersecurity incidents meeting certain criteria.

We also have a Technology Steering Committee that assists with fulfilling oversight responsibilities of information technology risks, including cybersecurity risks. The Technology Steering Committee is comprised of our executive officers and relevant business leaders from the information security, information technology, legal, human resources, audit, finance, communication and risk functions, and identifies, defines, manages and measures information technology and cybersecurity risks applicable to us on an enterprise level. The Technology Steering Committee meets quarterly, and reviews all cybersecurity risks and incidents meeting certain criteria, and provides oversight with respect to cybersecurity matters at a management level. Further, the Technology Steering Committee reviews management's cybersecurity risk management program controls meeting certain criteria.

Our Technology Cybersecurity Committee is comprised of a subset of our Technology Department, including our CIO. The Technology Cybersecurity Committee meets bi-weekly and reviews all cybersecurity risks and incidents meeting certain criteria, provides oversight with respect to cybersecurity matters at a technology management level, and reports through our CIO to the Technology Steering Committee.

We also maintain a management governance structure for reviewing and approving changes related to new and existing systems, software and infrastructure design. Any new items that would require a material change must be reviewed and approved by our architecture review board, or ARB. Non-material changes are governed by the change advisory board, or CAB. The ARB and CAB each meet on a weekly basis and take security impacts into consideration during the decision-making process. All changes, whether approved or rejected, are formally documented in our information technology service management system.

As mentioned above, our SIEM tool monitors threat detection and response 24/7/365. Identified threats are alerted and addressed by our information technology team in accordance with internal policies, industry standard practices and regulatory requirements. Audit logs of external security threats are reviewed weekly as part of general event threat intelligence monitoring procedures. Other ongoing monitoring includes data from our information services team, which maintains an audit trail to detect risks in areas such as unauthorized local connections, network use and remote connections. Vulnerability scans are performed weekly and are supplemented on an ad-hoc basis for specific threats or to test patch status.

Our Director, Information Security Compliance, prepares an incident summary and collaborates with the CIO to conduct an initial assessment of cybersecurity incidents. They perform an impact assessment with respect to cybersecurity incidents meeting certain criteria and elevate the review of any such cybersecurity incidents for review by our executive officers.

Cybersecurity incidents meeting a certain criteria are escalated to our Disclosure Committee for SEC disclosure consideration. The materiality of any cybersecurity incident is ultimately evaluated and determined by our Disclosure Committee in collaboration with our CIO. Our Disclosure Committee is comprised of our executive officers, our CIO, our Chief Ethics and Compliance Officer, and relevant business leaders from our finance and legal departments. The Disclosure Committee is presented with a detailed overview of the cybersecurity incident by the CIO. The Disclosure Committee then evaluates the cybersecurity incident and its potential materiality based on SEC guidance and by considering relevant quantitative and qualitative factors.

We have also adopted a cybersecurity incident response plan which provides for controls and procedures in connection with cybersecurity incidents, including these escalation procedures.

At a management level, our cybersecurity risk management program is led by our CIO, along with our Director, Information Security Compliance. As of the date of this Annual Report, our Technology Department, led by our CIO, along with our Director, Information Security Compliance, is comprised of nearly 100 technology professionals, with currently 11 of such technology professionals exclusively dedicated to cybersecurity. These 11 technology professionals have an average cybersecurity tenure of 13 years and certifications from ISC2, ISACA, CompTIA and other industry certification leaders including CISSP, CISM, CISA, CCNA, CCNP, Network+, Security+, Project+, A+, CEH, CCSP and ITIL, among other advanced Cybersecurity and Technology degrees, tool and process specific certifications and cybersecurity related work experience. Our Technology Department stays current on cybersecurity issues and trends through continuing education activities such as conferences and participating in webinars, maintaining continuous education requirements for certification bodies, as well as through the monitoring of security and vendor feeds on cybersecurity trends and threats.

## **ITEM 2. PROPERTIES.**

The properties we owned at December 31, 2023 are described under Item 1 and in Note 4 of the Notes to the Consolidated Financial Statements contained in this Annual Report, as well as in Schedule III in Part IV of this Annual Report.

## **ITEM 3. LEGAL PROCEEDINGS.**

The information required under this item can be found in Note 15 of the Notes to the Consolidated Financial Statements contained in this Annual Report and is incorporated by reference in this Part I, Item 3.

## **ITEM 4. MINE SAFETY DISCLOSURES.**

None.

## PART II.

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

#### Market Price of and Distributions on Capital Stock

Our common stock is traded on the New York Stock Exchange, or NYSE, under the symbol "CXW." On February 9, 2024, the last reported sale price of our common stock was \$14.84 per share and there were approximately 2,400 registered holders and approximately 32,000 beneficial holders, respectively, of our common stock.

#### Dividend Policy

In order to qualify as a REIT for the years we elected REIT status, we were generally required to distribute to our stockholders at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gains), and we were subject to tax to the extent our net taxable income (including net capital gains) was not fully distributed. We announced on June 17, 2020 that our Board of Directors, or BOD, suspended our quarterly dividend while it evaluated corporate structure and capital allocation alternatives. On August 5, 2020, our BOD voted unanimously to approve a plan to revoke our REIT election and become a taxable C Corporation, effective January 1, 2021; our BOD also voted unanimously to discontinue the quarterly dividend and prioritize allocating our free cash flow to reduce debt levels. In addition, subsequently, our BOD approved a share repurchase program as further described below under the heading "Issuer Purchases of Equity Securities".

#### Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
October 1, 2023 - October 31, 2023	—	\$ —	—	\$ 124,906,633
November 1, 2023 - November 30, 2023	—	\$ —	—	\$ 124,906,633
December 1, 2023 - December 31, 2023	872,219	\$ 14.33	872,219	\$ 112,406,645
<b>Total</b>	<b>872,219</b>	<b>\$ 14.33</b>	<b>872,219</b>	<b>\$ 112,406,645</b>

(1) On May 12, 2022, the Company announced that its BOD had approved a share repurchase program to repurchase up to \$150.0 million of the Company's common stock. On August 2, 2022, the BOD increased the authorization to repurchase under the share repurchase program by up to an additional \$75.0 million of the Company's common stock, which resulted in a total aggregate amount to repurchase up to \$225.0 million of the Company's common stock. Repurchases of the Company's outstanding common stock will be made in accordance with applicable securities laws and may be made at the Company's discretion based on parameters set by the BOD from time to time in the open market, through privately negotiated transactions, or otherwise. The share repurchase program has no time limit and does not obligate the Company to purchase any particular amount of its common stock. The authorization for the share repurchase program may be terminated, suspended, increased or decreased by the BOD in its discretion at any time. As of December 31, 2023, the Company had repurchased a total of 10.1 million common shares at an aggregate cost of approximately \$112.6 million.

### ITEM 6. [Reserved]

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

*The following discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this Annual Report on Form 10-K, or this Annual Report. In this Annual Report, we use the term, the "Company," "CoreCivic," "we," "us," and "our" to refer to CoreCivic, Inc. and its subsidiaries unless context indicates otherwise. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those described under "Part I, Item 1A. Risk Factors" and included in other portions of this report.*

### **OVERVIEW**

We are a diversified government solutions company with the scale and experience needed to solve tough government challenges in flexible, cost-effective ways. Through three segments, CoreCivic Safety, CoreCivic Community, and CoreCivic Properties, we provide a broad range of solutions to government partners that serve the public good through corrections and detention management, a network of residential reentry centers to help address America's recidivism crisis, and government real estate solutions. We have been a flexible and dependable partner for government for 40 years. Our employees are driven by a deep sense of service, high standards of professionalism and a responsibility to help government better the public good.

As of December 31, 2023, through our CoreCivic Safety segment, we operated 43 correctional and detention facilities, 39 of which we owned, with a total design capacity of approximately 65,000 beds. Through our CoreCivic Community segment, we owned and operated 23 residential reentry centers with a total design capacity of approximately 5,000 beds. In addition, through our CoreCivic Properties segment, we owned 6 properties, with a total design capacity of approximately 10,000 beds. We are the nation's largest owner of partnership correctional, detention, and residential reentry facilities and one of the largest prison operators in the United States. Our size and experience provide us with significant credibility with our current and prospective customers, and enable us to generate economies of scale in purchasing power for food services, health care and other supplies and services we offer to our government partners.

See "Part I, Item 1. Business – Overview" for a description of how we are organized.

### ***Our Business***

Through our CoreCivic Safety and CoreCivic Community segments, we are compensated for providing bed capacity and correctional, detention, and residential reentry services at a per diem rate based upon actual or minimum guaranteed occupancy levels. Federal, state, and local governments are constantly under budgetary constraints putting pressure on governments to control correctional budgets, including per diem rates our customers pay to us as well as pressure on appropriations for building new prison capacity.

The solutions we provide to our federal customers continue to be a significant component of our business. We provide an essential governmental service, and believe our ability to provide flexible solutions and fulfill emergent needs of our federal customers would be very difficult and costly to replicate in the public sector.

On January 26, 2021, President Biden issued the Executive Order on Reforming Our Incarceration System to Eliminate the Use of Privately Operated Criminal Detention Facilities, or the Private Prison EO. The Private Prison EO directs the Attorney General to not renew DOJ contracts with privately operated criminal detention facilities. Two agencies of the United States Department of Justice, or DOJ, the United States Federal Bureau of Prisons, or BOP, and the United States Marshals Service, or USMS, utilize our services. The BOP houses inmates who have been convicted, and the USMS is generally responsible for detainees who are awaiting trial. The BOP has experienced a steady decline in inmate populations over the last decade, a trend that was accelerated by the COVID-19 pandemic. Our remaining prison contract with the BOP at the 1,978-bed McRae Correctional Facility expired on November 30, 2022 and was not renewed. Following the non-renewal of the BOP contract in 2022 and our sale of the McRae facility to the state of Georgia in August 2022, we no longer operate any prison contracts for the BOP. The Private Prison EO only applies to agencies that are part of the DOJ, which includes the BOP and USMS. U.S. Immigration and Customs Enforcement, or ICE, facilities are not covered by the Private Prison EO, as ICE is an agency of the Department of Homeland Security, or DHS, not the DOJ. For the year ended December 31, 2023, USMS and ICE accounted for 21% (\$400.4 million) and 30% (\$565.5 million), respectively, of our total revenue. For the year ended December 31, 2022, USMS and ICE accounted for 22% (\$403.9 million) and 29% (\$527.3 million), respectively, of our total revenue.

Unlike the BOP, the USMS does not own detention capacity and relies on the private sector, along with various government agencies, for its detainee population. We currently have two detention facilities that have direct contracts with the USMS. Because of the lack of alternative bed capacity, one of the contracts was renewed upon its expiration in September 2023, and now expires in September 2028. The second direct contract expires in September 2025. It is too early to predict the outcome of the expiration of the contract scheduled to expire in September 2025, and future developments could occur prior to the scheduled expiration date.

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic. As a result, in the first quarter of 2020, the federal government decided to deny entry at the United States southern border to asylum-seekers and anyone crossing the southern border without proper documentation or authority in an effort to contain the spread of COVID-19, a policy known as Title 42. This policy resulted in a reduction to the number of people ICE detained, including in our detention facilities. Based on COVID-19 trends, the Department of Health and Human Services allowed Title 42 to expire on May 11, 2023, which has resulted in an increase in the number of undocumented people permitted to enter the United States claiming asylum, and has resulted in an increase in the number of people apprehended and detained by ICE.

We believe the long-term growth opportunities of our business remain attractive as government agencies consider their emergent needs, as well as the efficiency and offender programming opportunities we provide as flexible solutions to satisfy our partners' needs. We have also been in discussions with several state and county government agencies that have experienced challenges in staffing their public-sector facilities and are seeking solutions from the private sector. Further, several of our existing government partners, as well as prospective government partners, have been experiencing growth in offender populations and overcrowded conditions, as well as an increase in violent crime. Governments are continuing to assess their need for correctional space, and several are continuing to consider alternative correctional capacity for their aged or inefficient infrastructure, or are seeking cost savings by utilizing the private sector, which could result in increased future demand for the solutions we provide. For example, on September 25, 2023, we announced that we signed a new management contract with Hinds County, Mississippi to care for up to 250 adult male pre-trial detainees at our 2,672-bed Tallahatchie County Correctional Facility in Tutwiler, Mississippi. The initial contract term is for two years, which may be extended for an additional year upon mutual agreement. In addition, on November 16, 2023, we announced that we signed a new management contract with the state of Wyoming to care for up to 240 male inmates at the Tallahatchie facility. The term of the new contract runs through June 30, 2026. Also on November 16, 2023, we announced that we signed a new contract with Harris County, Texas, to care for up to 360 male inmates at the Tallahatchie facility. Upon mutual agreement, Harris County may access an additional 360 beds at the facility. The initial contract term began on December 1, 2023, and is scheduled to expire on November 30, 2024. However, the contract may be extended at Harris County's option for up to four additional one-year terms. In addition to the recent contracts with Hinds County, the state of Wyoming, and Harris County, we currently care for residents from the USMS, Vermont, South Carolina, the U.S. Virgin Islands, and Tallahatchie County at the Tallahatchie facility, which demonstrates the flexible solutions that we provide. On November 14, 2023, we announced that we signed a new management contract with the state of Montana to care for up to 120 inmates at our 1,896-bed Saguaro Correctional Facility in Eloy, Arizona. The new contract is scheduled to



expire on October 31, 2025, and may be extended by mutual agreement for a total term of up to seven years. We currently care for residents from the state of Hawaii and the state of Idaho at the Saguaro facility. We also manage the fully occupied company-owned Crossroads Correctional Center in Shelby, Montana for the state of Montana pursuant to a separate management contract.

Further, in December 2021, the state of Arizona awarded us a new contract for up to 2,706 inmates at our 3,060-bed La Palma Correctional Center in Arizona, which commenced in April 2022. We are not aware of a larger prison contract awarded to the private sector by any state in over a decade. In August 2022, we completed the sale of the 1,978-bed McRae Correctional Facility to the Georgia Building Authority in order to update its aged and inefficient public sector correctional infrastructure. We had a management contract with the BOP at this facility, which expired on November 30, 2022. In connection with the sale, we entered into an agreement to lease the McRae facility from the Georgia Building Authority through November 30, 2022 to allow us to fulfill our obligations to the BOP. The BOP transferred the BOP inmates to alternative federal capacity prior to expiration of the contract, and the McRae Correctional Facility converted to a facility owned and operated by the State of Georgia upon the termination of our lease with the Georgia Building Authority. Competing budget priorities often impede our customers' ability to construct new prison beds of their own or update their older facilities, which we believe could result in further demand for private sector prison capacity solutions in the long-term.

Governments continue to experience many significant spending demands, and competing budget priorities often impede our customers' ability to construct new prison beds of their own or update their older facilities, which we believe could result in further demand for private sector prison capacity solutions in the long-term. We believe the outsourcing of corrections and detention management services to private operators allows governments to manage increasing inmate populations while simultaneously controlling costs. We believe our customers discover that partnering with private operators to provide residential services to their offenders introduces competition to their correctional system, resulting in improvements to the quality and cost of services throughout their correctional system. Further, the use of facilities owned and managed by private operators allows governments to expand correctional capacity without incurring large capital commitments and allows them to avoid long-term pension obligations for their employees.

We also believe that having beds immediately available to our partners provides us with a distinct competitive advantage when bidding on new contracts. We believe the most significant opportunities for growth are in providing our government partners with available beds within facilities we currently own or that we will develop. Over the long-term, we would like to see meaningful utilization of our available capacity and better visibility from our customers into their potential future needs before we develop new correctional or detention capacity on a speculative basis. We will, however, respond to customer demand and may develop or expand correctional and detention facilities when we believe potential long-term returns justify the capital deployment. We also believe that owning the facilities in which we provide management services enables us to more rapidly replace business lost compared with managed-only facilities, since we can offer the same beds to new and existing customers and, with customer consent, may have more flexibility in moving our existing populations to facilities with available capacity. Our management contracts generally provide our customers with the right to terminate our management contracts at any time without cause.

We are actively engaged in marketing our available capacity as solutions to meet the needs of potential customers. Historically, we have been successful in obtaining new contracts when we have an inventory of available beds to provide flexible and immediate solutions to our government customers. Occupancy rates at our facilities were negatively impacted by COVID-19, and we have been focused on filling available capacity within our existing facilities. As available capacity within existing operating facilities is utilized, we believe increasing demand will result in the utilization of idle bed capacity. Available bed capacity can also be used for emergent needs. For example, as previously mentioned herein, since September 2023, we have announced that we signed new contracts with Hinds County, Mississippi to care for up to 250 inmates, the state of Wyoming to care for up to 240 inmates, and Harris County, Texas to care for up to 360 inmates at our Tallahatchie facility. We also announced that we signed a new contract with the state of Wyoming to care for up to 120 inmates at our Saguaro facility.

We also offer our customers an attractive portfolio of correctional, detention, and reentry facilities that can be leased for various needs as an alternative to providing "turn-key" correctional, detention, and residential reentry bed space and services to our government partners. In June 2023, we announced that we had entered into a lease agreement with the Oklahoma Department of Corrections, or ODC, for our 1,670-bed Allen Gamble Correctional Center. The new lease agreement includes a base term that commenced on October 1, 2023, with a scheduled expiration date of June 30, 2029, and unlimited two-year renewal options. We previously operated the Allen Gamble facility in our Safety segment under a management contract with the ODC. The management contract was scheduled to expire on June 30, 2023. However, effective July 1, 2023, we entered into a 90-day contract extension for the management contract, after which time, operations of the Allen Gamble facility transferred from us to the ODC in accordance with the new lease agreement. In September 2021, we announced that we had entered into a three-year lease agreement with the state of New Mexico at our 596-bed Northwest New Mexico Correctional Center. We previously operated the Northwest New Mexico facility in our Safety segment under a contract with the state of New Mexico. The new lease agreement commenced on November 1, 2021 and includes extension options that could extend the term of the lease through October 31, 2041. The lease of these two facilities, along with the lease of our 656-bed Southeast Correctional Complex to the Kentucky Department of Corrections, or KYDOC, originating in 2019 demonstrate our ability to react quickly to our partners' needs with innovative, flexible and cost-effective solutions. We previously operated these three correctional facilities for various government partners. We intend to pursue additional opportunities to lease prison facilities to government and other third-party operators in need of correctional capacity.

In January 2018, we entered into a 20-year lease agreement with the Kansas Department of Corrections, or KDOC, for a 2,432-bed correctional facility to be constructed in Lansing, Kansas. This transaction represented the first development of a privately owned, build-to-suit correctional facility to be operated by a government agency through a long-term lease agreement. We commenced construction of the facility in the first quarter of 2018. In December 2019, the Lansing facility began accepting offenders into the 512-bed minimum security complex ahead of schedule, with the remaining 1,920-bed medium/maximum security complex completed in January 2020. The new facility replaced the Lansing Correctional Facility, Kansas' largest correctional complex for adult male inmates, originally constructed in 1863. We are responsible for facility maintenance throughout the 20-year term of the lease, at which time ownership will revert to the state of Kansas. We believe we can bring solutions like this to other government agencies in need of new correctional capacity.

We also remain steadfast in our efforts to contain costs. Approximately 60% of our operating expenses consist of salaries and benefits. The turnover rate for correctional officers for our company, and for the corrections industry in general, remains high, and staffing challenges have recently been exacerbated by labor shortages and wage pressures in the marketplace as further described under the heading "Results of Operations." We are making investments in systems and processes intended to help manage our workforce more efficiently and effectively, especially with respect to overtime and costs of turnover. We are also focused on workers' compensation and medical benefits costs for our employees due to continued rising healthcare costs throughout the country. Effectively managing these staffing costs requires a long-term strategy to control such costs, and we continue to dedicate resources to enhance our benefits and provide specialized training and career development opportunities to our staff in order to attract and retain quality personnel. Finally, we are evaluating potential cost savings opportunities in areas such as inmate medical expenses, utilities, and maintenance, among others. Through ongoing company-wide initiatives, we continue to focus on efforts to manage costs and improve operating efficiencies.

Through the combination of our operational initiatives to (i) provide valuable and critically needed services that could increase our revenues and increase the utilization of our available beds, (ii) deliver new bed capacity through new facility construction and expansion opportunities, (iii) expand our real estate-only solutions, (iv) grow the utilization of our community corrections facilities, (v) develop or acquire new business offerings that expand the range of solutions we provide to government partners and diversify our cash flows, and (vi) contain our operating expenses, we believe we will be able to maintain our competitive advantage and continue to diversify the range of services we provide to our customers at an attractive price, thereby producing value for our stockholders. As further explained under the heading "Liquidity and Capital Resources," through the revocation of our REIT election and revised capital allocation strategy, following our first priority of reducing debt, we expect to allocate a substantial portion of our free cash flow to returning capital to stockholders, further enhancing stockholder value.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The consolidated financial statements in this report are prepared in conformity with U.S. generally accepted accounting principles, or GAAP. As such, we are required to make certain estimates, judgments, and assumptions that we believe are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. A summary of our significant accounting policies is described in Note 2 of the Notes to the Consolidated Financial Statements contained in this Annual Report. The significant accounting policies and estimates which we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

*Asset impairments.* The primary risk we face for asset impairment charges is associated with facilities we own. As of December 31, 2023, we had \$2.1 billion in property and equipment, including \$247.0 million in long-lived assets at eight idled correctional facilities. The carrying values of the eight idled facilities as of December 31, 2023 were as follows (in thousands):

Prairie Correctional Facility	\$ 13,230
Huerfano County Correctional Center	14,058
Diamondback Correctional Facility	33,764
Marion Adjustment Center	9,968
Kit Carson Correctional Center	47,638
West Tennessee Detention Facility	18,568
Midwest Regional Reception Center	49,736
North Fork Correctional Facility	60,044
	<u>\$ 247,006</u>

As of December 31, 2023, we also had one idled non-core facility in our Safety segment containing 240 beds with a total net book value of \$2.8 million, and two idled facilities in our Community segment, containing an aggregate of 450 beds with an aggregate net book value of \$3.4 million.

We incurred operating expenses at these idled facilities of approximately \$12.5 million, \$9.7 million, and \$7.6 million during the period they were idle for the years ended December 31, 2023, 2022, and 2021, respectively. The amount for 2021 excludes \$2.2 million of operating expenses incurred at our West Tennessee Detention Facility during the fourth quarter of 2021. The amount for 2022 excludes \$3.5 million of operating expenses incurred at the West Tennessee Detention Facility and the Midwest Regional Reception Center during the three months ended March 31, 2022. The West Tennessee facility was idled upon the expiration of a USMS contract on September 30, 2021, and the Midwest Regional Reception Center was idled upon the expiration of a USMS contract on December 31, 2021. We retained a certain staffing level at both facilities through the first three months of 2022 in order to quickly respond in the event we were able to enter into new contracts with government agencies promptly following the contract expirations. We also continued to incur expenses related to transportation services provided by staff at the Midwest Regional Reception Center during the first three months of 2022.

On December 6, 2022, we received notice from the California Department of Corrections and Rehabilitation, or CDCR, of its intent to terminate the lease agreement for our California City Correctional Center by March 31, 2024, due to the state's declining inmate population. As part of its annual budget process for the fiscal year ending June 30, 2024, the California legislature approved funding for the lease through March 31, 2024. We have engaged with the state of California regarding the continued utilization of the California City facility by the CDCR. However, we can provide no assurance that we will be successful in reaching an agreement for the utilization of the facility beyond March 31, 2024. We are also marketing the facility to other potential customers.

We evaluate the recoverability of the carrying values of our long-lived assets when events suggest that an impairment may have occurred. Such events primarily include, but are not limited to, the termination of a management contract, a significant decrease in populations within a facility we own in our Safety and Community segments that we believe will be longer than short-term, and the expiration and non-renewal of lease agreements in our Properties segment.

We perform the impairment analyses for each of our idle facilities as well as any other properties with indicators of impairment. Our estimates of recoverability are based on projected undiscounted cash flows that are comparable to historical cash flows from management contracts or lease agreements at facilities similar to the idled facilities, including historical operations for the idled facilities when such facilities were operating. Our undiscounted cash flows factor in assumptions around when idle facilities will commence generating revenues based on our best estimates around contract negotiations and market conditions. Our impairment evaluations also take into consideration our historical experience in securing new management contracts to utilize correctional facilities that had been previously idled for substantial periods of time. Such previously idled correctional facilities are currently being operated under contracts that continue to generate cash flows resulting in the recoverability of the net book value of the previously idled facilities by material amounts. Our experience has shown that our facilities could remain idle for substantially longer periods of time than most other types of commercial real estate and, based upon receipt of a new contract, produce future cash flows that would still result in a recovery of the carrying values in a relatively short period of time under the undiscounted cash flows. We also perform sensitivity analyses that consider reductions to such cash flows. Our sensitivity analyses include reductions in projected cash flows compared to historical cash flows generated by the respective facility as well as prolonged periods of vacancies.

We also evaluate on a quarterly basis market developments for the potential utilization of each of our idle facilities in order to identify events that may cause us to reconsider our most recent assumptions. Such events could include negotiations with a prospective customer for the utilization of an idle facility at terms significantly less favorable than those used in our most recent impairment analysis, or changes in legislation surrounding a particular facility that could impact our ability to care for certain types of populations at such facility, or a demolition or substantial renovation of a facility. Further, a substantial increase in the number of available beds at other facilities we own could lead to a deterioration in market conditions and cash flows that we might be able to obtain under a new contract at our idle facilities. Although they are not frequent, an unsolicited offer to purchase any of our idle facilities at amounts that are less than the carrying value could also cause us to reconsider the assumptions used in our most recent impairment analysis.

We can provide no assurance that we will be able to secure agreements to utilize our idle properties, or that we will not incur impairment charges in the future. By their nature, these estimates contain uncertainties with respect to the extent and timing of the respective cash flows due to potential delays or material changes to historical terms and conditions in contracts with prospective customers that could impact the estimate of cash flows. With respect to idle correctional facilities, we believe the long-term trends favor an increase in the utilization of our correctional facilities and management services. This belief is based on our experience in working with governmental agencies faced with significant budgetary challenges, which is a primary contributing factor to the lack of appropriated funding over the past decade to build new bed capacity by the federal and state governments with which we partner, as well as the extensively aged criminal justice infrastructure in the U.S. today. Due to a variety of factors, the lead time to negotiate contracts with our federal and state partners to utilize idle bed capacity at correctional facilities is generally lengthy.

*Self-funded insurance reserves.* As of December 31, 2023 and 2022, we had \$51.7 million and \$49.7 million, respectively, in accrued liabilities for employee health, workers' compensation, and automobile insurance claims. We are self-insured for employee health, workers' compensation, and automobile liability insurance claims. As such, our insurance expense is largely dependent on claims experience and our ability to control our claims. We accrue the estimated liability for employee health insurance claims based on our history of claims experience and the estimated time lag between the incident date and the date we pay the claims. We accrue the estimated liability for workers' compensation claims based on an actuarial valuation of the outstanding liabilities using a combination of actuarial methods used to project ultimate losses, and our automobile insurance claims based on estimated development factors on claims incurred. The liability for employee health, workers' compensation, and automobile insurance includes estimates for both claims incurred and for claims incurred but not reported. In recent history, our methods for determining our exposure have remained consistent, and our historical trends have been appropriately factored into our estimates and reserves. As we obtain additional information and refine our methods regarding the assumptions and estimates we use to recognize liabilities incurred, we will adjust our reserves accordingly. Arriving at these estimates, however, requires subjective judgment, and as a result these estimates are uncertain, and our actual exposure may be different from our estimates. It is possible that future cash flows and results of operations could be materially affected by changes in assumptions and new developments.

*Legal reserves.* As of December 31, 2023 and 2022, we had \$7.8 million and \$6.9 million, respectively, in accrued liabilities under the provisions of Accounting Standards Codification, or ASC, Subtopic 450-20, "Loss Contingencies," related to certain claims and legal proceedings in which we are involved. We have accrued our best estimate of the probable costs for the resolution of these claims, if estimable. In addition, we are subject to current and potential future claims and legal proceedings for which little or no accrual has been reflected because our current assessment of the potential exposure is nominal, or because we cannot reasonably estimate the amount of loss or range of loss, if any, that may result. These estimates have been developed in consultation with our General Counsel's office and, as appropriate, outside counsel handling these matters, and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible that future cash flows and results of operations could be materially affected by changes in our assumptions, new developments, or by the effectiveness of our litigation and settlement strategies.

## **RESULTS OF OPERATIONS**

Our results of operations are impacted by the number of correctional and detention facilities we operated, including 39 we owned and four owned by our government partners (CoreCivic Safety), the number of residential reentry centers we owned and operated (CoreCivic Community), the number of facilities we leased to government agencies (CoreCivic Properties), and the facilities we owned that were not in operation. The following table sets forth the changes in the number of facilities operated for the years ended December 31, 2023 and 2022.

	Effective Date	CoreCivic			Total
		Safety	Community	Properties	
Facilities as of December 31, 2021		46	26	10	82
Expiration of a managed-only contract in Indiana	January 2022	(1)	—	—	(1)
Sale of a residential reentry facility in Colorado	February 2022	—	(1)	—	(1)
Sale of a residential reentry facility in Colorado	March 2022	—	(1)	—	(1)
Sale of two leased community corrections facilities in California	July 2022	—	—	(2)	(2)
Sale and subsequent termination of the contract and lease of the McRae Correctional Facility in Georgia	Aug/Nov 2022	(1)	—	—	(1)
Sale of an idled residential reentry facility in Oklahoma	December 2022	—	(1)	—	(1)
Facilities as of December 31, 2022		44	23	8	75
Sale of two leased community corrections facilities in Pennsylvania	May 2023	—	—	(2)	(2)
Lease of the Allen Gamble Correctional Center	October 2023	(1)	—	1	—
Sale of a leased property in Georgia	December 2023	—	—	(1)	(1)
<b>Facilities as of December 31, 2023</b>		<b>43</b>	<b>23</b>	<b>6</b>	<b>72</b>

### Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

During the year ended December 31, 2023, net income was \$67.6 million, or \$0.59 per diluted share, compared with net income of \$122.3 million, or \$1.03 per diluted share, for the previous year. Financial results for 2023 reflected an \$0.8 million gain on the sale of real estate assets, \$2.7 million of asset impairments, and \$0.7 million of expenses associated with debt repayments and refinancing transactions. For the year ended December 31, 2023, income tax expense reflects a net expense of \$0.2 million associated with these special items and a change in our corporate structure.

Financial results for 2022 reflected an \$87.7 million gain on the sale of real estate assets, \$8.1 million of expenses associated with debt repayments and refinancing transactions, \$4.4 million of asset impairments, and \$1.9 million associated with shareholder litigation expense. For the year ended December 31, 2022, income tax expense reflects a net expense of \$19.3 million associated with these special items.

### Our Current Operations

Our ongoing operations are organized into three principal business segments:

- CoreCivic Safety segment, consisting of the 43 correctional and detention facilities that are owned, or controlled via a long-term lease, and managed by CoreCivic, as well as those correctional and detention facilities owned by third parties but managed by CoreCivic. CoreCivic Safety also includes the operating results of our subsidiary that provides transportation services to governmental agencies, TransCor America, LLC, or TransCor.
- CoreCivic Community segment, consisting of the 23 residential reentry centers that are owned, or controlled via a long-term lease, and managed by CoreCivic. CoreCivic Community also includes the operating results of our electronic monitoring and case management services.
- CoreCivic Properties segment, consisting of the 6 correctional real estate properties owned by CoreCivic.

For the years ended December 31, 2023 and 2022, our total segment net operating income, which we define as facility revenue (including interest income associated with finance leases) less operating expenses, was divided among our three business segments as follows:

	For the Years Ended December 31,	
	2023	2022
<b>Segment:</b>		
Safety	84.7%	84.1%
Community	5.2%	3.9%
Properties	10.1%	12.0%

### *Facility Operations*

A key performance indicator we use to measure the revenue and expenses associated with the operation of the correctional, detention, and residential reentry facilities we own or manage is expressed in terms of a compensated man-day, which represents the revenue we generate and expenses we incur for one offender for one calendar day. Revenue and expenses per compensated man-day are computed by dividing facility revenue and expenses by the total number of compensated man-days during the period. A compensated man-day represents a calendar day for which we are paid for the occupancy of an offender. We believe the measurement is useful because we are compensated for operating and managing facilities at an offender per diem rate based upon actual or minimum guaranteed occupancy levels. We also measure our costs on a per compensated man-day basis, which are largely dependent upon the number of offenders we accommodate. Further, per compensated man-day measurements are also used to estimate our potential profitability based on certain occupancy levels relative to design capacity. Revenue and expenses per compensated man-day for all of the correctional, detention, and residential reentry facilities placed into service that we owned or managed, exclusive of those held for lease, and for TransCor were as follows for the years ended December 31, 2023 and 2022:

	For the Years Ended December 31,	
	2023	2022
Revenue per compensated man-day	\$ 98.06	\$ 93.26
Operating expenses per compensated man-day:		
Fixed expense	55.40	51.41
Variable expense	21.19	21.31
Total	76.59	72.72
Operating income per compensated man-day	\$ 21.47	\$ 20.54
Operating margin	21.9%	22.0%
Average compensated occupancy	71.6%	70.3%
Average available beds	70,647	73,165
Average compensated population	50,566	51,446

## Revenue

Total revenue consists of management revenue we generate through CoreCivic Safety and CoreCivic Community in the operation of correctional, detention, and residential reentry facilities, as well as the revenue we generate from TransCor and our electronic monitoring and case management services. Total revenue also consists of lease revenue we generate through CoreCivic Properties from facilities we lease to third-party operators. The following table reflects the components of revenue for the years ended December 31, 2023 and 2022 (in millions):

	For the Years Ended December 31,		\$ Change	% Change
	2023	2022		
<b>Management revenue:</b>				
Federal	\$ 995.2	\$ 994.7	\$ 0.5	0.1%
State	738.6	669.2	69.4	10.4%
Local	36.0	35.5	0.5	1.4%
Other	76.7	87.9	(11.2)	(12.7%)
Total management revenue	1,846.5	1,787.3	59.2	3.3%
Lease revenue	49.9	57.9	(8.0)	(13.8%)
Other revenue	0.2	0.1	0.1	100.0%
<b>Total revenue</b>	<b>\$ 1,896.6</b>	<b>\$ 1,845.3</b>	<b>\$ 51.3</b>	<b>2.8%</b>

The \$59.2 million, or 3.3%, increase in total management revenue was primarily a result of an increase in revenue of approximately \$88.6 million driven primarily by an increase of 5.1% in average revenue per compensated man-day. The increase in management revenue was partially offset by a decrease in revenue of \$29.9 million driven primarily by a decrease in average daily compensated population from 2022 to 2023, as discussed further hereinafter. The increase in average revenue per compensated man-day primarily resulted from the effect of per diem increases at several of our facilities. We believe the impact of these per diem increases will provide further benefit to our operating margins as residential populations continue to recover from the impact of COVID-19 and will help offset the wage and employee benefit increases we have been incurring, as further discussed hereinafter. Revenue generated from our electronic monitoring and case management services during 2023 increased \$0.5 million (from \$36.2 during 2022 to \$36.7 million during 2023).

Average daily compensated population decreased 880, or 1.7%, to 50,566 in 2023 compared to 51,446 in 2022. The decrease in average daily compensated population was primarily a result of the contract expiration at the 1,978-bed McRae Correctional Facility effective November 30, 2022, as further described hereinafter. The decrease in average daily compensated population was partially offset by an increase in average population at our 3,060-bed La Palma Correctional Center, which was a result of a new management contract from the state of Arizona, and by an increase in occupancy at facilities where ICE is our federal partner, both as further discussed hereinafter.

The solutions we provide to our federal customers, including primarily ICE and the USMS, continue to be a significant component of our business. The federal customers in our Safety and Community segments generated approximately 52% and 54% of our total revenue in 2023 and 2022, respectively, increasing \$0.5 million, or 0.1%, in 2023 from 2022. The increase in federal revenue was primarily a result of increased occupancy and per diem increases at certain facilities. The increase in federal revenue was partially offset by the impact of the expiration of the contract with the BOP at the McRae facility, which resulted in a reduction in federal revenue of \$37.8 million (2.0% of our total revenue) during 2023 from 2022, and as a result of the transition at our La Palma facility, as further described hereinafter.



The decision near the end of the first quarter of 2020 by the federal government to deny entry at the United States southern border to asylum-seekers and anyone crossing the southern border without proper documentation or authority in an effort to contain the spread of COVID-19, a policy known as Title 42, resulted in a reduction in people being apprehended and detained by ICE. The financial impact was somewhat mitigated by fixed monthly payments from ICE at certain of our facilities, to ensure ICE has adequate bed capacity in the event of a surge in the future. Based on COVID-19 trends, the Department of Health and Human Services allowed Title 42 to expire on May 11, 2023, which has resulted in an increase in the number of undocumented people permitted to enter the United States claiming asylum, and has resulted in an increase in the number of people apprehended and detained by ICE. Due to fixed payments under many of our federal contracts, the increase in residential populations does not result in a proportionate increase in our financial results at such facilities until populations clear the fixed payment levels for certain bed capacity. Residential populations under certain of our federal contracts largely cleared the minimum compensated bed total associated with fixed payments during the second half of 2023. During 2023 and 2022, revenue from ICE was \$565.5 million and \$527.3 million, respectively, compared to \$579.5 million during 2019, prior to the implementation of Title 42. Revenue from ICE during 2023 increased at facilities other than our La Palma facility by \$71.4 million from 2022 due to increased occupancy and the impact of per diem increases at certain facilities. During 2022, revenue from ICE at our La Palma facility was \$33.2 million. This facility was transitioned from an ICE population to a population from the state of Arizona throughout 2022, with the offender intake process being substantially completed during the fourth quarter of 2022.

State revenues from contracts at correctional, detention, and residential reentry facilities that we operate increased \$69.4 million, or 10.4%, from 2022 to 2023. State revenues increased primarily as a result of the new management contract with the state of Arizona at our 3,060-bed La Palma Correctional Center for up to 2,706 inmates, as the state transferred inmate populations from public sector facilities into our La Palma facility. We began receiving inmates from the state of Arizona in April 2022 and as of December 31, 2023, we cared for approximately 2,200 inmates from the state of Arizona at this facility. State revenue at the La Palma facility increased \$48.9 million during 2023 compared with 2022. State revenues also increased as a result of per diem increases under a number of our state contracts, as many of our state partners have recognized the need to provide additional funding to address increases in the wages of our employees. Finally, state revenues also increased due to higher utilization from Montana and Wyoming due to new management contracts executed during 2023, as well as higher utilization under existing management contracts most notably from the states of Idaho and Colorado. The increase in state revenues was partially offset by a decrease in state revenues at our Allen Gamble Correctional Center that resulted from a new lease agreement effective October 1, 2023, as further described hereinafter.

Local revenues from contracts at correctional, detention, and residential reentry facilities that we operate increased \$0.5 million, or 1.4%, from 2022 to 2023. The new contracts with Harris County, Texas and Hinds County, Mississippi at our Tallahatchie County Correctional Facility, as further described hereinafter, contributed to the increase in local revenues.

The \$8.0 million, or 13.8%, decrease in lease revenue from 2022 to 2023 primarily resulted from the termination of the lease at our North Fork Correctional Facility effective June 30, 2023, partially offset by the new lease revenue at our Allen Gamble Correctional Center from a new lease agreement that became effective October 1, 2023, both as further described hereinafter.

### *Operating Expenses*

Operating expenses totaled \$1,462.4 million and \$1,413.8 million in 2023 and 2022, respectively. Operating expenses consist of those expenses incurred in the operation and management of correctional, detention, and residential reentry facilities, as well as those expenses incurred in the operations of TransCor and our electronic monitoring and case management services. Operating expenses also consist of those expenses incurred in the operation of facilities we lease to third-party operators.

Operating expenses incurred by CoreCivic Safety and CoreCivic Community in connection with the operation and management of our correctional, detention, and residential reentry facilities, as well as those incurred in the operations of TransCor and our electronic monitoring and case management services, increased \$48.8 million, or 3.5%, during 2023 compared with 2022. Operating expenses increased primarily as a result of wage increases resulting from labor shortages and wage pressures, as further described hereinafter. We achieved higher staffing levels during 2023 when compared to 2022, and correspondingly, we were able to reduce our use of temporary incentives by \$9.8 million during 2023 as we began to see improvement in our attraction and retention of facility staff in this challenging labor market. We believe these significant investments in our workforce have positioned us to manage the increased number of residents we have begun to experience now that the remaining occupancy restrictions caused by the COVID-19 pandemic, most notably Title 42, have been removed. We have continued to invest in staffing resources during 2023, which has resulted in additional compensation and incremental expenses, and we expect to continue to invest in staffing resources in future quarters, which may result in additional compensation and incremental expenses. As the labor market improves and labor shortages and wage pressures are alleviated, which we believe will take some additional time, we expect to further reduce our reliance on temporary incentives. While we have achieved recent successes, the benefits of our investments in staffing may not be sustained, and labor shortages could intensify again in the future. Additionally, operating expenses increased as a result of expenses incurred at our La Palma Correctional Center as utilization of the facility increased under the new contract with the state of Arizona while we contended with a challenging labor market. The increase in operating expenses was partially offset by the contract expiration at the 1,978-bed McRae Correctional Facility effective November 30, 2022, and the new lease of our Allen Gamble Correctional Center effective October 1, 2023.

Total expenses per compensated man-day increased to \$76.59 during 2023 from \$72.72 during 2022. We have experienced labor shortages and wage pressures in many markets across the country, and have provided customary inflationary wage increases to remain competitive. Recruiting has been particularly challenging since the start of the pandemic due to the front-line nature of the services we provide and the shortage of nursing staff across the country intensified as a result of the COVID-19 pandemic and the challenging labor market. The challenges of recruiting and retaining staff, including nursing, has been and could continue to be exacerbated by the current labor market. Further, we have incurred incremental expenses to help ensure sufficient staffing levels under unique and challenging working conditions. While, as mentioned in the preceding paragraph, we were able to reduce the use of these temporary incentives by \$9.8 million during 2023 when compared to 2022, we expect to continue to incur a certain level of incremental expenses in future quarters. Incremental expenses include, but may not be limited to, incentive payments to our front-line and field staff, temporary employee housing expenses and other travel related reimbursements, additional paid time off, off-cycle wage increases in certain markets to remain competitive, and registry nursing expenses. These incremental investments have enabled us to increase overall staffing levels, as described in the preceding paragraph, which has contributed to the increase in total expenses per compensated man-day.

We continually monitor compensation levels very closely along with overall economic conditions and will adjust wage levels necessary to help ensure the long-term success of our business. Further, we continually evaluate the structure of our employee benefits package and training programs to ensure we are better able to attract and retain our employees. Salaries and benefits represent the most significant component of our operating expenses, representing approximately 60% and 59% of our total operating expenses during 2023 and 2022, respectively. As previously mentioned, recruiting and retaining staff has been particularly challenging for us and for the corrections and detention industry as a whole. An inability to attract and retain sufficient personnel could prevent us from caring for additional residential populations for government agencies in need of additional capacity due to an increase in inmate populations or an inability to adequately staff their facilities. An inability to attract and retain sufficient personnel in our existing facilities could also cause our government partners to assess liquidated damages, reduce our residential populations, or in certain circumstances, cancel our contracts. We have also been subjected to staff vacancy deductions as a result of the labor shortages, which are reflected as reductions to other management revenue. Estimating vacancy deduction amounts can be complex and subject to management judgment and estimations. Some of our government partners have granted waivers for vacancy deductions in recognition of the unique and challenging labor market, while others have discretionarily adjusted such deductions based on our extraordinary costs, efforts and incentive programs implemented to attract and retain staff.

Variable expenses per compensated man-day decreased to \$21.19 during 2023 from \$21.31 during 2022. The decrease in variable expenses per compensated man-day during 2023 was primarily a result of a decrease in registry nursing expense of \$19.3 million, or \$1.02 per compensated man-day, during 2023 when compared to 2022. The decrease in

registry nursing expenses was partially offset by the effect of a high inflation rate applicable to all of our variable expenses, as well as increases in recruiting expenses and travel expenses as we supported our staff who were temporarily deployed across the Company to help address the labor shortages we experienced in certain regions, most notably at our La Palma facility in Arizona. While the shortage of nursing staff across the country continues to be challenging, we have seen, and continue to see, improvement in our recruiting and retention of facility staff, including nursing staff, as we have made investments in higher wages and increased our use of part-time positions, which helped us achieve higher staffing levels. The hiring environment for these positions has also improved.

Operating expenses incurred by CoreCivic Properties in connection with facilities we lease to third-party operators increased \$0.1 million, or 1.1%, during 2023 when compared to 2022. The increase was primarily a result of the new lease at our Allen Gamble Correctional Center effective October 1, 2023, partially offset by a reduction in operating expenses primarily attributable to a decrease in utilities expense at our California City Correctional Center due to a reduction in inmate populations.

#### *Facility Management Contracts*

We enter into facility management contracts to provide bed capacity and management services to governmental entities in our CoreCivic Safety and CoreCivic Community segments for terms typically ranging from three to five years, with additional renewal periods at the option of the contracting governmental agency. Accordingly, a substantial portion of our facility management contracts are scheduled to expire each year, notwithstanding contractual renewal options that a government agency may exercise. Although we generally expect these customers to exercise renewal options or negotiate new contracts with us, one or more of these contracts may not be renewed by the corresponding governmental agency. Further, our government partners can generally terminate our management contracts for non-appropriation of funds or for convenience.

Additionally, on January 26, 2021, President Biden issued the Private Prison EO. The Private Prison EO directs the Attorney General to not renew DOJ contracts with privately operated criminal detention facilities. Two agencies of the DOJ, the BOP and the USMS, utilize our services. The BOP houses inmates who have been convicted, and the USMS is generally responsible for detainees who are awaiting trial. The BOP has experienced a steady decline in inmate populations over the last decade, a trend that was accelerated by the COVID-19 pandemic. Our remaining prison contract with the BOP at the 1,978-bed McRae Correctional Facility expired on November 30, 2022 and was not renewed. Following the non-renewal of the BOP contract in 2022 and sale of the McRae facility to the state of Georgia in 2022, we no longer operate any prison contracts for the BOP. The Private Prison EO only applies to agencies that are part of the DOJ, which includes the BOP and USMS. ICE facilities are not covered by the Private Prison EO, as ICE is an agency of the DHS, not the DOJ. For the year ended December 31, 2023, USMS and ICE accounted for 21% (\$400.4 million) and 30% (\$565.5 million), respectively, of our total revenue. For the year ended December 31, 2022, USMS and ICE accounted for 22% (\$403.9 million) and 29% (\$527.3 million), respectively, of our total revenue.

Unlike the BOP, the USMS does not own detention capacity and relies on the private sector, along with various government agencies, for its detainee population. We currently have two detention facilities that have direct contracts with the USMS. Because of the lack of alternative bed capacity, one of the contracts was renewed upon its expiration in September 2023, and now expires in September 2028. The second direct contract expires in September 2025. It is too early to predict the outcome of the expiration of the contract scheduled to expire in September 2025, and future developments could occur prior to the scheduled expiration date.

On December 6, 2022, we received notice from the CDCR of its intent to terminate the lease agreement for our 2,560-bed California City Correctional Center by March 31, 2024, due to the state's declining inmate population. As part of its annual budget process for the fiscal year ending June 30, 2024, the California legislature approved funding for the lease through March 31, 2024. We have engaged with the state of California regarding the continued utilization of our California City facility by the CDCR. However, we can provide no assurance that we will be successful in reaching an agreement for the utilization of the facility beyond March 31, 2024. We are also marketing the facility to other potential customers. Rental revenue generated from the CDCR at the California City facility was \$31.1 million and \$34.0 million for 2023 and 2022, respectively. Facility net operating income at the facility was \$25.5 million and \$27.9 million for 2023 and 2022, respectively.

Based on information available as of the date of this Annual Report, other than the previously mentioned lease agreement with the CDCR for our California City facility, we believe we will renew all other contracts with our government partners that have expired or are scheduled to expire within the next twelve months that could have a material adverse impact on our financial statements. We believe our renewal rate on existing contracts remains high due to a variety of reasons including, but not limited to, the constrained supply of available beds within the U.S. correctional system, our ownership of the majority of the beds we operate, and the cost effectiveness of the services we provide. However, we can provide no assurance that we will continue to achieve high renewal rates in the future.

### *CoreCivic Safety*

CoreCivic Safety includes the operating results of the correctional and detention facilities that we operated during each period. Total revenue generated by CoreCivic Safety increased \$47.4 million, or 2.8%, from \$1,684.0 million during 2022 to \$1,731.4 million during 2023. CoreCivic Safety's facility net operating income increased \$4.5 million, or 1.2%, from \$370.5 million during 2022 to \$374.9 million during 2023. During 2023 and 2022, CoreCivic Safety generated 84.7% and 84.1%, respectively, of our total segment net operating income.

The following table displays the revenue and expenses per compensated man-day for CoreCivic Safety's correctional and detention facilities placed into service that we own and manage and for the facilities we manage but do not own, inclusive of the transportation services provided by TransCor:

	For the Years Ended December 31,	
	2023	2022
<b>CoreCivic Safety Facilities:</b>		
Revenue per compensated man-day	\$ 99.53	\$ 94.85
Operating expenses per compensated man-day:		
Fixed expense	56.25	52.13
Variable expense	21.72	21.85
Total	77.97	73.98
Operating income per compensated man-day	\$ 21.56	\$ 20.87
Operating margin	21.7%	22.0%
Average compensated occupancy	72.2%	71.2%
Average available beds	65,978	68,296
Average compensated population	47,662	48,643

Operating margins in the CoreCivic Safety segment have been negatively impacted by increased operating expenses per man-day, which was driven primarily by incremental staffing levels, higher wage rates and other related expenses. As previously described herein, we have experienced labor shortages and wage pressures in many markets across the country, and have provided inflationary wage increases above historical averages to remain competitive, including increases to most of our facility staff during July of the last three years since the COVID-19 pandemic started. Further, we have incurred incremental expenses to help ensure sufficient staffing levels under unique and challenging working conditions, including but not limited to, shift incentive bonuses, recruiting and retention bonuses, temporary employee housing expenses and travel reimbursements, off-cycle wage increases, as well as relocation incentives. While, as previously described herein, we were able to reduce the use of these temporary incentives during 2023 when compared to 2022, we expect to continue to incur a certain level of additional incremental expenses in future quarters as we expect to continue to invest in staffing resources. We believe the significant investments we have made in our workforce have positioned us to meet the emerging needs of our government partners, as certain government agencies are experiencing an increase in the need for correctional and detention capacity in a post-pandemic environment, including as a result of the expiration of Title 42. The negative impact on operating margins resulting from these factors was partially offset by a 4.9% increase in average revenue per compensated man-day during 2023 when compared to 2022. The increase in average revenue per compensated man-day resulted from the effect of per diem increases at several of our facilities, as we have received per diem increases resulting from additional government appropriations funding to address increases in the wages of our employees.

In December 2021, we were awarded a new management contract from the state of Arizona for up to 2,706 inmates at our 3,060-bed La Palma Correctional Center in Arizona. The State closed an outdated public-sector prison and transferred the inmate populations from this prison and multiple other public-sector prisons to our La Palma facility. The transfer began in April 2022 with the offender intake process being substantially completed during the fourth quarter of 2022. During 2023, the average daily population was 2,421 inmates from the state of Arizona at our La Palma facility. During the first quarter of 2022, before the new contract commenced, the La Palma facility supported the mission of ICE by caring for an average daily population of 1,678 detainees. The management contract expands and strengthens our relationship with the state of Arizona and we believe will maximize the utilization of our La Palma facility, while providing ICE with the ability to continue its mission under existing contracts at alternative facilities we own and operate in the same geographic region. The transition of populations from ICE detainees to inmates from the state of Arizona has resulted in the disruption of earnings and cash flows since the first quarter of 2022, and we expect this disruption will continue until we stabilize the operating expense structure at this facility by reducing incremental expenses associated with temporary staffing, which we have recently begun to experience. Facility net operating income generated by the La Palma facility decreased by \$8.4 million during 2023, contributing to the slight decline in operating margin in the CoreCivic Safety segment when compared with 2022.

As previously described herein, we had one prison contract with the BOP at our 1,978-bed McRae Correctional Facility, which expired in November 2022 and was not renewed. During 2022, this facility generated facility net operating income of \$6.4 million. We entered into a Purchase and Sale Agreement with the Georgia Building Authority to purchase the McRae facility in July 2022 and completed the sale in August 2022. We leased the McRae Correctional Facility from the Georgia Building Authority through November 30, 2022 to allow us to fulfill our obligations to the BOP. We generated net sales proceeds of \$129.7 million on the sale of the McRae facility, resulting in a net gain on the sale of \$77.5 million, which we recognized in the third quarter of 2022.

On June 14, 2023, we announced that we entered into a lease agreement with the ODC for our 1,670-bed Allen Gamble Correctional Center which, until October 1, 2023, we reported in our CoreCivic Safety segment and operated under a management contract with the ODC. The management contract was scheduled to expire on June 30, 2023. However, effective July 1, 2023, we entered into a 90-day contract extension for the management contract, after which time, operations of the Allen Gamble facility transferred from us to the ODC in accordance with the new lease agreement. The new lease agreement includes a base term commencing October 1, 2023, with a scheduled expiration date of June 30, 2029, and unlimited two-year renewal options. Annual lease revenue to be generated from the ODC at the Allen Gamble facility under the new lease agreement will be \$7.5 million during the base term. The annual rent during each renewal option term shall be mutually agreed upon by the parties. Management revenue generated from the ODC at the Allen Gamble facility was \$23.0 million and \$29.1 million for 2023 during the period it was reported in the Safety segment and 2022, respectively. The Allen Gamble facility incurred a net operating loss of \$1.2 million during the period it was reported in the Safety segment during 2023, compared with a net operating loss of \$0.9 million during 2022. Upon commencement of the new lease agreement, the Allen Gamble facility has been reported in our CoreCivic Properties segment.

On September 25, 2023, we announced that we signed a new management contract with Hinds County, Mississippi to care for up to 250 adult male pre-trial detainees at our 2,672-bed Tallahatchie County Correctional Facility in Tutwiler, Mississippi. The initial contract term is for two years, which may be extended for an additional year upon mutual agreement. We began receiving inmates from Hinds County during October 2023. In addition, on November 16, 2023, we announced that we signed a new management contract with the state of Wyoming to care for up to 240 male inmates at the Tallahatchie facility. The term of the new contract runs through June 30, 2026. We began receiving inmates from Wyoming in November 2023. Also on November 16, 2023, we announced that we signed a new contract with Harris County, Texas, to care for up to 360 male inmates at the Tallahatchie facility. Upon mutual agreement, Harris County may access an additional 360 beds at the facility. The initial contract term began on December 1, 2023, and is scheduled to expire on November 30, 2024. However, the contract may be extended at Harris County's option for up to four additional one-year terms. We began receiving inmates from Harris County in December 2023. During the fourth quarter of 2023, we provided off-cycle wage increases to help ensure sufficient staffing levels to accommodate the sudden increase in occupancy. Nonetheless, these three new contracts are expected to result in an increase in facility net operating income at the Tallahatchie facility.

On November 14, 2023, we announced that we signed a new management contract with the state of Montana to care for up to 120 inmates at our 1,896-bed Saguaro Correctional Facility in Eloy, Arizona. The new contract is scheduled to expire on October 31, 2025, and may be extended by mutual agreement for a total term of up to seven years. We began receiving inmates from the state of Montana in November 2023. We currently care for residents from the state of Hawaii and the state of Idaho at the Saguaro facility. The new contract represents an expansion of our relationship with the state of Montana where we also manage the fully occupied company-owned Crossroads Correctional Center in Shelby, Montana for the state of Montana pursuant to a separate management contract.

### *CoreCivic Community*

CoreCivic Community includes the operating results of the residential reentry centers that we operated during each period, along with the operating results of our electronic monitoring and case management services. Total revenue generated by CoreCivic Community increased \$11.8 million, or 11.4%, from \$103.3 million during 2022 to \$115.1 million during 2023. CoreCivic Community's facility net operating income increased \$5.9 million, or 34.4%, from \$17.2 million during 2022 to \$23.2 million during 2023. During 2023 and 2022, CoreCivic Community generated 5.2% and 3.9%, respectively, of our total segment net operating income.

The following table displays the revenue and expenses per compensated man-day for CoreCivic Community's residential reentry facilities placed into service that we own and manage, but exclusive of the electronic monitoring and case management services given that revenue is not generated on a per compensated man-day basis for these services:

	<u>For the Years Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<b>CoreCivic Community Facilities:</b>		
Revenue per compensated man-day	\$ 73.98	\$ 65.58
Operating expenses per compensated man-day:		
Fixed expense	41.50	38.84
Variable expense	12.37	11.94
Total	53.87	50.78
Operating income per compensated man-day	\$ 20.11	\$ 14.80
Operating margin	27.2%	22.6%
Average compensated occupancy	62.2%	57.6%
Average available beds	4,669	4,869
Average compensated population	2,904	2,803

Similar to our CoreCivic Safety segment, operating margins in our CoreCivic Community segment were negatively impacted during 2023 by increased operating expenses per man-day, which were driven primarily by higher staffing levels and wage rates. However, the effect of the increased operating expenses was more than offset during 2023 when compared to 2022 by an increase in average revenue per compensated man-day during 2023. Average revenue per compensated man-day increased primarily as a result of per diem increases and increased occupancy under certain contracts. Similar to our CoreCivic Safety segment, occupancy in our CoreCivic Community facilities has not yet returned to pre-pandemic occupancy levels due to a variety of factors being evaluated by our government partners, including appropriated funding for non-secure residential contracts. However, we do expect the current favorable occupancy trend to continue in our Community segment as our government partners return to residential reentry programs that we offer that help individuals be better prepared for successfully transitioning back into our communities. Because facilities in our Community segment are typically smaller in size than those in our Safety segment, occupancy changes have a larger impact on operating margin per compensated man-day. Accordingly, modest changes in occupancy can have a notable impact in our Community segment.

Also contributing to the improved average compensated occupancy in the CoreCivic Community segment during 2023 were the sales of our 120-bed Fox Facility and Training Center and our 90-bed Ulster Facility in the first quarter of 2022. The two facilities were located in Denver, Colorado and had been under-utilized by Denver County. Also contributing to the improved average compensated occupancy in the CoreCivic Community segment during 2023 was the sale of an idled residential reentry center in Oklahoma City, Oklahoma in December 2022.

In January 2024, we also completed the sale of our 120-bed Dahlia Facility, another residential reentry center in Denver, Colorado. The Dahlia facility was reported as an asset held for sale as of December 31, 2023. We received gross sales proceeds of \$8.0 million on the sale of the Dahlia facility compared to the carrying value of \$7.5 million, resulting in a nominal net gain on the sale after transaction related expenses, which will be recognized in the first quarter of 2024. We will continue to operate the Dahlia facility through the expiration of the current management contract in June 2024.

### *CoreCivic Properties*

CoreCivic Properties includes the operating results of the properties we leased to government agencies during each period. Total revenue generated by CoreCivic Properties decreased \$8.0 million, or 13.8%, from \$57.9 million during 2022 to \$49.9 million during 2023. CoreCivic Properties' facility net operating income decreased \$8.1 million, or 18.4%, from \$44.2 million during 2022 to \$36.0 million during 2023. CoreCivic Properties generated operating margins of 72% and 76% for 2023 and 2022, respectively. The decreases in total revenue and net operating income were primarily the result of the termination of the lease at our North Fork Correctional Facility effective June 30, 2023, the sale of two actively leased properties in the second quarter of 2023, and the sale of two actively leased properties in the third quarter of 2022, all as further described hereinafter. These decreases in total revenue and net operating income were net of increases due to the aforementioned new lease agreement at our Allen Gamble Correctional Center effective October 1, 2023, which contributed to increases in revenue and net operating income of \$1.9 million and \$0.3 million, respectively, during the fourth quarter of 2023, which reflects the period this facility has been reported in the Properties segment. During 2023 and 2022, CoreCivic Properties generated 10.1% and 12.0%, respectively, of our total segment net operating income.

During July 2022, we sold the Stockton Female Community Corrections Facility and the Long Beach Community Corrections Center, both located in California, generating net sales proceeds of \$10.9 million. During our period of ownership in 2022, these two properties generated facility net operating income of \$0.6 million. We reported an aggregate net gain on the sale of these two properties of \$2.3 million during the third quarter of 2022.

During the third quarter of 2022, we began marketing for sale our Roth Hall Residential Reentry Center and the Walker Hall Residential Reentry Center, both located in Philadelphia, Pennsylvania. A purchase and sale agreement for these two Philadelphia properties was executed in March 2023 and the properties were sold on May 2, 2023, generating net sales proceeds of \$5.8 million, resulting in a loss on sale of \$25,000, which was reported in the second quarter of 2023. During the year ended December 31, 2022, these two properties generated facility net operating income of \$0.2 million. During our period of ownership in 2023, these two properties generated facility net operating income of \$0.3 million.

On April 25, 2023, we announced that we received notice from the ODC of its intent to terminate the lease agreement for our 2,400-bed North Fork Correctional Facility upon the lease expiration on June 30, 2023. Rental revenue generated from the ODC while the lease was active at the North Fork facility was \$6.1 million for 2023 and was \$12.2 million for the year ended December 31, 2022. Facility net operating income at this facility was \$4.7 million for the period the lease was active in 2023 and was \$9.3 million for the year ended December 31, 2022. Upon expiration of the lease, the North Fork facility was idled in the third quarter of 2023. We are marketing the facility to potential customers.

As previously described herein, beginning in the fourth quarter of 2023, a new lease agreement with the ODC for the Allen Gamble Correctional Center commenced, at which time we began reporting the financial results in the CoreCivic Properties segment. Annual lease revenue to be generated from the ODC at the Allen Gamble facility under the new lease agreement of \$7.5 million, at a margin expected to be consistent with the average operating margin we report in this segment, will partially offset the reduction of lease revenue and net operating income that was previously generated under the lease agreement for the North Fork facility prior to its termination.

On December 6, 2022, we received notice from the CDCR, of its intent to terminate the lease agreement for our 2,560-bed California City Correctional Center by March 31, 2024, due to the state's declining inmate population. As part of its annual budget process for the fiscal year ending June 30, 2024, the California legislature approved funding for the lease through March 31, 2024. We have engaged with the state of California regarding the continued utilization of our California City facility by the CDCR. However, we can provide no assurance that we will be successful in reaching

an agreement for the utilization of the facility beyond March 31, 2024. We are also marketing the facility to other potential customers. Rental revenue generated from the CDCR at the California City facility was \$31.1 million and \$34.0 million for 2023 and 2022, respectively. Facility net operating income at this facility was \$25.5 million and \$27.9 million for 2023 and 2022, respectively.

On December 28, 2023, we sold the Augusta Transitional Center, a community corrections facility in Georgia that was leased to the state of Georgia, for net sales proceeds of \$4.5 million, resulting in a gain on sale of \$0.5 million. During 2023 and 2022, this property generated facility net operating income of \$0.4 million and \$0.5 million, respectively.

### ***General and administrative expense***

For the years ended December 31, 2023 and 2022, general and administrative expenses totaled \$136.1 million and \$127.7 million, respectively. General and administrative expenses consist primarily of corporate management salaries and benefits, professional fees, and other administrative expenses. General and administrative expenses increased primarily as a result of an increase in corporate management salaries and benefits, which was largely related to higher incentive-based compensation.

### ***Depreciation and Amortization***

For the years ended December 31, 2023 and 2022, depreciation and amortization expense totaled \$127.3 million and \$127.9 million, respectively. Depreciation and amortization expense decreased primarily as a result of the previously described sale of the McRae Correctional Facility in the third quarter of 2022. This reduction was partially offset by depreciation on renovations completed at several facilities during 2022 and 2023.

### ***Asset impairments***

During the third quarter of 2023, we recognized a \$2.7 million contract acquisition asset impairment associated with the pursuit of new contracts with a selected technology vendor, as the agreement with the vendor terminated during the third quarter of 2023.

Pursuant to the agreement to sell the Oklahoma City Transitional Center in our Community segment, which closed in the fourth quarter of 2022, we recognized an impairment charge of \$3.5 million during the third quarter of 2022 associated with this facility, based on its estimated fair value less costs to sell. Additionally, during the fourth quarter of 2022, we recognized an impairment charge of \$0.7 million based on its estimated fair value pursuant to an agreement to sell the 60-bed Columbine Facility in Denver, Colorado, an agreement that was terminated in 2023. The Columbine Facility is an idle residential reentry facility in our Community segment.

### ***Interest expense, net and expenses associated with debt repayments and refinancing transactions***

Interest expense is reported net of interest income and capitalized interest for the years ended December 31, 2023 and 2022. Gross interest expense, net of capitalized interest, was \$85.3 million and \$95.9 million in 2023 and 2022, respectively. Gross interest expense was based on outstanding borrowings under our revolving credit facility, or Revolving Credit Facility, our outstanding term loan, or Term Loan, and our Term Loan B (which we repaid in full in May 2022, as further described hereinafter), our outstanding senior unsecured notes, and our outstanding non-recourse mortgage note, as well as the amortization of loan costs and unused facility fees. Interest expense during 2023 decreased primarily as a result of the \$124.1 million repayment of the remaining balance of the Term Loan B during May 2022 and as a result of the redemption of the outstanding balance of the 4.625% senior unsecured notes, or the 4.625% Senior Notes, on February 1, 2023, both as further described hereinafter. In addition, the repurchase in the open market of \$80.8 million principal amount of senior unsecured notes during 2022 and \$27.9 million during 2023 contributed to the decrease in interest expense. The decrease in interest expense was partially offset by an increase in interest rates associated with our variable rate debt, as further described hereinafter. During 2022, we incurred charges of \$1.3 million for the write-off of a pro-rata portion of the loan costs associated with open market purchases of the 4.625% Senior Notes and the 8.25% Senior Notes, net of discounts to the principal balance of notes purchased.



On May 12, 2022, we entered into a Third Amended and Restated Credit Agreement, or the Previous Bank Credit Facility, in an aggregate principal amount of \$350.0 million, consisting of a \$100.0 million Term Loan and a Revolving Credit Facility with a borrowing capacity of \$250.0 million. During the second quarter of 2022, we incurred charges of \$0.8 million for the write-off of a portion of the pre-existing loan costs associated with the credit facility that was replaced by the Previous Bank Credit Facility, reported as expenses associated with debt repayments and refinancing transactions.

As further described hereinafter, on October 11, 2023, we entered into a Fourth Amended and Restated Credit Agreement, or the New Bank Credit Facility, that, among other things, increased the available borrowings under the Revolving Credit Facility from \$250.0 million to \$275.0 million and increased the size of the Term Loan from an initial balance of \$100.0 million under the Previous Bank Credit Facility to \$125.0 million, extended the maturity date to October 11, 2028 and made conforming changes to replace the Bloomberg Short-Term Bank Yield, or BSBY, index with the Secured Overnight Financing Rate, or SOFR. At the closing of the New Bank Credit Facility, we received approximately \$33.8 million of net borrowings before transaction costs as a result of the increased size of the Term Loan, and our Revolving Credit Facility remains unused, except for \$17.9 million in outstanding letters of credit. During 2023, we incurred charges of \$0.7 million primarily associated with the New Bank Credit Facility and for the write-off of loan costs associated with the purchase of \$21.0 million of our 8.25% Senior Notes and \$6.9 million of our 4.75% senior unsecured notes through open market purchases, net of discounts to the principal balance of the notes repurchased.

On May 19, 2022, we voluntarily repaid in full the debt outstanding under our Term Loan B, amounting to \$124.1 million, and satisfied all of our outstanding obligations under the Term Loan B. We did not incur any prepayment penalties in connection with the repayment of the Term Loan B, which had a scheduled maturity of December 18, 2024. The prepayment was made in full with cash on hand. The Term Loan B bore interest at LIBOR plus 4.50%, with a 1.00% LIBOR floor (or, at our option, a base rate plus 3.50%). During the second quarter of 2022, we incurred charges of \$6.0 million associated with the write-off of the remaining unamortized debt issuance costs and original issue discount resulting from the prepayment of the Term Loan B, reported as expenses associated with debt repayments and refinancing transactions.

On December 22, 2022, we delivered an irrevocable notice to the holders of the 4.625% Senior Notes that we elected to redeem in full the 4.625% Senior Notes that remained outstanding on February 1, 2023. The 4.625% Senior Notes were redeemed on February 1, 2023 at a redemption price equal to 100% of the principal amount of the outstanding 4.625% Senior Notes, which amounted to \$153.8 million, plus accrued and unpaid interest to, but not including, the redemption date. We used a combination of cash on hand and available capacity under our Revolving Credit Facility to fund the redemption. Following the redemption of the 4.625% Senior Notes, we have no debt maturities until 2026.

Based on our total leverage ratio, interest on loans under our Previous Bank Credit Facility through October 10, 2023 were at a base rate plus a margin of 2.25% or at BSBY plus a margin of 3.25%, and a commitment fee equal to 0.45% of the unfunded balance of the Revolving Credit Facility. Based on our total leverage ratio, interest on loans under our New Bank Credit Facility since October 11, 2023 were at a base rate plus a margin of 2.25% or at the SOFR rate plus a margin of 3.25%, and a commitment fee equal to 0.45% of the unfunded balance of the Revolving Credit Facility. In an effort to mitigate inflation, the Federal Reserve increased interest rates throughout 2022 and continued to increase interest rates in 2023. Although we continue to be exposed to rising interest rates, we have reduced our exposure to rising interest rates by paying down our variable rate debt. The only remaining variable rate debt we have is associated with our Term Loan, which had an outstanding balance of \$125.0 million as of December 31, 2023, and our Revolving Credit Facility which, as of December 31, 2023, had no borrowings outstanding.

Gross interest income was \$12.3 million and \$10.9 million in 2023 and 2022, respectively. Gross interest income is earned on notes receivable, investments, cash and cash equivalents, and restricted cash. Interest income also includes interest income associated with the 20-year finance receivable associated with the Lansing Correctional Facility lease to the KDOC, which commenced in January 2020, and amounted to \$8.5 million and \$8.7 million in 2023 and 2022, respectively. Total capitalized interest was \$1.0 million during 2022.

### ***Gain on sale of real estate assets, net***

Gain on sale of real estate assets, net during the year ended December 31, 2023, includes the \$0.5 gain on the sale of the Augusta Transitional Center in Georgia in our Properties segment, as previously described herein. The gain on the sale was recorded in the fourth quarter of 2023. In addition, during the third quarter of 2023, we sold a vacant parcel of land generating net sales proceeds of \$0.5 million and resulting in a gain on sale of \$0.4 million. The gain was reported in the third quarter of 2023.

Gain on sale of real estate assets, net during the year ended December 31, 2022, primarily includes the gains on the sales of the McRae Correctional Facility in our Safety segment and the Stockton Female Community Corrections Facility and the Long Beach Community Corrections Center in our Properties segment, all of which were recorded in the third quarter of 2022, as previously described herein. Gain on sale of real estate assets, net during 2022 also includes gains related to the sales of certain other real estate properties, including two vacant land parcels.

### ***Income tax expense***

We recorded income tax expense of \$28.2 million and \$43.0 million during the years ended December 31, 2023 and 2022, respectively. Income tax expense for 2023 included an increase to income tax expense of \$0.9 million for the revaluation of net deferred tax liabilities associated with a change in our corporate tax structure. During the first quarter of 2023, we completed a reorganization of our tax structure to simplify and more closely align operations and assets of certain of our subsidiaries and to reduce administrative efforts following our conversion from a real estate investment trust to a taxable C-corporation. Income tax expense related to operations for 2023 was net of an income tax benefit of \$0.8 million associated with asset impairments and expenses associated with debt repayments and refinancing transactions, net of the gain on sale of real estate assets. Income tax expense related to operations for 2022 included an income tax expense of \$19.3 million associated with the gain on sale of real estate assets previously described, partially offset by an income tax benefit associated with shareholder litigation expenses, asset impairments, and expenses associated with debt repayments and refinancing transactions previously described.

Our effective tax rate could fluctuate in the future based on changes in estimates of taxable income, the implementation of additional tax planning strategies, changes in federal or state tax rates or laws affecting tax credits available to us, changes in other tax laws, limits on certain deductible expenses, changes in estimates related to uncertain tax positions, or changes in state apportionment factors, as well as changes in the valuation allowance applied to our deferred tax assets that are based primarily on the amount of state net operating losses and tax credits that could expire unused.

### **Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021**

Pursuant to Regulation S-K item 303, a detailed review of our performance for the year ended December 31, 2022 compared to our performance for the year ended December 31, 2021 is set forth in "*Part 2, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*" of our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 21, 2023.

## LIQUIDITY AND CAPITAL RESOURCES

Our principal capital requirements are for working capital, capital expenditures, and debt service payments, as well as outstanding commitments and contingencies, as further discussed in the notes to our financial statements. Effective January 1, 2021, we revoked our election to be taxed as a REIT. We believe this conversion in corporate tax structure improves our overall credit profile, as we are able to allocate our free cash flow toward the repayment of debt, which may include the purchase of our outstanding debt in open market transactions, privately negotiated transactions or otherwise, and to exercise more discretion in returning capital to our shareholders. Any such debt repurchases will depend upon prevailing market conditions, our liquidity requirements, contractual requirements, applicable securities laws requirements, and other factors. From January 1, 2021 through December 31, 2023, we have repaid \$711.5 million of debt, net of the change in cash. Following our first priority of utilizing free cash flow to reduce debt, we expect to allocate a substantial portion of our free cash flow to returning capital to our shareholders, which could include share repurchases and/or future dividends. Any future dividend is subject to the Board of Directors', or BODs', determinations as to the amount of distributions and the timing thereof, as well as limitations under the Company's debt covenants. We were not able to implement a meaningful share repurchase program under the REIT structure without increasing our debt because a substantial portion of our free cash flow was required to satisfy the distribution requirements under the REIT structure. On May 2, 2022, the BOD approved a share repurchase program to purchase up to \$150.0 million of our common stock. On August 2, 2022, the BOD increased the authorization to repurchase under the share repurchase program by up to an additional \$75.0 million of our common stock, which resulted in a total aggregate authorized amount to repurchase up to \$225.0 million of our common stock. Repurchases of our outstanding common stock will be made in accordance with applicable securities laws and may be made at our discretion based on parameters set by our BOD from time to time in the open market, through privately negotiated transactions, or otherwise. The share repurchase program has no time limit and does not obligate us to purchase any particular amount of our common stock. The authorization for the share repurchase program may be terminated, suspended, increased or decreased by the BOD in its discretion at any time. Through December 31, 2023, we completed the repurchase of 10.1 million shares of our common stock at a total cost of \$112.6 million, or \$11.16 per share, using cash on hand and cash provided by operations, including 3.5 million shares at a total cost of \$38.1 million, or \$10.97 per share, during 2023.

We will also pursue attractive growth opportunities, including new development opportunities in our Properties segment, to meet the need to modernize outdated correctional infrastructure across the country, and explore potential opportunities to expand the scope of non-residential correctional alternatives we provide in our Community segment.

With the extensively aged criminal justice infrastructure in the U.S. today, we believe we can bring real estate and financing solutions to government agencies as we did in connection with the construction of the Lansing Correctional Facility that commenced operations in January 2020. We financed the construction of the Lansing Correctional Facility 100% with project specific financing, requiring no equity commitment from us. We believe we can also provide other real estate solutions to government agencies faced with extensively aged criminal justice infrastructure, including "turn-key" solutions similar to those we are providing to the state of Arizona in connection with the new contract that commenced during the second quarter of 2022 at our La Palma Correctional Center, as well as real estate only solutions to government agencies that need correctional capacity where they prefer to operate the facility, similar to the lease of our Allen Gamble Correctional Center in Oklahoma to the ODC signed in 2023, as previously described herein. In addition, in August 2022, we completed the sale of the 1,978-bed McRae Correctional Facility to the Georgia Building Authority in order to update its aged and inefficient public sector correctional infrastructure. Most real estate only solutions would not require material capital expenditures if we have existing capacity. However, in the future we could incur capital expenditures to provide replacement capacity for government agencies that have extensively aged criminal justice infrastructure and are in need of new capacity.

As of December 31, 2023, we had cash on hand of \$121.8 million, and \$257.1 million available under our Revolving Credit Facility. During the years ended December 31, 2023 and 2022, we generated \$231.9 million and \$153.6 million, respectively, in cash through operating activities. We currently expect to be able to meet our cash expenditure requirements for the next year and beyond utilizing cash on hand, cash flows from operations, and availability under our Revolving Credit Facility. As of December 31, 2023, we had no debt maturities until April 2026.

Our cash flow is subject to the receipt of sufficient funding of and timely payment by contracting governmental entities. If the appropriate governmental agency does not receive sufficient appropriations to cover its contractual obligations, it may terminate our contract or delay or reduce payment to us. Delays in payment from our major customers, which could include the deferral of payments to us during government shutdowns or the termination of contracts from our major customers, could have an adverse effect on our cash flow and financial condition. We have not experienced any unusual delays in payments from our major customers.

### ***Debt***

As of December 31, 2023, we had \$243.1 million principal amount of unsecured notes outstanding with a fixed stated interest rate of 4.75% and \$593.1 million principal amount of unsecured notes outstanding with a fixed stated interest rate of 8.25%, or collectively, the Senior Notes. In addition, as of December 31, 2023, we had \$145.5 million outstanding under the Kansas Notes with a fixed stated interest rate of 4.43% and \$125.0 million outstanding under our Term Loan with a variable interest rate of 8.7%. We had \$17.9 million of letters of credit outstanding under our Revolving Credit Facility at December 31, 2023. There was no amount outstanding under our Revolving Credit Facility as of December 31, 2023. As of December 31, 2023, our total weighted average effective interest rate was 7.6%, while our total weighted average maturity was 4.7 years, and we have no debt maturities until 2026. In 2023, we purchased \$21.0 million of the 8.25% Senior Notes through open market purchases, reducing the outstanding balance of the 8.25% Senior Notes to \$593.1 million as of December 31, 2023. In addition, in 2023, we purchased \$6.9 million of the 4.75% Senior Notes through open market purchases, reducing the outstanding balance of the 4.75% Senior Notes to \$243.1 million as of December 31, 2023. The Senior Notes were purchased at a weighted average purchase price of 97% of par. In the future, we could elect to use our free cash flow to purchase additional Senior Notes in open market transactions, privately negotiated transactions or otherwise. We could also use our effective shelf registration statement to issue additional debt securities when we determine that market conditions and the opportunity to utilize the proceeds therefrom are favorable.

As previously mentioned, on October 11, 2023, we entered into a New Bank Credit Facility that, among other things, increased the available borrowings under the Revolving Credit Facility from \$250.0 million to \$275.0 million and increased the size of the Term Loan from an initial balance of \$100.0 million to \$125.0 million, extended the maturity date to October 11, 2028 and made conforming changes to replace the BSBY index with SOFR. Our financial covenants were modified to remove the \$100.0 million limit of netting unrestricted cash and cash equivalents when calculating the consolidated total leverage ratio and the consolidated secured leverage ratio. Further, the consolidated total leverage ratio resulting in a "springing lien" event was increased from 4.00 to 1.00 to 4.25 to 1.00. At the closing of the New Bank Credit Facility, we received approximately \$33.8 million of net borrowings before transaction costs as a result of the increased size of the Term Loan, and our Revolving Credit Facility remains unused, except for \$17.9 million in outstanding letters of credit.

### **Operating Activities**

Our net cash provided by operating activities for the year ended December 31, 2023 was \$231.9 million compared with \$153.6 million in 2022. Cash provided by operating activities represents our net income plus depreciation and amortization, changes in various components of working capital, and various non-cash charges. The increase in cash provided by operating activities resulted primarily from positive fluctuations in working capital accounts relative to the prior year.

### **Investing Activities**

Our net cash flow used in investing activities was \$58.9 million for the year ended December 31, 2023 and was primarily attributable to capital expenditures for facility development and expansions of \$4.9 million and \$65.4 million for facility maintenance and information technology capital expenditures, partially offset by \$11.1 million in net proceeds from the sale of assets.

Our net cash flow provided by investing activities was \$73.0 million for the year ended December 31, 2022 and was primarily attributable to \$157.7 million in net proceeds from the sale of assets, partially offset by capital expenditures for facility development and expansions of \$23.1 million and \$58.3 million for facility maintenance and information technology capital expenditures.

## **Financing Activities**

Our net cash flow used in financing activities was \$206.2 million for the year ended December 31, 2023 and was primarily attributable to debt repayments, including \$91.2 million related to our previous Term Loan, the \$153.8 million redemption of the 4.625% Senior Notes, the \$21.0 million purchase of the 8.25% Senior Notes, and the \$6.9 million purchase of the 4.75% Senior Notes. In addition, our net cash flow used in financing activities was attributable to \$9.9 million of scheduled principal repayments under our Term Loan and our non-recourse mortgage note. Our net cash flow used in financing activities also included \$43.0 million for the share repurchase program, as well as the purchase and retirement of common stock that was issued in connection with equity-based compensation, and dividend payments on restricted stock units that became vested of \$0.1 million. These payments were partially offset by the \$125.0 million of proceeds from the aforementioned issuance of the Term Loan in October 2023 associated with the Fourth Amended and Restated Credit Agreement. We also borrowed \$125.0 million on our Revolving Credit Facility, and repaid such amount during the year.

Our net cash flow used in financing activities was \$375.2 million for the year ended December 31, 2022 and was primarily attributable to debt repayments, including \$167.5 million related to our previous Term Loan, \$124.1 million related to our Term Loan B, and \$80.6 million related to our 4.625% and 8.25% Senior Notes. In addition, our net cash flow used in financing activities was attributable to \$15.1 million of scheduled principal repayments under our Term Loan, Term Loan B, and our non-recourse mortgage note. Our net cash flow used in financing activities also included \$79.9 million for the share repurchase program, as well as the purchase and retirement of common stock that was issued in connection with equity-based compensation, and dividend payments on restricted stock units that became vested of \$0.9 million. These payments were partially offset by the \$100.0 million of proceeds from the aforementioned issuance of the Term Loan in May 2022 associated with the Third Amended and Restated Credit Agreement.

## **Supplemental Guarantor Information**

All of the domestic subsidiaries of CoreCivic (as the parent corporation) that guarantee the Bank Credit Facility have provided full and unconditional guarantees of our Senior Notes. All of CoreCivic's subsidiaries guaranteeing the Senior Notes are 100% owned direct or indirect subsidiaries of CoreCivic, and the subsidiary guarantees are full and unconditional and are joint and several obligations of the guarantors.

As of December 31, 2023, neither CoreCivic nor any of its subsidiary guarantors had any material or significant restrictions on CoreCivic's ability to obtain funds from its subsidiaries by dividend or loan or to transfer assets from such subsidiaries.

The indentures governing our Senior Notes contain certain customary covenants that, subject to certain exceptions and qualifications, restrict CoreCivic's ability to, among other things, create or permit to exist certain liens and consolidate, merge or transfer all or substantially all of CoreCivic's assets. In addition, if CoreCivic experiences specific kinds of changes in control, CoreCivic must offer to repurchase all or a portion of the Senior Notes. The offer price for the Senior Notes in connection with a change in control would be 101% of the aggregate principal amount of the notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased to the date of purchase. The indenture related to our 8.25% Senior Notes additionally limits our ability to incur indebtedness, make restricted payments and investments and prepay certain indebtedness.

The following tables present summarized information for CoreCivic and the subsidiary guarantors, on a combined basis after elimination of (i) intercompany transactions and balances among CoreCivic and the subsidiary guarantors and (ii) equity in earnings from, and any investments in, any subsidiary that is a non-guarantor (in thousands).

	December 31,	
	2023	2022
Current assets	\$ 460,475	\$ 415,304
Real estate and related assets	2,323,562	2,384,279
Other assets	175,413	204,606
Total non-current assets	2,498,975	2,588,885
Current liabilities	284,886	345,241
Long-term debt, net	945,949	942,147
Other liabilities	246,903	276,752
Total long-term liabilities	1,192,852	1,218,899

	For the Years Ended December 31,	
	2023	2022
Revenue	\$ 1,895,291	\$ 1,844,084
Operating expenses	1,462,414	1,413,788
Other expenses	263,401	261,898
Total expenses	1,725,815	1,675,686
Income before income taxes	92,437	162,454
Net income	64,203	119,472

### Funds from Operations

Funds From Operations, or FFO, is a widely accepted supplemental non-GAAP measure utilized to evaluate the operating performance of real estate companies. The National Association of Real Estate Investment Trusts, or NAREIT, defines FFO as net income computed in accordance with GAAP, excluding gains or losses from sales of property and extraordinary items, plus depreciation and amortization of real estate and impairment of depreciable real estate and after adjustments for unconsolidated partnerships and joint ventures calculated to reflect funds from operations on the same basis. As a company with extensive real estate holdings, we believe FFO is an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs and other real estate operating companies, many of which present FFO when reporting results.

We also present Normalized FFO as an additional supplemental measure as we believe it is more reflective of our core operating performance. We may make adjustments to FFO from time to time for certain other income and expenses that we consider non-recurring, infrequent or unusual, even though such items may require cash settlement, because such items do not reflect a necessary or ordinary component of our ongoing operations. Normalized FFO excludes the effects of such items.

FFO and Normalized FFO are supplemental non-GAAP financial measures of real estate companies' operating performance, which do not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered an alternative for net income or as a measure of liquidity. Our method of calculating FFO and Normalized FFO may be different from methods used by other REITs and real estate operating companies and, accordingly, may not be comparable to such REITs and other real estate operating companies.

Our reconciliation of net income to FFO and Normalized FFO for the years ended December 31, 2023, 2022, and 2021 is as follows (in thousands):

	For the Years Ended December 31,		
	2023	2022	2021
<b>FUNDS FROM OPERATIONS:</b>			
Net income (loss)	\$ 67,590	\$ 122,320	\$ (51,896)
Depreciation and amortization of real estate assets	98,076	96,917	98,738
Impairment of real estate assets	—	4,392	3,335
Gain on sale of real estate assets, net	(798)	(87,728)	(38,766)
Income tax expense for special items	226	21,995	8,785
Funds From Operations	165,094	157,896	20,196
Expenses associated with debt repayments and refinancing transactions	686	8,077	56,279
Expenses associated with COVID-19	—	—	2,434
Income tax expense associated with change in corporate tax structure and other special tax items	930	—	114,249
Shareholder litigation expense	—	1,900	54,295
Goodwill and other impairments	—	—	8,043
Other asset impairments	2,710	—	—
Income tax benefit for special items	(984)	(2,657)	(30,012)
Normalized Funds From Operations	\$ 168,436	\$ 165,216	\$ 225,484

### Material Cash Requirements

The following table summarizes our material cash requirements related to borrowings, contracts and leases by the indicated period as of December 31, 2023 (in thousands):

	Payments Due By Year Ending December 31,						
	2024	2025	2026	2027	2028	Thereafter	Total
Long-term debt	\$ 11,597	\$ 12,073	\$608,814	\$262,423	\$ 97,995	\$113,789	\$1,106,691
Interest on senior and mortgage notes	66,837	66,592	41,860	17,105	5,247	32,171	229,812
Contractual facility developments and other commitments	5,058	—	—	—	—	—	5,058
South Texas Family Residential Center	51,562	51,421	38,460	—	—	—	141,443
Leases	5,392	5,273	4,856	4,183	3,772	11,635	35,111
Total	\$140,446	\$135,359	\$693,990	\$283,711	\$107,014	\$157,595	\$1,518,115

The cash obligations in the table above do not include future cash obligations for variable interest expense associated with our Term Loan or the balance outstanding on our Revolving Credit Facility, if any, as projections would be based on future outstanding balances as well as future variable interest rates, and we are unable to make reliable estimates of either. Certain of our other ongoing construction projects are not currently under contract and thus are not included as a contractual obligation above as we may generally suspend or terminate such projects without substantial penalty. With respect to the South Texas Family Residential Center, the cash obligations included in the table above reflect the full contractual obligations of the lease of the site, excluding contingent payments, even though the lease agreement provides us with the ability to terminate if ICE terminates the amended inter-governmental service agreement associated with the facility.

We had \$17.9 million of letters of credit outstanding at December 31, 2023 primarily to support our requirement to repay fees and claims under our self-insured workers' compensation plan in the event we do not repay the fees and claims due in accordance with the terms of the plan, and for a debt service reserve requirement under terms of the Kansas Notes. The letters of credit are renewable annually. We did not have any draws under these outstanding letters of credit during 2023, 2022, or 2021.

## **INFLATION**

Many of our contracts include provisions for inflationary indexing, which may mitigate an adverse impact of inflation on net income. However, a substantial increase in personnel costs, workers' compensation, utilities, food, and medical expenses could have an adverse impact on our results of operations in the future to the extent that these expenses increase at a faster pace than the per diem or fixed rates we receive for our management services. As previously described herein, we have experienced increases in personnel costs and expect the labor market to remain challenging, which could have a material adverse effect on our operations. We outsource our food service operations to a third party. The contract with our outsourced food service vendor contains certain protections against increases in food costs.

## **SEASONALITY AND QUARTERLY RESULTS**

Certain aspects of our business are subject to seasonal fluctuations. Because we are generally compensated for operating and managing correctional, detention, and reentry facilities at a per diem rate, our financial results are impacted by the number of calendar days in a fiscal quarter. Our fiscal year follows the calendar year and therefore, our daily profits for the third and fourth quarters include two more days than the first quarter (except in leap years) and one more day than the second quarter. Further, salaries and benefits represent the most significant component of operating expenses. Significant portions of our unemployment taxes are recognized during the first quarter, when base wage rates reset for unemployment tax purposes. Quarterly results are also affected by government funding initiatives, acquisitions, the timing of the opening of new facilities, or the commencement of new management contracts and related start-up expenses which may mitigate or exacerbate the impact of other seasonal influences. Because of seasonality factors, and other factors described herein, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year.

## **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Our primary market risk exposure is to changes in U.S. interest rates. In an effort to mitigate inflation, the Federal Reserve increased interest rates throughout 2022 and continued to increase interest rates in 2023. We are exposed to market risk related to our Bank Credit Facility because the interest rates on these loans are subject to fluctuations in the market. We were also exposed to market risk related to our Term Loan B prior to its prepayment in full in May 2022. If the interest rate for our outstanding indebtedness under the Bank Credit Facility and the Term Loan B was 100 basis points higher or lower (but not less than 0%) during the years ended December 31, 2023, 2022, and 2021, our interest expense, net of amounts capitalized, would have been increased by \$1.1 million, \$1.4 million, and \$3.0 million, respectively, and would have been decreased by \$1.1 million, \$0.8 million, and \$0.3 million, respectively.

As of December 31, 2023, we had outstanding \$593.1 million of senior notes due 2026 with a fixed interest rate of 8.25%, and \$243.1 million of senior notes due 2027 with a fixed interest rate of 4.75%. We also had \$145.5 million outstanding under the Kansas Notes with a fixed interest rate of 4.43%. Because the interest rates with respect to these instruments are fixed, a hypothetical 100 basis point increase or decrease in market interest rates would not have a material impact on our financial statements.

We may, from time to time, invest our cash in a variety of short-term financial instruments. These instruments generally consist of highly liquid investments with original maturities at the date of purchase of three months or less. While these investments are subject to interest rate risk and will decline in value if market interest rates increase, a hypothetical 100 basis point increase or decrease in market interest rates would not materially affect the value of these instruments. See the risk factor discussion captioned "*Rising interest rates increase the cost of our variable rate debt*" under *Part I, Item 1A* of this Annual Report on Form 10-K for more discussion on interest rate risks that may affect our financial condition.



## **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

The financial statements and supplementary data required by Regulation S-X are included in this Annual Report on Form 10-K commencing on Page F-1.

## **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

None.

## **ITEM 9A. CONTROLS AND PROCEDURES.**

### **Management's Evaluation of Disclosure Controls and Procedures**

An evaluation was performed under the supervision and with the participation of our senior management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act as of the end of the period covered by this Annual Report. Based on that evaluation, our officers, including our Chief Executive Officer and Chief Financial Officer, concluded that as of the end of the period covered by this Annual Report our disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

### **Management's Report on Internal Control over Financial Reporting**

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework released in 2013. Based on this assessment, management believes that, as of December 31, 2023, the Company's internal control over financial reporting was effective.

The Company's independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on the Company's internal control over financial reporting. That report begins on page 91.

**Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting that occurred during the fourth fiscal quarter of 2023 that have materially affected, or are likely to materially affect, our internal control over financial reporting.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of CoreCivic, Inc.

### **Opinion on Internal Control Over Financial Reporting**

We have audited CoreCivic, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, CoreCivic, Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2023 consolidated financial statements of the Company and our report dated February 20, 2024 expressed an unqualified opinion thereon.

### **Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Nashville, Tennessee  
February 20, 2024

**ITEM 9B. OTHER INFORMATION**

None. Without limiting the generality of the foregoing, during the three months ended December 31, 2023, no director or officer of the Company adopted or terminated any “Rule 10b5-1 trading arrangement,” or any “non-Rule 10b-5 trading arrangement,” as such terms are defined in Item 408(a) of Regulation S-K.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.**

None.

### PART III.

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information required by this Item 10 will appear in, and is hereby incorporated by reference from, the information under the headings "Proposal 1 – Election of Directors-Incumbent Directors Standing for Re-Election," "Executive Officers," "Corporate Governance – Board Meetings and Committees," "Corporate Governance – Director Independence," "Corporate Governance – Certain Relationships and Related Party Transactions," and "Security Ownership of Certain Beneficial Owners and Management – Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive proxy statement for the 2024 Annual Meeting of Stockholders.

Our Board of Directors has adopted a Code of Ethics and Business Conduct applicable to the members of our Board of Directors and our officers, including our Chief Executive Officer and Chief Financial Officer. In addition, the Board of Directors has adopted Corporate Governance Guidelines and charters for our Audit Committee, Risk Committee, Compensation Committee, Nominating and Governance Committee and Executive Committee. You can access our Code of Ethics and Business Conduct, Corporate Governance Guidelines and current committee charters under the "Investor Relations" tab on our website at [www.corecivic.com](http://www.corecivic.com).

#### ITEM 11. EXECUTIVE COMPENSATION.

The information required by this Item 11 will appear in, and is hereby incorporated by reference from, the information under the headings "Executive and Director Compensation" in our definitive proxy statement for the 2024 Annual Meeting of Stockholders.

#### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The information required by this Item 12 will appear in, and is hereby incorporated by reference from, the information under the heading "Security Ownership of Certain Beneficial Owners and Management – Ownership of Common Stock – Directors and Executive Officers," and "Security Ownership of Certain Beneficial Owners and Management – Ownership of Common Stock – Principal Stockholders" in our definitive proxy statement for the 2024 Annual Meeting of Stockholders.

#### *Securities Authorized for Issuance Under Equity Compensation Plans*

The following table sets forth certain information as of December 31, 2023 regarding compensation plans under which our equity securities are authorized for issuance.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options	(b) Weighted – Average Exercise Price of Outstanding Options	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by stockholders	—\$	—	6,070,118 <sup>(1)</sup>
Equity compensation plans not approved by stockholders	—	—	—
<b>Total</b>	<b>—\$</b>	<b>—</b>	<b>6,070,118</b>

- (1) Reflects shares of common stock available for issuance under our Amended and Restated 2020 Stock Incentive Plan, the only equity compensation plan approved by our stockholders under which we continue to grant awards.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS AND DIRECTOR INDEPENDENCE.**

The information required by this Item 13 will appear in, and is hereby incorporated by reference from, the information under the heading "Corporate Governance – Certain Relationships and Related Party Transactions" and "Corporate Governance – Director Independence" in our definitive proxy statement for the 2024 Annual Meeting of Stockholders.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.**

The information required by this Item 14 will appear in, and is hereby incorporated by reference from, the information under the heading "Proposal 2 – Non-Binding Ratification of Appointment of Independent Registered Public Accounting Firm" in our definitive proxy statement for the 2024 Annual Meeting of Stockholders.

## PART IV.

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

The following documents are filed as part of this Annual Report:

(1) Financial Statements:

The financial statements as set forth under Item 8 of this Annual Report on Form 10-K have been filed herewith, beginning on page F-1 of this Annual Report.

(2) Financial Statement Schedules:

Schedule III-Real Estate Assets and Accumulated Depreciation.

Information with respect to this item begins on page F-36 of this Annual Report on Form 10-K. Other schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.

(3) Exhibits:

\* Filed herewith.

\*\* Furnished herewith.

\*\*\* As directed by Item 601(a)(5) or 601(b)(2) of Regulation S-K, as applicable, certain schedules and exhibits to this exhibit are omitted from this filing. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

# Management contract or compensatory plan or arrangement.

Other exhibits have previously been filed with the Securities and Exchange Commission (the "Commission") and are incorporated herein by reference:

- 3.1 [Articles of Amendment and Restatement of the Company](#) (previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on May 20, 2013 and incorporated herein by this reference).
- 3.2 [Articles of Amendment of the Company](#) (previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on November 10, 2016 and incorporated herein by this reference).
- 3.3 [Eleventh Amended and Restated Bylaws of the Company](#) (previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on December 15, 2023 and incorporated herein by this reference).
- 4.1 [Specimen of certificate representing shares of the Company's Common Stock](#) (previously filed as Exhibit 4.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on November 10, 2016 and incorporated herein by this reference).
- 4.2 [Indenture \(2023 Notes\), dated as of April 4, 2013, by and among the Company, certain of its subsidiaries, and U.S. Bank National Association, as Trustee](#) (previously filed as Exhibit 4.3 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on April 8, 2013 and incorporated herein by this reference).
- 4.3 [Indenture \(2022 Notes, 2026 Notes and 2027 Notes\), dated as of September 25, 2015, by and between the Company and U.S. Bank National Association, as Trustee](#) (previously filed as Exhibit 4.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on September 25, 2015 and incorporated herein by this reference).
- 4.4 [Form of 4.625% Senior Note due 2023](#) (incorporated by reference to Exhibit A to Exhibit 4.2 hereof).
- 4.5 [Form of 4.75% Senior Note due 2027](#) (incorporated by reference to Exhibit A to Exhibit 4.8 hereof).
- 4.6 [Form of 8.25% Senior Note due 2026](#) (incorporated by reference to Exhibit A to Exhibit 4.14 hereof).

- 4.7 [Supplemental Indenture \(2023 Notes\), dated as of September 4, 2013, by and among the Company, certain of its subsidiaries, and U.S. Bank National Association, as Trustee](#) (previously filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q (Commission File no. 001-16109), filed with the Commission on November 7, 2013 and incorporated herein by this reference).
- 4.8 [Second Supplemental Indenture \(2027 Notes\), dated as of October 13, 2017, by and among the Company, the Guarantors, and U.S. Bank National Association, as Trustee](#) (previously filed as Exhibit 4.2 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on October 13, 2017 and incorporated herein by this reference).
- 4.9 [Schedule of additional Supplemental Indentures \(2023 Notes\), relating to the Supplemental Indenture in Exhibit 4.6 hereof](#) (previously filed as Exhibit 4.12 to the Company's Annual Report on Form 10-K (Commission File no. 001-16109), filed with the Commission on February 25, 2016 and incorporated herein by this reference).
- 4.10 [Supplemental Indenture \(2023 Notes\), dated as of January 7, 2019, by and among the Company, certain of its subsidiaries, and Regions Bank, successor-in-interest to U.S. Bank National Association, as Trustee](#) (previously filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q (Commission File No. 001-16109), filed with the Commission on May 9, 2019 and incorporated herein by this reference).
- 4.11 [Supplemental Indenture \(2027 Notes\), dated as of January 7, 2019, by and among the Company, certain of its subsidiaries, and Regions Bank, successor-in-interest to U.S. Bank National Association, as Trustee](#) (previously filed as Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q (Commission File No. 001-16109), filed with the Commission on May 9, 2019 and incorporated herein by this reference).
- 4.12 [Supplemental Indenture \(2023 Notes\), dated as of February 3, 2020, by and among the Company, certain of its subsidiaries, and Regions Bank, successor-in-interest to U.S. Bank National Association, as Trustee](#) (previously filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q (Commission File No. 001-16109), filed with the Commission on May 7, 2020 and incorporated herein by this reference).
- 4.13 [Supplemental Indenture \(2027 Notes\), dated as of February 3, 2020, by and among the Company, certain of its subsidiaries, and Regions Bank, successor-in-interest to U.S. Bank National Association, as Trustee](#) (previously filed as Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q (Commission File No. 001-16109), filed with the Commission on May 7, 2020 and incorporated herein by this reference).
- 4.14 [Third Supplemental Indenture \(2026 Notes\), dated as of April 14, 2021, by and among the Company, certain of its subsidiaries, and Regions Bank, successor-in-interest to U.S. Bank National Association, as Trustee](#) (previously filed as Exhibit 4.2 to the Company's Current Report on Form 8-K (Commission File No. 001-16109), filed with the Commission on April 14, 2021 and incorporated herein by this reference).
- 4.15 [Fourth Supplemental Indenture \(2026 Notes\), dated as of September 29, 2021, by and among the Company, certain of its subsidiaries, and Regions Bank, successor-in-interest to U.S. Bank National Association, as Trustee](#) (previously filed as Exhibit 4.3 to the Company's Current Report on Form 8-K (Commission File No. 001-16109), filed with the Commission on September 19, 2021 and incorporated herein by this reference).
- 4.16\* [Description of Securities of CoreCivic, Inc.](#)
- 10.1\*\*\* [Fourth Amended and Restated Credit Agreement, dated October 11, 2023](#) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on October 12, 2023 and incorporate herein by this reference).
- 10.2\*\*\* [Third Amended and Restated Credit Agreement, dated May 12, 2022](#) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on May 13, 2022 and incorporated herein by this reference).
- 10.3 [Second Amended and Restated Credit Agreement, dated as of April 17, 2018](#) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on April 18, 2018 and incorporated herein by this reference).



- 10.4 [First Amendment to Second Amended and Restated Credit Agreement, dated August 4, 2020, to the Second Amended and Restated Credit Agreement, dated as of April 17, 2018](#) (previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on August 5, 2020 and incorporated herein by this reference).
- 10.5# [The Company's Non-Employee Directors' Compensation Plan](#) (previously filed as Appendix C to the Company's definitive Proxy Statement relating to its Annual Meeting of Stockholders (Commission File no. 001-16109), filed with the Commission on April 11, 2003 and incorporated herein by this reference).
- 10.6# [The Company's Amended and Restated 2008 Stock Incentive Plan](#) (previously filed as Exhibit 10.1 of the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on May 17, 2011 and incorporated herein by this reference).
- 10.7# [Form of Executive Restricted Stock Unit Award Agreement for the Company's Amended and Restated 2008 Stock Incentive Plan](#) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on March 21, 2012 and incorporated herein by this reference).
- 10.8# [Form of Non-Employee Directors Restricted Stock Unit Award Agreement with deferral provisions for the Company's Amended and Restated 2008 Stock Incentive Plan](#) (previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on March 21, 2012 and incorporated herein by this reference).
- 10.9# [Form of Non-Employee Directors Restricted Stock Unit Award Agreement for the Company's Amended and Restated 2008 Stock Incentive Plan](#) (previously filed as Exhibit 10.3 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on March 21, 2012 and incorporated herein by this reference).
- 10.10# [Form of Restricted Stock Unit Award Agreement for the Company's Amended and Restated 2008 Stock Incentive Plan \(Time-Vesting Form for Executive Officers\)](#) (previously filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K (Commission File no. 001-16109), filed with the Commission on February 27, 2013 and incorporated herein by this reference).
- 10.11# [Amended and Restated Non-Employee Director Deferred Compensation Plan](#) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on August 16, 2007 and incorporated herein by this reference).
- 10.12# [Amendment to the Amended and Restated Non-Employee Director Deferred Compensation Plan](#) (previously filed as Exhibit 10.35 to the Company's Annual Report on Form 10-K (Commission File no. 001-16109), filed with the Commission on February 24, 2010 and incorporated herein by this reference).
- 10.13# [Amended and Restated Executive Deferred Compensation Plan](#) (previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on August 16, 2007 and incorporated herein by this reference).
- 10.14# [Form of Indemnification Agreement](#) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on August 18, 2009 and incorporated herein by this reference).
- 10.15\*\*\* [Term Loan Credit Agreement, dated as of December 18, 2019, by and among the Company, Nomura Corporate Funding Americas, LLC, as Administrative Agent and Nomura Securities International, Inc., as a Lead Arranger and Bookrunner](#) (previously filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K (Commission File no. 001-16109), filed with the Commission on February 20, 2020 and incorporated herein by this reference).
- 10.16 [First Amendment to Term Loan Credit Agreement, dated August 4, 2020, to the Term Loan Credit Agreement, dated as of December 18, 2019](#) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on August 5, 2020 and incorporated herein by this reference).

- 10.17# [The Company's Second Amended and Restated 2008 Stock Incentive Plan](#) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on May 12, 2017 and incorporated herein by this reference).
- 10.18# [The Company's 2020 Stock Incentive Plan](#) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on May 18, 2020 and incorporated herein by this reference).
- 10.19# [Form of Executive Time-Based Restricted Share Unit Award Agreement for the Company's 2020 Stock Incentive Plan](#) (previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (Commission File no. 001-16109), filed with the Commission on August 6, 2020 and incorporated herein by this reference).
- 10.20# [Form of Executive Performance-Based Restricted Share Unit Award Agreement for the Company's 2020 Stock Incentive Plan](#) (previously filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (Commission File no. 001-16109), filed with the Commission on August 6, 2020 and incorporated herein by this reference).
- 10.21# [Form of Non-Employee Director Restricted Share Unit Agreement for the Company's 2020 Stock Incentive Plan](#) (previously filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (Commission File no. 001-16109), filed with the Commission on August 6, 2020 and incorporated herein by this reference).
- 10.22# [Form of Non-Employee Director Restricted Share Unit Agreement with deferral provisions for the Company's 2020 Stock Incentive Plan](#) (previously filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (Commission File no. 001-16109), filed with the Commission on August 6, 2020 and incorporated herein by this reference).
- 10.23# [The Company's Amended and Restated 2020 Stock Incentive Plan](#) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on May 16, 2022 and incorporated herein by this reference).
- 10.24# [The Company's Executive Severance and Change in Control Plan](#) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File no. 001-16109), filed with the Commission on December 15, 2023 and incorporated herein by this reference).
- 21.1\* [Subsidiaries of the Company.](#)
- 22.1\* [List of Guarantor Subsidiaries.](#)
- 23.1\* [Consent of Independent Registered Public Accounting Firm.](#)
- 31.1\* [Certification of the Company's Chief Executive Officer pursuant to Securities and Exchange Act Rules 13a-14\(a\) and 15d-14\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2\* [Certification of the Company's Chief Financial Officer pursuant to Securities and Exchange Act Rules 13a-14\(a\) and 15d-14\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1\*\* [Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2\*\* [Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 97\* [CoreCivic, Inc. NYSE Executive Compensation Recoupment Policy.](#)
- 101.INS\* Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH\* Inline XBRL Taxonomy Extension Schema.
- 101.CAL\* Inline XBRL Taxonomy Extension Calculation Linkbase.

101.DEF\* Inline XBRL Taxonomy Extension Definition Linkbase.

101.LAB\* Inline XBRL Taxonomy Extension Label Linkbase.

101.PRE\* Inline XBRL Taxonomy Extension Presentation Linkbase.

104\* The cover page from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, formatted in Inline XBRL (included in Exhibit 101).

**ITEM 16. FORM 10-K SUMMARY**

None.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CORECIVIC, INC.

Date: February 20, 2024

By: /s/ Damon T. Hininger  
Damon T. Hininger, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Damon T. Hininger February 20, 2024  
Damon T. Hininger, President and Chief Executive Officer  
(Principal Executive Officer and Director)

/s/ David M. Garfinkle February 20, 2024  
David M. Garfinkle, Executive Vice President and Chief Financial Officer  
(Principal Financial and Accounting Officer)

/s/ Mark A. Emkes February 20, 2024  
Mark A. Emkes, Chairman of the Board of Directors

/s/ Donna M. Alvarado February 20, 2024  
Donna M. Alvarado, Director

/s/ Robert J. Dennis February 20, 2024  
Robert J. Dennis, Director

/s/ Stacia A. Hylton February 20, 2024  
Stacia A. Hylton, Director

/s/ Harley G. Lappin February 20, 2024  
Harley G. Lappin, Director

/s/ Anne L. Mariucci February 20, 2024  
Anne L. Mariucci, Director

/s/ Thurgood Marshall, Jr. February 20, 2024  
Thurgood Marshall, Jr., Director

/s/ Devin I. Murphy February 20, 2024  
Devin I. Murphy, Director

/s/ John R. Prann, Jr. February 20, 2024  
John R. Prann, Jr., Director

## INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

### Consolidated Financial Statements of CoreCivic, Inc. and Subsidiaries

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of CoreCivic, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of CoreCivic, Inc. and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 20, 2024 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of this critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### ***Impairment of Idle Facilities***

*Description of the Matter* At December 31, 2023, the Company's property and equipment, net of accumulated depreciation, was \$2.1 billion, which includes \$247.0 million related to eight idle correctional facilities and \$6.2 million related to other idle facilities. As discussed in Note 2 and Note 6 to the consolidated financial statements, long-lived assets other than goodwill are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. The Company estimates undiscounted cash flows for each facility with an impairment indicator, including the idle facilities described above. When the estimated undiscounted cash flows associated with the asset or group of assets are less than their carrying value, an impairment is recognized as the difference between the carrying value of the asset and its fair value.

Auditing management's evaluation of idle facilities for impairment was subjective due to the estimation uncertainty in determining the future undiscounted cash flows of the idle facilities, including whether and when the Company will obtain contracts to utilize these facilities in the future. These assumptions can be affected by expectations about market conditions as well as management's intent to hold and operate each facility over the term and in the manner assumed in the analysis.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's long-lived asset impairment review process over idle facilities, including controls over management's review of assumptions supporting the projected utilization of idle facilities and the estimated undiscounted cash flows for each facility.

To test the Company's long-lived asset impairment analysis, we performed audit procedures that included, among others, evaluating evidence to support the projected utilization of idle facilities and to support recoverability of net book values based on anticipated cash flows. We also performed sensitivity analyses to evaluate the impact of changes in assumptions on estimated undiscounted cash flows of idle facilities.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Nashville, Tennessee

February 20, 2024

**CORECIVIC, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except per share data)

<b>ASSETS</b>	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 121,845	\$ 149,401
Restricted cash	7,111	12,764
Accounts receivable, net of credit loss reserve of \$6,827 and \$8,008, respectively	312,174	312,435
Prepaid expenses and other current assets	26,304	32,134
Assets held for sale	7,480	6,936
Total current assets	<u>474,914</u>	<u>513,670</u>
Real estate and related assets:		
Property and equipment, net of accumulated depreciation of \$1,821,015 and \$1,716,283, respectively	2,114,522	2,176,098
Other real estate assets	201,561	208,181
Goodwill	4,844	4,844
Other assets	309,558	341,976
Total assets	<u>\$ 3,105,399</u>	<u>\$ 3,244,769</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable and accrued expenses	\$ 285,857	\$ 285,226
Current portion of long-term debt	11,597	165,525
Total current liabilities	<u>297,454</u>	<u>450,751</u>
Long-term debt, net	1,083,476	1,084,858
Deferred revenue	18,315	22,590
Non-current deferred tax liabilities	96,915	99,618
Other liabilities	131,673	154,544
Total liabilities	<u>1,627,833</u>	<u>1,812,361</u>
Commitments and contingencies		
Preferred stock – \$0.01 par value; 50,000 shares authorized; none issued and outstanding at December 31, 2023 and 2022, respectively	—	—
Common stock – \$0.01 par value; 300,000 shares authorized; 112,733 and 114,988 shares issued and outstanding at December 31, 2023 and 2022, respectively	1,127	1,150
Additional paid-in capital	1,785,286	1,807,689
Accumulated deficit	(308,847)	(376,431)
Total stockholders' equity	<u>1,477,566</u>	<u>1,432,408</u>
Total liabilities and stockholders' equity	<u>\$ 3,105,399</u>	<u>\$ 3,244,769</u>

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



**CORECIVIC, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share amounts)

	For the Years Ended December 31,		
	2023	2022	2021
<b>REVENUE</b>	<b>\$ 1,896,635</b>	<b>\$ 1,845,329</b>	<b>\$ 1,862,616</b>
<b>EXPENSES:</b>			
Operating	1,462,430	1,413,792	1,337,065
General and administrative	136,084	127,700	135,770
Depreciation and amortization	127,316	127,906	134,738
Shareholder litigation expense	—	1,900	54,295
Asset impairments	2,710	4,392	11,378
	<u>1,728,540</u>	<u>1,675,690</u>	<u>1,673,246</u>
<b>OTHER INCOME (EXPENSE):</b>			
Interest expense, net	(72,960)	(84,974)	(85,542)
Expenses associated with debt repayments and refinancing transactions	(686)	(8,077)	(56,279)
Gain on sale of real estate assets	798	87,728	38,766
Other income (expense)	576	986	(212)
<b>INCOME BEFORE INCOME TAXES</b>	<b>95,823</b>	<b>165,302</b>	<b>86,103</b>
Income tax expense	(28,233)	(42,982)	(137,999)
<b>NET INCOME (LOSS)</b>	<b>\$ 67,590</b>	<b>\$ 122,320</b>	<b>\$ (51,896)</b>
<b>BASIC EARNINGS (LOSS) PER SHARE</b>	<b>\$ 0.59</b>	<b>\$ 1.03</b>	<b>\$ (0.43)</b>
<b>DILUTED EARNINGS (LOSS) PER SHARE</b>	<b>\$ 0.59</b>	<b>\$ 1.03</b>	<b>\$ (0.43)</b>

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

**CORECIVIC, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	For the Years Ended December 31,		
	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income (loss)	\$ 67,590	\$ 122,320	\$ (51,896)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	127,316	127,906	134,738
Asset impairments	2,710	4,392	11,378
Amortization of debt issuance costs and other non-cash interest	4,446	5,643	7,345
Expenses associated with debt repayments and refinancing transactions	686	8,077	56,279
Deferred income taxes	(2,703)	11,461	99,270
Gain on sale of real estate assets	(798)	(87,728)	(38,766)
Other expenses and non-cash items	6,294	7,337	5,830
Non-cash revenue and other income	(2,783)	(3,998)	(718)
Non-cash equity compensation	20,760	17,568	18,733
Changes in assets and liabilities, net:			
Accounts receivable, prepaid expenses and other assets	6,704	(35,172)	(10,628)
Accounts payable, accrued expenses and other liabilities	1,679	(24,223)	31,666
Net cash provided by operating activities	<u>231,901</u>	<u>153,583</u>	<u>263,231</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Expenditures for facility development and expansions	(4,886)	(23,119)	(18,612)
Expenditures for other capital improvements	(65,369)	(58,277)	(62,272)
Net proceeds from sale of assets	11,068	157,680	320,754
Other investing activities	313	(3,246)	(1,447)
Net cash provided by (used in) investing activities	<u>(58,874)</u>	<u>73,038</u>	<u>238,423</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issuance of debt and borrowings from credit facility	250,000	100,000	740,563
Scheduled principal repayments	(9,895)	(15,064)	(35,305)
Principal repayments of credit facility	(125,000)	—	(284,000)
Repayment of non-recourse mortgage notes	—	—	(161,930)
Other repayments of debt	(272,936)	(372,346)	(516,350)
Payment of debt defeasance, issuance and other refinancing and related costs	(4,632)	(6,402)	(64,987)
Payment of lease obligations for financing leases	(595)	(578)	(559)
Contingent consideration for acquisition of businesses	—	—	(1,000)
Purchase and retirement of common stock	(43,047)	(79,887)	(1,639)
Dividends paid	(131)	(886)	(2,508)
Net cash used in financing activities	<u>(206,236)</u>	<u>(375,163)</u>	<u>(327,715)</u>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(33,209)</b>	<b>(148,542)</b>	<b>173,939</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period</b>	<b>162,165</b>	<b>310,707</b>	<b>136,768</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period</b>	<b><u>\$ 128,956</u></b>	<b><u>\$ 162,165</u></b>	<b><u>\$ 310,707</u></b>
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>			
Establishment of right of use assets and lease liabilities	<u>\$ 2,551</u>	<u>\$ 2,096</u>	<u>\$ 1,483</u>
Distributions to non-controlling interest	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,897</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>			
Cash paid during the period for:			
Interest (net of amounts capitalized of \$1.0 million and \$0.4 million in 2022 and 2021, respectively)	<u>\$ 81,765</u>	<u>\$ 90,815</u>	<u>\$ 80,587</u>
Income taxes paid	<u>\$ 25,888</u>	<u>\$ 28,286</u>	<u>\$ 36,477</u>

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

**CORECIVIC, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**  
(in thousands)

	Stockholders' Equity				Total Stockholders' Equity	Non- controlling Interest - Operating Partnership		Total Equity
	Common Stock		Additional Paid-in Capital	Accumulated Deficit		Total Operating Partnership	Total Equity	
	Shares	Par Value						
Balance as of December 31, 2020	119,638	\$1,196	\$1,835,494	\$ (446,519)	\$ 1,390,171	\$ 23,271	\$1,413,442	
Net loss	—	—	—	(51,896)	(51,896)	—	(51,896)	
Retirement of common stock	(220)	(2)	(1,637)	—	(1,639)	—	(1,639)	
Dividends on RSUs	—	—	—	(275)	(275)	—	(275)	
Restricted stock compensation, net of forfeitures	—	—	18,733	—	18,733	—	18,733	
Restricted stock grants	867	9	(9)	—	—	—	—	
Distributions to non-controlling interest	—	—	—	—	—	(5,897)	(5,897)	
Termination of operating partnership	—	—	17,374	—	17,374	(17,374)	—	
Balance as of December 31, 2021	<u>120,285</u>	<u>\$1,203</u>	<u>\$1,869,955</u>	<u>\$ (498,690)</u>	<u>\$ 1,372,468</u>	<u>\$ —</u>	<u>\$1,372,468</u>	
Net income	—	—	—	122,320	122,320	—	122,320	
Retirement of common stock	(7,141)	(71)	(79,816)	—	(79,887)	—	(79,887)	
Dividends on RSUs	—	—	—	(61)	(61)	—	(61)	
Restricted stock compensation, net of forfeitures	—	—	17,568	—	17,568	—	17,568	
Restricted stock grants	1,844	18	(18)	—	—	—	—	
Balance as of December 31, 2022	<u>114,988</u>	<u>\$1,150</u>	<u>\$1,807,689</u>	<u>\$ (376,431)</u>	<u>\$ 1,432,408</u>	<u>\$ —</u>	<u>\$1,432,408</u>	
Net income	—	—	—	67,590	67,590	—	67,590	
Retirement of common stock	(3,936)	(40)	(43,146)	—	(43,186)	—	(43,186)	
Dividends on RSUs	—	—	—	(6)	(6)	—	(6)	
Restricted stock compensation, net of forfeitures	—	—	20,760	—	20,760	—	20,760	
Restricted stock grants	1,681	17	(17)	—	—	—	—	
<b>Balance as of December 31, 2023</b>	<u><u>112,733</u></u>	<u><u>\$1,127</u></u>	<u><u>\$1,785,286</u></u>	<u><u>\$ (308,847)</u></u>	<u><u>\$ 1,477,566</u></u>	<u><u>\$ —</u></u>	<u><u>\$1,477,566</u></u>	

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

**CORECIVIC, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023, 2022 AND 2021**

**1. ORGANIZATION AND OPERATIONS**

CoreCivic, Inc. (together with its subsidiaries, the "Company" or "CoreCivic") is the nation's largest owner of partnership correctional, detention, and residential reentry facilities and one of the largest prison operators in the United States ("U.S."). Through three segments, CoreCivic Safety, CoreCivic Community, and CoreCivic Properties, the Company provides a broad range of solutions to government partners that serve the public good through corrections and detention management, a network of residential reentry centers to help address America's recidivism crisis, and government real estate solutions. As of December 31, 2023, through its CoreCivic Safety segment, the Company operated 43 correctional and detention facilities, 39 of which the Company owned, with a total design capacity of approximately 65,000 beds. Through its CoreCivic Community segment, the Company owned and operated 23 residential reentry centers with a total design capacity of approximately 5,000 beds. In addition, through its CoreCivic Properties segment, the Company owned 6 properties, with a total design capacity of approximately 10,000 beds.

In addition to providing fundamental residential services, CoreCivic's correctional, detention, and reentry facilities offer a variety of rehabilitation and educational programs, including basic education, faith-based services, life skills and employment training, and substance abuse treatment. These services are intended to help reduce recidivism and to prepare offenders for their successful reentry into society upon their release. CoreCivic also provides or makes available to offenders certain health care (including medical, dental, and mental health services), food services, and work and recreational programs.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles and include the accounts of CoreCivic on a consolidated basis with its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated.

**Cash and Cash Equivalents**

CoreCivic considers all liquid deposits and investments with a maturity of three months or less at the time of purchase to be cash equivalents.

**Restricted Cash**

Restricted cash at December 31, 2023 and 2022 included deposit accounts totaling \$7.1 million and \$12.8 million, respectively, to ensure the timely payment of certain operating expenses, capital expenditures and debt service associated with the Lansing Correctional Facility, as further discussed in Note 10. The restricted cash accounts are required under the terms of the indebtedness securing such property.

**Accounts Receivable and Credit Loss Reserve**

At December 31, 2023 and 2022, accounts receivable of \$312.2 million and \$312.4 million, respectively, were net of credit loss reserve totaling \$6.8 million and \$8.0 million, respectively. Accounts receivable consist primarily of amounts due from federal, state, and local government agencies for the utilization of CoreCivic's properties, including amounts due for operating and managing the Company's correctional, detention, and residential reentry facilities, as well as its electronic monitoring and case management services operations.

Accounts receivable are stated at estimated net realizable value. CoreCivic recognizes reserves for credit losses to ensure receivables are not overstated due to uncollectibility. Credit loss reserves are maintained for customers using an expected loss model based on a variety of factors, including the nature of the accounts receivable, risks of loss, length of time receivables are past due, and historical experience. If circumstances related to customers change, estimates of the recoverability of receivables would be further adjusted.

### **Property and Equipment**

Property and equipment are carried at cost. Assets acquired by CoreCivic in conjunction with acquisitions are recorded at estimated fair market value at the time of purchase. Betterments, renewals and significant repairs that extend the life of an asset are capitalized; other repair and maintenance costs are expensed. Interest is capitalized to the asset to which it relates in connection with the construction or expansion of real estate properties. Construction costs directly associated with the development of a property are capitalized as part of the cost of the development project. Such costs are written-off to expense whenever a project is abandoned. The cost and accumulated depreciation applicable to assets retired are removed from the accounts and the gain or loss on disposition is recognized in income. Depreciation is computed over the estimated useful lives of depreciable assets using the straight-line method. Useful lives for property and equipment are as follows:

Land improvements	5 – 20 years
Buildings and improvements	5 – 50 years
Equipment and software	3 – 10 years
Office furniture and fixtures	5 years

### **Other Real Estate Assets**

Other real estate assets are accounted for in accordance with Accounting Standards Codification ("ASC") 853, "Service Concession Arrangements". ASC 853 stipulates that the facilities subject to the standard may not be accounted for as a lease, nor should the infrastructure used in the service concession arrangement be recognized as property and equipment by the operating entity. Instead, the contracts should be accounted for under the applicable revenue standards. The Company owns four facilities that are accounted for as service concession arrangements.

On January 1, 2018, the Company adopted Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers" and its subsequent corresponding update, ASC 606. For facilities which CoreCivic constructed for the public entity, two separate and distinct performance obligations exist. Service revenue is recognized as provided. All revenues and costs related to the construction of the facilities were recognized upon adoption of ASC 606. Revenue recognized related to the construction of the facilities for which cash has not yet been received is recorded as a contract asset and is amortized and evaluated for impairment on an on-going basis. For facilities contributed to a service contract, the cost of the facility is accounted for as costs to fulfill the service contract and the cost is recognized over the term of the service contract. The costs related to contract assets and costs to fulfill the service contracts are recoverable if the contract is terminated or not renewed due to the existence of residual interest options.

Prior to the adoption of ASC 606, other real estate assets were stated at cost, net of accumulated amortization. These assets represent the cost of all infrastructure to be transferred to the public entity grantors should the grantors exercise their residual interest. The costs related to the facilities constructed for a governmental entity were deferred as an other real estate asset, and the deferred costs were amortized in proportion to revenue recognized over the term of the related services arrangement. The costs related to the facilities that were constructed before entering into the service concession arrangement were amortized in proportion to revenue recognized over the term of the related service contract as an investment in the service contract.

## **Accounting for the Impairment of Long-Lived Assets Other Than Goodwill**

Long-lived assets other than goodwill are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. The Company estimates undiscounted cash flows for each facility with an impairment indicator. An impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets are less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, comparable sales data, discounted cash flows or internal and external appraisals, as applicable.

## **Goodwill**

Goodwill represents the cost in excess of the fair value of net assets of businesses acquired. As further discussed in Note 3, goodwill is tested for impairment at least annually.

## **Investment in Affiliates**

Investments in affiliates that are equal to or less than 50%-owned over which CoreCivic can exercise significant influence are accounted for using the equity method of accounting. Investments under the equity method are recorded at cost and subsequently adjusted for contributions, distributions, and net income attributable to the Company's ownership based on the governing agreement.

## **Debt Issuance Costs**

Debt issuance costs, excluding those costs incurred related to CoreCivic's revolving credit facility, are presented as a direct deduction from the face amount of the related liability on the consolidated balance sheets. Debt issuance costs related to the Company's revolving credit facility are included in other assets on the consolidated balance sheets. Generally, debt issuance costs are capitalized and amortized into interest expense using the interest method, or on a straight-line basis over the term of the related debt, if not materially different than the interest method. Certain debt issuance costs incurred in connection with debt refinancings are charged to expense in accordance with ASC 470-50, "Modifications and Extinguishments".

## **Revenue Recognition**

Revenue is recognized over time when control of the promised service is transferred to CoreCivic's customers, in an amount that reflects consideration CoreCivic expects to be entitled for those services which is typically in the form of a fixed rate. These services are considered to be a performance obligation and are generally satisfied in one to thirty days depending on the performance obligation. CoreCivic maintains contracts with certain governmental entities to manage their facilities for fixed per diem rates. CoreCivic also maintains contracts with various federal, state, and local governmental entities for the housing of offenders in company-owned facilities at fixed per diem rates or monthly fixed rates. These contracts usually contain expiration dates with renewal options ranging from annual to multi-year renewals. Most of these contracts have current terms that require renewal every two to five years. Additionally, most facility management contracts contain clauses that allow the government agency to terminate a contract without cause and are generally subject to legislative appropriations. CoreCivic generally expects to renew these contracts for periods consistent with the remaining renewal options allowed by the contracts or other reasonable extensions; however, no assurance can be given that such renewals will be obtained. Fixed monthly rate revenue is recorded in the month earned, and fixed per diem revenue, including revenue under those contracts that include guaranteed minimum populations, is recorded based on the per diem rate multiplied by the number of offenders housed or guaranteed during the respective period.

Certain of the government agencies also have the authority to audit and investigate CoreCivic's contracts with them. If the agency determines that CoreCivic has improperly allocated costs to a specific contract or otherwise was unable to perform certain contractual services, CoreCivic may not be reimbursed for those costs and could be required to refund the amount of any such costs that have been reimbursed, or to pay liquidated damages. In these instances, the amounts that are required to be returned to the customer are considered to be variable consideration and are classified as reductions to revenue.

Lease revenue is recognized in accordance with ASC 842, "Leases". In accordance with ASC 842, minimum lease revenue is recognized on a straight-line basis over the term of the related lease. Lease incentives are recognized as a reduction to lease revenue on a straight-line basis over the term of the related lease. Lease revenue associated with expense reimbursements from tenants is recognized in the period that the related expenses are incurred based upon the tenant lease provision.

Other revenue consists primarily of revenues associated with the Company's electronic monitoring and case management services, as well as ancillary revenues associated with operating correctional, detention and residential reentry facilities, such as commissary, phone, and vending sales. Other revenue is also generated from prisoner transportation services for governmental agencies. Revenue is recorded at a point in time when goods are provided or over time when services are provided.

### **Self-Funded Insurance and Litigation Reserves**

CoreCivic is self-insured for employee health, workers' compensation, automobile liability claims, and general liability claims. As such, CoreCivic's insurance expense is largely dependent on claims experience and CoreCivic's ability to control its claims experience. CoreCivic accrues the estimated liability for employee health insurance based on its history of claims experience and time lag between the incident date and the date the cost is paid by CoreCivic. CoreCivic accrues the estimated liability for workers' compensation claims based on an actuarially determined liability using a combination of actuarial methods used to project ultimate losses, and the Company's automobile insurance claims based on estimated development factors on claims incurred. The liability for employee health, workers' compensation, and automobile insurance includes estimates for both claims incurred and for claims incurred but not reported. CoreCivic records its best estimate of the probable costs for the resolution of certain claims and legal proceedings in which it is involved, if estimable. In addition, the Company is subject to current and potential future claims and legal proceedings for which little or no accrual has been reflected because the Company's current assessment of the potential exposure is nominal, or because the Company cannot reasonably estimate the amount of loss or range of loss, if any, that may result. These estimates have been developed in consultation with CoreCivic's General Counsel's office and, as appropriate, outside counsel handling these matters, and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. These estimates could change in the future.

### **Income Taxes**

Income taxes are accounted for under the provisions of ASC 740, "Income Taxes". ASC 740 generally requires CoreCivic to record deferred income taxes for the tax effect of differences between book and tax bases of its assets and liabilities. Deferred income taxes reflect the available net operating losses and the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the statement of operations in the period that includes the enactment date. Realization of the future tax benefits related to deferred tax assets is dependent on many factors, including CoreCivic's past earnings history, expected future earnings, the character and jurisdiction of such earnings, unsettled circumstances that, if unfavorably resolved, would adversely affect utilization of its deferred tax assets, carryback and carryforward periods, and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset.

CoreCivic elected to become a taxable C Corporation effective January 1, 2021. CoreCivic operated in compliance with Real Estate Investment Trust ("REIT") requirements for federal income tax purposes from January 1, 2013 through December 31, 2020. During the years the Company elected REIT status, the Company generally was not subject to corporate level federal income tax on taxable income it distributed to its stockholders as long as it met the organizational and operational requirements under the REIT rules. However, certain subsidiaries made an election to be treated as TRSs in conjunction with the Company's REIT election. The TRS elections permitted CoreCivic to engage in certain business activities in which the REIT could not engage directly, so long as these activities were conducted in entities that elected to be treated as TRSs under the Internal Revenue Code of 1986, as amended. A TRS is subject to federal and state income taxes on the income from these activities and therefore, CoreCivic included a provision for taxes in its consolidated financial statements, even in periods it operated as a REIT.

CoreCivic's deferred tax assets and liabilities are classified as non-current on the consolidated balance sheets. See Note 12 for further discussion of the significant components of CoreCivic's deferred tax assets and liabilities.

Income tax contingencies are accounted for under the provisions of ASC 740. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The guidance prescribed in ASC 740 establishes a recognition threshold of more likely than not that a tax position will be sustained upon examination. The measurement attribute requires that a tax position be measured at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement.

#### **Fair Value of Financial Instruments**

To meet the reporting requirements of ASC 825, "Financial Instruments", regarding fair value of financial instruments, CoreCivic calculates the estimated fair value of financial instruments using market interest rates, quoted market prices of similar instruments, or discounted cash flow techniques with observable Level 1 inputs for publicly traded debt and Level 2 inputs for all other financial instruments, as defined in ASC 820, "Fair Value Measurement". At December 31, 2023 and 2022, there were no material differences between the carrying amounts and the estimated fair values of CoreCivic's financial instruments, other than as follows (in thousands):

	December 31,			
	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Note receivable from APM	\$ 2,886	\$ 3,061	\$ 2,741	\$ 3,076
Debt	\$ (1,106,691)	\$ (1,090,326)	\$ (1,264,522)	\$ (1,247,201)

#### **Use of Estimates in Preparation of Financial Statements**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the 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. Actual results could differ from those estimates and those differences could be material.

#### **Concentration of Credit Risks**

CoreCivic's credit risks relate primarily to cash and cash equivalents, restricted cash, and accounts receivable. Cash and cash equivalents and restricted cash are primarily held in bank accounts and overnight investments. CoreCivic maintains deposits of cash in excess of federally insured limits with certain financial institutions. CoreCivic's accounts receivable represents amounts due primarily from governmental agencies. CoreCivic's financial instruments are subject to the possibility of loss in carrying value as a result of either the failure of other parties to perform according to their contractual obligations or changes in market prices that make the instruments less valuable.



CoreCivic derives its revenues primarily from amounts earned under federal, state, and local government contracts. For each of the years ended December 31, 2023, 2022, and 2021, federal correctional and detention authorities represented 52%, 54%, and 56%, respectively, of CoreCivic's total revenue. Federal correctional and detention authorities consist primarily of U.S. Immigration and Customs Enforcement ("ICE"), the United States Marshals Service ("USMS"), and the Federal Bureau of Prisons ("BOP"). ICE accounted for 30%, 29%, and 30% of total revenue for 2023, 2022, and 2021, respectively. The USMS accounted for 21%, 22%, and 23% of total revenue for 2023, 2022, and 2021, respectively. The BOP accounted for 2%, 3%, and 3% of total revenue for 2023, 2022, and 2021. State revenues from contracts at correctional, detention, and residential reentry facilities that CoreCivic operates represented 39%, 36%, and 32% of total revenue during the years ended December 31, 2023, 2022, and 2021, respectively. The state of Tennessee generated 10% of CoreCivic's total revenue in 2023 and 2022, with no other state customer generating 10% or more of our total revenue in 2023, 2022, or 2021. Although the revenue generated from each of these agencies is derived from numerous management contracts and various types of properties, i.e. correctional, detention, and reentry, the loss or substantial reduction in value of one or more of such contracts could have a material impact on CoreCivic's financial condition and results of operations.

On January 26, 2021, President Biden issued the Executive Order on Reforming Our Incarceration System to Eliminate the Use of Privately Operated Criminal Detention Facilities ("Private Prison EO"). The Private Prison EO directs the Attorney General to not renew United States Department of Justice ("DOJ") contracts with privately operated criminal detention facilities. The USMS is an agency of the DOJ that utilizes CoreCivic's facilities and services, and accounted for 21% of CoreCivic's total revenue for the year ended December 31, 2023. Another federal agency that utilizes CoreCivic's facilities and services, ICE, is not covered by the Private Prison EO, as ICE is an agency of the Department of Homeland Security ("DHS"), not the DOJ.

CoreCivic currently has two detention facilities that have direct contracts with the USMS. Because of the lack of alternative bed capacity, one of the contracts was renewed upon its expiration in September 2023 and now expires in September 2028. The second direct contract with the USMS expires in September 2025. It is too early to predict the outcome of the expiration of the contract scheduled to expire in September 2025, and future developments could occur prior to the scheduled expiration date.

### **Accounting for Stock-Based Compensation**

CoreCivic accounts for restricted stock-based compensation under the recognition and measurement principles of ASC 718, "Compensation-Stock Compensation". CoreCivic amortizes the fair market value as of the grant date of restricted stock unit ("RSU") awards over the vesting period using the straight-line method. The fair market value of performance-based restricted stock units is amortized over the vesting period as long as CoreCivic considers it probable that it will meet the performance criteria. To the extent performance-based RSUs are expected to increase or decrease based on revised estimates of performance, the related expense is adjusted accordingly. If achievement of the performance criteria becomes improbable, an adjustment is made to reverse the expense previously recognized. The Company estimates the number of awards expected to be forfeited and adjusts the estimate when it is likely to change.

### **Leases**

Leases are accounted for under the provisions of ASU 2016-02, "Leases (Topic 842)" and ASU 2018-11, "Targeted Improvements – Leases (Topic 842)", cumulatively "ASC 842". For finance leases and operating leases, CoreCivic recognizes on the balance sheet a liability to make lease payments and a right-of-use ("ROU") asset representing its right to use the underlying asset for the lease term, with each initially measured at the present value of the lease payments. The Company also applies the "short-term lease exception" permitted by ASC 842 for all classes of underlying assets. With the exception of the South Texas Family Residential Center lease, as further described in Note 5, the Company accounts for each separate lease component of a contract and its associated non-lease components as a single lease component. All rental payments associated with the South Texas Family Residential Center lease are classified as operating expenses.

For those operating leases that contain renewal options, the Company includes the renewal period in the lease terms, and the related payments are reflected in the ROU asset and lease liability, when it is reasonably certain that a renewal option will be exercised. The ROU asset is included in other assets on the consolidated balance sheets, while the current portion of the lease liability is included in accounts payable and accrued expenses, and the long-term portion of the liability is included in other liabilities on the consolidated balance sheets. Because CoreCivic does not generally have access to the interest rates implicit in its leases, the Company utilizes its incremental borrowing rate, based upon the terms and tenure of each base lease, as the discount rate when calculating the present value of future minimum lease payments for each lease arrangement.

For leases where the Company is the lessor, the Company applies the practical expedient provided by ASC 842 to not separate non-lease components from the associated lease component if certain criteria are met for each class of underlying assets. Lease components are elements of an arrangement that provide the customer with the right to use an identified asset. Non-lease components are distinct elements of a contract that are not related to securing the use of the leased asset and revenue is recognized in accordance with ASC 606. The Company considers common area maintenance ("CAM") and service income associated with tenant work orders to be non-lease components because they represent delivery of a separate service but are not considered a cost of securing the identified asset. In the case of the Company's business, the identified asset would be the leased real estate. The Company has concluded that the timing and pattern of transfer for non-lease components and the associated lease component are the same. The Company has also determined that the predominant component is the lease component and as such its leases qualify as operating leases. The Company accounts for and presents the lease component and the non-lease component as a single component in revenue.

### **Recent Accounting Pronouncements**

Recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants and the Securities and Exchange Commission ("SEC") did not, or are not expected to, have a material effect on the Company's results of operations or financial position.

### **3. GOODWILL**

ASU 2017-04, "Intangibles-Goodwill and Other (Topic 350): Simplifying the Test of Goodwill Impairment", establishes accounting and reporting requirements for goodwill and other intangible assets. Goodwill was \$4.8 million as of December 31, 2023 and 2022, all of which was related to the Company's CoreCivic Safety segment.

CoreCivic performs its impairment tests during the fourth quarter in connection with its annual budgeting process, and whenever circumstances indicate the carrying value of goodwill may not be recoverable. Under the provisions of ASU 2017-04, CoreCivic performs a qualitative assessment to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, the Company determines it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the Company performs a quantitative impairment test. If a quantitative test is required, CoreCivic performs an assessment to identify the existence of impairment and to measure the excess of a reporting unit's carrying amount over its fair value by using a combination of various common valuation techniques, including market multiples and discounted cash flows under valuation methodologies that include an income approach and a market approach. The income valuation approach includes certain significant assumptions impacting projected future cash flows, such as projected revenue, projected operating costs, and the weighted average cost of capital, which are affected by expectations about future market or economic conditions. These impairment tests are required to be performed at least annually.

### **4. REAL ESTATE AND RELATED ASSETS**

At December 31, 2023, CoreCivic owned or controlled via long-term leases 68 correctional, detention, and residential reentry real estate properties, including 6 correctional properties in the Company's CoreCivic Properties segment. At December 31, 2023, CoreCivic also managed four correctional and detention facilities owned by governmental agencies.

Property and equipment, at cost, consists of the following (in thousands):

	December 31,	
	2023	2022
Land and improvements	\$ 237,505	\$ 238,707
Buildings and improvements	3,193,948	3,169,493
Equipment and software	465,337	445,658
Office furniture and fixtures	38,747	38,523
	<u>3,935,537</u>	<u>3,892,381</u>
Less: Accumulated depreciation	<u>(1,821,015)</u>	<u>(1,716,283)</u>
	<u>\$ 2,114,522</u>	<u>\$ 2,176,098</u>

Depreciation expense was \$126.8 million, \$126.7 million, and \$132.9 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Nine of the facilities owned by CoreCivic are subject to options that allow various governmental agencies to purchase those facilities. Certain of these options to purchase are based on a depreciated book value while others are based on a fair market value calculation. Four of the facilities that are subject to options are accounted for in accordance with ASC 853 and are recorded in other real estate assets on the consolidated balance sheets, as further described in Note 2. As of December 31, 2023 and 2022, CoreCivic had \$201.6 million and \$208.2 million, respectively in other real estate assets, including \$134.8 million and \$136.3 million, respectively, accounted for as a contract cost and \$66.8 million and \$71.9 million, respectively, accounted for as costs of fulfilling the related service contract.

## 5. LEASES

### Lessee

As further described in Note 2, CoreCivic accounts for leases in accordance with ASC 842. CoreCivic leases land and buildings from third-party lessors for multiple properties under operating leases that expire over varying dates through 2032. The ROU asset related to these leases amounted to \$119.8 million and \$145.5 million at December 31, 2023 and 2022, respectively, while the current portion of the lease liability amounted to \$25.9 million and \$24.1 million and the long-term portion of the liability amounted to \$70.9 million and \$96.9 million at December 31, 2023 and 2022, respectively. As of December 31, 2023, the weighted-average lease term of the operating leases was 3.5 years, and the weighted average discount rate associated with the operating leases was 6.3%.

CoreCivic leases the South Texas Family Residential Center and the site upon which it was constructed from a third-party lessor. CoreCivic's lease agreement with the lessor is over a base period concurrent with an inter-governmental service agreement ("IGSA") with ICE, which was amended in September 2020 to extend the term of the agreement through September 2026. ICE's termination rights, which permit ICE to terminate the agreement for convenience or non-appropriation of funds, without penalty, by providing CoreCivic with at least a 60-day notice, were unchanged under the extension. Concurrent with the extension of the amended IGSA, the lease with the third-party lessor for the site was also extended through September 2026. Other terms of the extended lease agreement were unchanged and provide CoreCivic with the ability to terminate the lease if ICE terminates the amended IGSA associated with the facility. Under provisions of ASC 842, CoreCivic determined that the South Texas Family Residential Center lease with the third-party lessor includes a non-lease component for food services representing approximately 44% of the consideration paid under the lease.

The expense incurred for all operating leases, inclusive of short-term and variable leases, but exclusive of the non-lease food services component of the South Texas Family Residential Center lease, was \$34.2 million, \$34.2 million, and \$34.6 million for the years ended December 31, 2023, 2022, and 2021, respectively. The cash payments for operating leases are reflected as cash flows from operating activities on the accompanying consolidated statements of cash flows and cash payments for financing leases are reflected as cash flows from financing activities. Future minimum lease payments as of December 31, 2023 for the Company's operating lease liabilities, inclusive of \$79.1 million of payments expected to be made under the cancelable lease at the South Texas facility (excluding the non-lease food services component), are as follows (in thousands):

2024	\$ 33,372
2025	33,263
2026	25,705
2027	3,579
2028	3,167
Thereafter	8,940
Total future minimum lease payments	<u>108,026</u>
Less amount representing interest	(11,202)
Total present value of minimum lease payments	<u>\$ 96,824</u>

### Lessor

In addition, through its CoreCivic Properties segment, as of December 31, 2023, the Company owned \$248.0 million in property and equipment at 6 properties, 5 of which are currently leased to government agencies under operating and finance leases that expire over varying dates through 2040 and some of which contain renewal options. In accordance with ASC 842, minimum lease revenue is recognized on a straight-line basis over the term of the related lease. Lease incentives are recognized as a reduction to lease revenue on a straight-line basis over the term of the related lease. Lease revenue associated with expense reimbursements from tenants is recognized in the period that the related expenses are incurred based upon the tenant lease provision. See Note 6 for further discussion regarding a 20-year lease agreement with the Kansas Department of Corrections ("KDOC"). Future minimum lease payments to be received from third-party lessees as of December 31, 2023 for the Company's operating and finance leases are as follows (in thousands):

2024	\$ 39,466
2025	28,119
2026	28,542
2027	28,971
2028	29,412
Thereafter	228,343

## 6. REAL ESTATE TRANSACTIONS

### Assets Held For Sale and Dispositions

During the fourth quarter of 2023, CoreCivic completed the sale of its Augusta Transitional Center, located in Augusta, Georgia and reported in CoreCivic's Properties segment. The sale of the property generated net sales proceeds of \$4.5 million and resulted in a gain on sale of \$0.5 million reported in the fourth quarter of 2023. During the third quarter of 2023, CoreCivic sold a vacant parcel of land generating net sales proceeds of \$0.5 million and resulting in a gain on sale of \$0.4 million reported in the third quarter of 2023.

During the third quarter of 2022, CoreCivic began marketing for sale its Roth Hall Residential Reentry Center and the Walker Hall Residential Reentry Center, both located in Philadelphia, Pennsylvania and reported in CoreCivic's Properties segment. A purchase and sale agreement for these two Philadelphia properties was executed in March 2023. The properties were sold on May 2, 2023, generating net sales proceeds of \$5.8 million, resulting in a loss on sale of \$25,000, which was reported in the second quarter of 2023.

As of December 31, 2023, CoreCivic had a facility in its CoreCivic Community segment held for sale. The aggregate carrying value of the property and equipment of this facility, amounting to \$7.5 million, was reflected as assets held for sale on the Company's consolidated balance sheet as of December 31, 2023. The Company closed on the sale of this property in January 2024 for a gross sales price of \$8.0 million.

On July 25, 2022, CoreCivic entered into a Purchase and Sale Agreement with the Georgia Building Authority for the sale of CoreCivic's McRae Correctional Facility located in McRae, Georgia, and reported in CoreCivic's Safety segment, for a gross sales price of \$130.0 million. The sale of the McRae facility was completed on August 9, 2022. The sale generated net proceeds of \$129.7 million, resulting in a gain on sale of \$77.5 million after transaction costs, which was reported in the third quarter of 2022. CoreCivic had a management contract with the BOP at the McRae facility, which expired on November 30, 2022 and was not renewed. In connection with the sale, CoreCivic and the Georgia Building Authority entered into an agreement to lease the McRae Correctional Facility to CoreCivic through November 30, 2022 to allow the Company to fulfill its obligations to the BOP.

In addition, during the full year 2022, CoreCivic completed the sales of three residential reentry centers in Oklahoma and Colorado and reported in CoreCivic's Community segment, two community corrections facilities leased to government agencies in California and reported in CoreCivic's Properties segment, and two undeveloped parcels of land. The sales of these seven properties generated aggregate net sales proceeds of \$27.3 million, resulting in an aggregate net gain on sale of \$9.9 million after transaction costs. Pursuant to the agreement to sell the Oklahoma property, in the third quarter of 2022, CoreCivic recognized an impairment charge of \$3.5 million associated with the facility, based on its fair value less costs to sell.

During the full year 2021, CoreCivic completed the sale of five government-leased properties in the Company's Properties segment. The sales of the five properties generated aggregate net proceeds of \$125.0 million, after the repayment of mortgage debt and other transaction-related costs, resulting in an aggregate net gain on sale of \$38.7 million.

### **Financing Leasing Transactions**

On January 24, 2018, CoreCivic entered into a 20-year lease agreement with the KDOC for a 2,432-bed correctional facility to be constructed by the Company in Lansing, Kansas. The new facility replaced the Lansing Correctional Facility, Kansas' largest correctional complex for adult male inmates, originally constructed in 1863. CoreCivic will be responsible for facility maintenance throughout the 20-year term of the lease, at which time ownership will revert to the state of Kansas. Construction of the facility commenced in the first quarter of 2018, and construction was completed in January 2020, at which time the lease commenced. CoreCivic accounts for the lease with the KDOC partially as a financing receivable under ASU 2016-02, "Leases (Topic 842)", with the remaining portion of the lease payments attributable to maintenance services and capital expenditures as revenue streams under ASC 606, "Revenue from Contracts with Customers". As of December 31, 2023 and 2022, the financing receivable was \$139.0 million and \$142.2 million, respectively, recognized in Other Assets on the consolidated balance sheet. During 2023 and 2022, the Lansing Correctional Facility generated \$2.6 million and \$2.5 million, respectively, of revenue associated with the non-lease services components of the arrangement, and \$8.5 million and \$8.7 million of interest income, respectively.

## Idle Facilities

As of December 31, 2023, CoreCivic had eight idled correctional facilities that are currently available and being actively marketed as solutions to meet the needs of potential customers. The following table summarizes each of the idled facilities and their respective carrying values, excluding equipment and other assets that could generally be transferred and used at other facilities CoreCivic owns without significant cost (dollars in thousands):

Facility	Net Carrying Values at December 31,	
	2023	2022
Prairie Correctional Facility	\$ 13,230	\$ 14,165
Huerfano County Correctional Center	14,058	14,580
Diamondback Correctional Facility	33,764	35,587
Marion Adjustment Center	9,968	10,326
Kit Carson Correctional Center	47,638	49,444
West Tennessee Detention Facility	18,568	19,581
Midwest Regional Reception Center	49,736	51,938
North Fork Correctional Facility	60,044	62,737
	<u>\$ 247,006</u>	<u>\$ 258,358</u>

As of December 31, 2023, CoreCivic also had one idled non-core facility in its Safety segment containing 240 beds with an aggregate net book value of \$2.8 million, and two idled facilities in its Community segment, containing an aggregate of 450 beds with an aggregate net book value of \$3.4 million.

CoreCivic incurred operating expenses at these idled facilities of approximately \$12.5 million, \$9.7 million, and \$7.6 million during the period they were idle for the years ended December 31, 2023, 2022, and 2021, respectively. The amount for 2021 excludes \$2.2 million of operating expenses incurred at the West Tennessee Detention Facility during the fourth quarter of 2021. The amount for 2022 excludes \$3.5 million of operating expenses incurred at the West Tennessee Detention Facility and the Midwest Regional Reception Center during the three months ended March 31, 2022. The West Tennessee facility was idled upon the expiration of a USMS contract on September 30, 2021, and the Midwest Regional Reception Center was idled upon the expiration of a USMS contract on December 31, 2021. CoreCivic retained a certain staffing level at both facilities through the first three months of 2022 in order to quickly respond in the event the Company was able to enter into new contracts with government agencies promptly following the contract expirations. The Company also continued to incur expenses related to transportation services provided by staff at the Midwest Regional Reception Center during the first three months of 2022.

On December 6, 2022, the Company received notice from the California Department of Corrections and Rehabilitation ("CDCR") of its intent to terminate the lease agreement for the Company's California City Correctional Center by March 31, 2024, due to the state's declining inmate population. As part of its annual budget process for the fiscal year ending June 30, 2024, the California legislature approved funding for the lease through March 31, 2024. The Company has engaged with the state of California regarding the continued utilization of the California City facility by the CDCR. However, the Company can provide no assurance that it will be successful in reaching an agreement for the utilization of the facility beyond March 31, 2024. The Company is also marketing the facility to other potential customers.

The Company estimated undiscounted cash flows for each facility with an impairment indicator, including the idle facilities described above. The Company's estimated undiscounted cash flows reflect the Company's most recent expectations around potential utilization and/or sale of the facilities and projected cash flows based on historical cash flows, cash flows of comparable facilities, and recent contract negotiations for utilization, as applicable. The Company concluded that the estimated undiscounted cash flows exceeded carrying values for each facility as of December 31, 2023 and 2022.

CoreCivic evaluates on a quarterly basis market developments for the potential utilization of each of its idle properties in order to identify events that may cause CoreCivic to reconsider its assumptions with respect to the recoverability of book values as compared to undiscounted cash flows. CoreCivic considers the cancellation of a contract in its Safety or Community segment or an expiration and non-renewal of a lease agreement in its CoreCivic Properties segment as indicators of impairment and tests each of the idled properties for impairment when it is notified by the respective customers or tenants that they would no longer be utilizing such property.

## 7. INVESTMENT IN AFFILIATE

CoreCivic has a 50% ownership interest in APM, an entity holding the management contract for a correctional facility, HM Prison Forest Bank, under a 25-year prison management contract with an agency of the United Kingdom government. CoreCivic has determined that its joint venture investment in APM represents a variable interest entity ("VIE") in accordance with ASC 810, "Consolidation" of which CoreCivic is not the primary beneficiary. The Forest Bank facility, located in Salford, England, which was sold in April 2001, was previously constructed and owned by a wholly-owned subsidiary of CoreCivic. All gains and losses under the joint venture are accounted for using the equity method of accounting. During 2000, CoreCivic extended a working capital loan to APM, which has an outstanding balance of \$2.9 million as of December 31, 2023 and is reported in other assets on the accompanying consolidated balance sheets.

For the year ended December 31, 2023, equity in earnings of the joint venture was \$325,000. For the years ended December 31, 2022 and 2021, equity in losses of the joint venture was \$124,000 and \$138,000, respectively. The equity in earnings and losses of the joint venture is included in other income (expense) in the consolidated statements of operations.

## 8. OTHER ASSETS

Other assets consist of the following (in thousands):

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Intangible assets, less accumulated amortization of \$2,307 and \$2,435, respectively	\$ 7,173	\$ 7,724
Financing receivable - Kansas lease	138,989	142,214
ROU lease assets	119,773	145,539
Lease incentive assets	—	3,529
Debt issuance costs for revolving credit facility, less accumulated amortization of \$180 and \$765, respectively	3,397	3,343
Cash equivalents and cash surrender value of life insurance held in rabbi trust	16,545	15,988
Straight-line rent receivable	1,854	2,378
Insurance receivable	15,966	14,144
Note receivable from APM	2,886	2,741
Other	2,975	4,376
	<u>\$ 309,558</u>	<u>\$ 341,976</u>

The gross carrying amount of intangible assets amounted to \$9.5 million and \$10.1 million at December 31, 2023 and 2022, respectively. Amortization expense related to intangible assets was \$0.5 million, \$1.3 million, and \$1.9 million for 2023, 2022, and 2021, respectively, and was reported as depreciation and amortization in the accompanying statement of operations for the respective periods.

As of December 31, 2023, the estimated amortization expense related to intangible assets for each of the next five years is as follows (in thousands):

2024	\$	454
2025		454
2026		454
2027		454
2028		454

## 9. ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER LONG-TERM LIABILITIES

Accounts payable and accrued expenses consist of the following (in thousands):

	December 31,	
	2023	2022
Trade accounts payable	\$ 72,020	\$ 89,683
Accrued salaries and wages	60,918	49,345
Income taxes payable	4,619	2,190
Accrued dividends on RSUs	301	406
Accrued workers' compensation and auto liability	9,223	9,208
Accrued litigation	7,756	6,905
Accrued employee medical insurance	6,640	7,233
Accrued property taxes	25,914	26,460
Accrued interest	14,399	15,733
Lease liabilities	34,353	32,696
Deferred revenue	13,117	10,903
Construction payable	2,044	3,034
Other	34,553	31,430
	<u>\$ 285,857</u>	<u>\$ 285,226</u>

Other long-term liabilities consist of the following (in thousands):

	December 31,	
	2023	2022
Intangible contract liability	\$ 3,869	\$ 4,256
Accrued workers' compensation	35,856	33,308
Accrued deferred compensation	14,026	12,992
Lease financing obligation	6,975	7,039
Lease liabilities	70,935	96,918
Other	12	31
	<u>\$ 131,673</u>	<u>\$ 154,544</u>



## 10. DEBT

Debt outstanding consists of the following (in thousands):

	December 31,	
	2023	2022
Revolving Credit Facility maturing October 2028.		
Interest payable periodically at variable interest rates.	\$ —	\$ —
Term Loan maturing October 2028. Interest payable periodically at variable interest rates. The rate at December 31, 2023 and 2022 was 8.7% and 7.5%, respectively. Unamortized debt issuance costs amounted to \$1.5 million and \$1.4 million at December 31, 2023 and 2022, respectively. The Term Loan was increased and the maturity was extended in the fourth quarter of 2023 in connection with an amendment and restatement of the Bank Credit Facility, as further described below.	125,000	96,250
4.625% Senior Notes. The 4.625% Senior Notes were redeemed on February 1, 2023, as further described below.	—	153,754
4.75% Senior Notes maturing October 2027. Unamortized debt issuance costs amounted to \$1.5 million and \$1.9 million at December 31, 2023 and 2022, respectively.	243,068	250,000
8.25% Senior Notes maturing April 2026. Unamortized debt issuance costs amounted to \$5.8 million and \$8.7 million at December 31, 2023 and 2022, respectively.	593,113	614,113
4.43% Lansing Correctional Center Non-Recourse Mortgage Note maturing January 2040. Unamortized debt issuance costs amounted to \$2.6 million and \$2.8 million at December 31, 2023 and 2022, respectively.	145,510	150,405
Total debt	<u>1,106,691</u>	<u>1,264,522</u>
Unamortized debt issuance costs	(12,052)	(14,763)
Net unamortized original issue premium	434	624
Current portion of long-term debt	(11,597)	(165,525)
Long-term debt, net	<u>\$ 1,083,476</u>	<u>\$ 1,084,858</u>

*Bank Credit Facility.* On October 11, 2023, CoreCivic entered into a Fourth Amended and Restated Credit Agreement (referred to herein as the "New Bank Credit Facility") in an aggregate principal amount of \$400.0 million, consisting of a \$125.0 million term loan (the "Term Loan") and a revolving credit facility with a borrowing capacity of \$275.0 million (the "Revolving Credit Facility"). The New Bank Credit Facility replaced the Third Amended and Restated Credit Agreement (the "Previous Bank Credit Facility"), which was in an aggregate principal amount of \$350.0 million and consisted of a term loan with an original principal balance of \$100.0 million and a revolving credit facility with a borrowing capacity of \$250.0 million. The New Bank Credit Facility extends the maturity to October 2028 from the May 2026 maturity under the Previous Bank Credit Facility. Consistent with the Previous Bank Credit Facility, the New Bank Credit Facility includes an option to increase the availability under the Revolving Credit Facility and to request term loans from the lenders in an aggregate amount not to exceed the greater of (a) \$200.0 million and (b) 50% of consolidated EBITDA for the most recently ended four-quarter period, subject to, among other things, the receipt of commitments for the increased amount. At CoreCivic's option, interest on outstanding borrowings under the New Bank Credit Facility is based on either a base rate plus a margin ranging from 1.75% to 3.5%, or at the Secured Overnight Financing Rate ("SOFR") rate plus a margin ranging from 2.75% to 4.5% based on the Company's then-current total leverage ratio (replacing the Bloomberg Short-Term Bank Yield Index ("BSBY") rate under the Previous Bank Credit Facility). The Revolving Credit Facility includes a \$25.0 million sublimit for swing line loans that enables CoreCivic to borrow at the base rate plus the applicable margin from the Administrative Agent (as defined in the New Bank Credit Facility) on same-day notice. At the closing of the New Bank Credit Facility, CoreCivic received approximately \$33.8 million of net borrowings before transaction costs as a result of the increased size of the Term Loan, and the Revolving Credit Facility remains unused, except for \$17.9 million in outstanding letters of credit. CoreCivic recorded a charge of approximately \$1.0 million during the fourth quarter of 2023 for the write-off of a portion of the pre-existing loan costs associated with the Previous Bank Credit Facility. CoreCivic recorded a charge of approximately \$0.8 million during the second quarter of 2022 for the write-off of a portion of the pre-existing loan costs associated with the bank credit facility replaced by the Previous Bank Credit Facility.

Based on CoreCivic's total leverage ratio, loans under the New Bank Credit Facility at December 31, 2023 bore interest at a base rate plus a margin of 2.25% or at the SOFR rate plus a margin of 3.25%, and a commitment fee equal to 0.45% of the unfunded balance of the Revolving Credit Facility. The Revolving Credit Facility also has a \$100.0 million sublimit for the issuance of standby letters of credit. As of December 31, 2023, CoreCivic had no borrowings outstanding under the Revolving Credit Facility. As of December 31, 2023, CoreCivic had \$17.9 million in letters of credit outstanding, resulting in \$257.1 million available under the Revolving Credit Facility. The Term Loan requires scheduled quarterly principal payments through October 2028, and is pre-payable without penalty. As of December 31, 2023, the outstanding balance of the Term Loan was \$125.0 million.

Consistent with the Previous Bank Credit Facility, the New Bank Credit Facility requires CoreCivic to meet certain financial covenants, including, without limitation, a total leverage ratio of not more than 4.50 to 1.00, a secured leverage ratio of not more than 2.50 to 1.00, and a fixed charge coverage ratio of not less than 1.75 to 1.00. The Previous Bank Credit Facility also included a \$100.0 million limit of netting unrestricted cash and cash equivalents when calculating the consolidated total leverage ratio and the consolidated secured leverage ratio. The New Bank Credit Facility was modified to remove the \$100.0 million limit from those covenants. As of December 31, 2023, CoreCivic was in compliance with all such covenants. Also consistent with the Previous Bank Credit Facility, the New Bank Credit Facility is secured by a pledge of all of the capital stock (or other ownership interests) of CoreCivic's domestic restricted subsidiaries, 65% of the capital stock (or other ownership interests) of CoreCivic's "first-tier" foreign subsidiaries, all of the accounts receivable of the Company and its domestic restricted subsidiaries, and substantially all of the deposit accounts of the Company and its domestic restricted subsidiaries. In the event that (a) the consolidated total leverage equals or exceeds 4.25 to 1.00 (4.00 to 1.00 under the Previous Bank Credit Facility) or (b) the Company incurs certain debt above a specified threshold, each known as a "springing lien" event, certain intangible assets and unencumbered real estate assets that meet a 50% loan-to-value requirement are required to be added as collateral. The New Bank Credit Facility is consistent with the Previous Bank Credit Facility in that it contains certain covenants that, among other things, limit the incurrence of additional indebtedness, payment of dividends and other customary restricted payments, permitted investments, transactions with affiliates, asset sales, mergers and consolidations, liquidations, prepayments and modifications of other indebtedness, liens and other encumbrances and other matters customarily restricted in such agreements. Also consistent with the Previous Bank Credit Facility, the New Bank Credit Facility is subject to certain cross-default provisions with terms of CoreCivic's other unsecured indebtedness and is subject to acceleration upon the occurrence of a change of control.

*Senior Notes.* Interest on the \$243.1 million remaining aggregate principal amount of CoreCivic's 4.75% senior notes issued in October 2017 with an original principal amount of \$250.0 million (the "4.75% Senior Notes") accrues at the stated rate and is payable in April and October of each year. The 4.75% Senior Notes are scheduled to mature on October 15, 2027. During 2023, the Company purchased \$6.9 million principal amount of the 4.75% Senior Notes through open market purchases, reducing the outstanding balance of the 4.75% Senior Notes to \$243.1 million as of December 31, 2023. Interest on the \$593.1 million remaining aggregate principal amount of CoreCivic's 8.25% senior notes issued in April and September 2021 with an original principal amount of \$675.0 million (the "8.25% Senior Notes") accrues at the stated rate and is payable in April and October of each year. The 8.25% Senior Notes are scheduled to mature on April 15, 2026. During 2022, the Company purchased \$60.9 million principal amount of the 8.25% Senior Notes at a weighted average purchase price approximately equal to par through open market purchases. CoreCivic recorded charges of \$1.2 million during 2022 primarily for the write-off of a pro-rata portion of the pre-existing loan costs associated with these open market purchases. During 2023, the Company purchased an additional \$21.0 million principal amount of the 8.25% Senior Notes through open market purchases, reducing the outstanding balance of the 8.25% Senior Notes to \$593.1 million as of December 31, 2023. The 2023 purchases of the 4.75% and 8.25% Senior Notes were at a weighted average purchase price of 97% of par, resulting in a net discount of approximately \$0.7 million recorded as a credit to expenses associated with debt repayments and refinancing transactions. The net discount was partially offset by \$0.4 million of charges associated with third-party fees and the write-off of a pro-rata portion of the pre-existing loan costs associated with the open market purchases of the 4.75% and 8.25% Senior Notes.

The 4.75% Senior Notes and the 8.25% Senior Notes, collectively referred to herein as the "Senior Notes," are senior unsecured obligations of the Company and are guaranteed by all of the Company's existing and future subsidiaries that guarantee the New Bank Credit Facility. CoreCivic may redeem all or part of the 4.75% Senior Notes at any time prior to three months before their maturity date at a "make-whole" redemption price, plus accrued and unpaid interest thereon to, but not including, the redemption date. Thereafter, the 4.75% Senior Notes are redeemable at CoreCivic's option, in whole or in part, at a redemption price equal to 100% of the aggregate principal amount of the notes to be redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date. The Company may redeem all or part of the 8.25% Senior Notes at any time prior to April 15, 2024, in whole or in part, at a "make-whole" redemption price, plus accrued and unpaid interest thereon to, but not including, the redemption date. Thereafter, the 8.25% Senior Notes are redeemable at CoreCivic's option, in whole or in part, at a redemption price expressed as a percentage of the principal amount thereof, which percentage is 104.125% beginning on April 15, 2024 and 100% beginning on April 15, 2025, plus, in each such case, accrued and unpaid interest thereon to, but not including, the redemption date.

On December 22, 2022, CoreCivic delivered an irrevocable notice to the holders of CoreCivic's 4.625% senior notes issued in April 2013 with an original principal amount of \$350.0 million (the "4.625% Senior Notes") that the Company elected to redeem in full the 4.625% Senior Notes that remained outstanding on February 1, 2023. During 2021 and 2022, CoreCivic purchased \$196.2 million of the 4.625% Senior Notes through privately negotiated transactions and open market purchases. The remaining 4.625% Senior Notes were redeemed on February 1, 2023 at a redemption price equal to 100% of the principal amount of the outstanding 4.625% Senior Notes, which amounted to \$153.8 million, plus accrued and unpaid interest to, but not including, the redemption date. The Company used a combination of cash on hand and available capacity under its Revolving Credit Facility to fund the redemption.

The indentures governing the Senior Notes contain certain customary covenants that, subject to certain exceptions and qualifications, restrict CoreCivic's ability to, among other things, create or permit to exist certain liens and consolidate, merge or transfer all or substantially all of CoreCivic's assets. In addition, if CoreCivic experiences specific kinds of changes in control, CoreCivic must offer to repurchase all or any portion of the Senior Notes. The offer price for the Senior Notes in connection with a change in control would be 101% of the aggregate principal amount of the notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased to the date of purchase. The indenture related to our 8.25% Senior Notes additionally limits our ability to incur indebtedness, make restricted payments and investments and prepay certain indebtedness. The Senior Notes are also subject to certain cross-default provisions with certain of CoreCivic's other indebtedness, which includes the New Bank Credit Facility.

*Lansing Correctional Facility Non-Recourse Mortgage Note.* On April 20, 2018, CoreCivic of Kansas, LLC (the "Issuer"), a wholly-owned unrestricted subsidiary of the Company, priced \$159.5 million in aggregate principal amount of non-recourse senior secured notes of the Issuer (the "Kansas Notes"), in a private placement pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The private placement closed on June 1, 2018. The Company used the proceeds of the private placement, which were drawn on quarterly funding dates beginning in the second quarter of 2018, to fund construction of the Lansing Correctional Facility, along with costs and expenses of the project. The Kansas Notes have a yield to maturity of 4.43% and are scheduled to mature in January 2040, 20 years following completion of the project, which occurred in January 2020. Principal and interest on the Kansas Notes are payable in quarterly payments, which began in July 2020 and continue until maturity. CoreCivic may redeem all or part of the Kansas Notes at any time upon written notice of not less than 30 days and not more than 60 days prior to the date fixed for such prepayment, with a "make-whole" amount, together with interest on the Kansas Notes accrued to, but not including, the redemption date. CoreCivic capitalized approximately \$3.4 million of costs associated with the private placement. Because the Issuer has been designated as an unrestricted subsidiary of the Company under terms of the Company's New Bank Credit Facility, the issuance and service of the Kansas Notes, and the revenues and expenses associated with the facility lease, do not impact the financial covenants associated with the Company's New Bank Credit Facility. As of December 31, 2023, the outstanding balance of the Kansas Notes was \$145.5 million.

*Guarantees and Covenants.* All of the restricted domestic subsidiaries of CoreCivic (as the parent corporation) have provided full and unconditional guarantees of the Senior Notes. All of CoreCivic's subsidiaries guaranteeing the Senior Notes are 100% owned subsidiaries of CoreCivic; and the subsidiary guarantees are full and unconditional and are joint and several obligations of the guarantors.

As of December 31, 2023, neither CoreCivic nor any of its subsidiary guarantors had any material or significant restrictions on CoreCivic's ability to obtain funds from its subsidiaries by dividend or loan or to transfer assets from such subsidiaries.

#### **Other Debt Transactions**

*Letters of Credit.* At December 31, 2023 and 2022, CoreCivic had \$17.9 million and \$16.8 million, respectively, in outstanding letters of credit. The letters of credit were issued primarily to secure CoreCivic's workers' compensation and general liability insurance policies, performance bonds, and for a debt service reserve requirement under terms of the Kansas Notes.

## Debt Maturities

Scheduled principal payments as of December 31, 2023 for the next five years and thereafter were as follows (in thousands):

2024	\$ 11,597
2025	12,073
2026	608,814
2027	262,423
2028	97,995
Thereafter	113,789
Total debt	<u>\$ 1,106,691</u>

## Cross-Default Provisions

The provisions of CoreCivic's debt agreements relating to the New Bank Credit Facility and the Senior Notes contain certain cross-default provisions. Any events of default under the New Bank Credit Facility that result in the lenders' actual acceleration of amounts outstanding thereunder also result in an event of default under the Senior Notes. Additionally, any events of default under the Senior Notes that give rise to the ability of the holders of such indebtedness to exercise their acceleration rights also result in an event of default under the New Bank Credit Facility.

If CoreCivic were to be in default under the New Bank Credit Facility, and if the lenders under the New Bank Credit Facility elected to exercise their rights to accelerate CoreCivic's obligations under the New Bank Credit Facility, such events could result in the acceleration of all or a portion of CoreCivic's Senior Notes, which would have a material impact on CoreCivic's liquidity and financial position. CoreCivic does not have sufficient working capital to satisfy its debt obligations in the event of an acceleration of all or a substantial portion of CoreCivic's outstanding indebtedness.

## 11. DEFERRED REVENUE

In September 2014, CoreCivic announced that it had agreed under an expansion of an existing IGSA to care for up to 2,400 individuals for ICE at the South Texas Family Residential Center, a facility leased by CoreCivic in Dilley, Texas. Services provided under the original IGSA commenced in the fourth quarter of 2014 and had an original term of up to four years. The agreement provided for a fixed monthly payment in accordance with a graduated schedule. In October 2016, CoreCivic entered into an amended IGSA that provided for a new, lower fixed monthly payment commencing in November 2016, and extended the term of the contract through September 2021. In September 2020, the term of the amended IGSA was extended from September 2021 to September 2026. The agreement can be further extended by bi-lateral modification. ICE's termination rights, which permit ICE to terminate the agreement for convenience or non-appropriation of funds, without penalty, by providing CoreCivic with at least a 60-day notice, were unchanged under the extension. ICE began housing the first residents at the facility in December 2014, and the site was completed during the second quarter of 2015.

Under the fixed monthly payment schedule of the original IGSA, ICE agreed to pay CoreCivic \$70.0 million in two \$35.0 million installments during the fourth quarter of 2014 and graduated fixed monthly payments over the remaining months of the contract. During the years ended December 31, 2023, 2022, and 2021, CoreCivic recognized \$156.1 million, \$156.1 million, and \$159.7 million, respectively, in revenue associated with the amended IGSA with the unrecognized balance of the fixed monthly payments reported in deferred revenue. The current portion of deferred revenue is reflected within accounts payable and accrued expenses while the long-term portion is reflected as deferred revenue on the accompanying consolidated balance sheets. As of December 31, 2023 and 2022, total deferred revenue associated with this agreement amounted to \$7.3 million and \$9.9 million, respectively.

## 12. INCOME TAXES

CoreCivic recorded an income tax expense of \$28.2 million, \$43.0 million, and \$138.0 million for the years ended December 31, 2023, 2022 and 2021, respectively. Income tax expense during 2021 included \$114.2 million primarily resulting from the revaluation of the Company's net deferred tax liabilities due to the completion of all significant actions necessary to revoke its REIT election. No catch-up tax payments or penalties resulted from the revocation of the Company's REIT election.

Income tax expense is comprised of the following components (in thousands):

	<u>For the Years Ended December 31,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Current income tax expense</b>			
Federal	\$ 25,037	\$ 25,681	\$ 32,137
State	5,899	5,840	6,592
	<u>30,936</u>	<u>31,521</u>	<u>38,729</u>
<b>Deferred income tax expense (benefit)</b>			
Federal	(2,156)	11,484	86,703
State	(547)	(23)	12,567
	<u>(2,703)</u>	<u>11,461</u>	<u>99,270</u>
<b>Income tax expense</b>	<u>\$ 28,233</u>	<u>\$ 42,982</u>	<u>\$ 137,999</u>

Significant components of CoreCivic's deferred tax assets and liabilities as of December 31, 2023 and 2022, are as follows (in thousands):

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
<b>Noncurrent deferred tax assets:</b>		
Asset reserves and liabilities not yet deductible for tax	\$ 14,915	\$ 8,625
Accrued compensation not yet deductible for tax	12,419	9,913
Accrued workers comp liabilities not yet deductible for tax	11,333	10,976
Depreciation	8,669	8,502
ROU lease assets	25,282	33,226
Losses and tax credit carryforwards	1,591	1,807
Intangible assets	7,669	7,836
Other	9,010	9,954
Total noncurrent deferred tax assets	<u>90,888</u>	<u>90,839</u>
Less valuation allowance	<u>(848)</u>	<u>(848)</u>
Total noncurrent deferred tax assets	<u>90,040</u>	<u>89,991</u>
<b>Noncurrent deferred tax liabilities:</b>		
Depreciation	(151,918)	(148,255)
Lease liabilities	(24,721)	(32,663)
Intangible liabilities	(7,860)	(7,557)
Other	(2,456)	(1,134)
Total noncurrent deferred tax liabilities	<u>(186,955)</u>	<u>(189,609)</u>
Net total noncurrent deferred tax liabilities	<u>\$ (96,915)</u>	<u>\$ (99,618)</u>

A reconciliation of the income tax provision at the statutory income tax rate and the effective tax rate as a percentage of income from continuing operations before income taxes for the years ended December 31, 2023, 2022, and 2021 is as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutory federal rate	21.0%	21.0%	21.0%
Revaluation of deferred tax liabilities	—	—	132.7
State taxes, net of federal tax benefit	4.5	3.4	4.8
Permanent differences	4.3	1.7	2.8
Tax expense (benefit) of equity-based compensation	(0.3)	—	2.6
Other items, net	—	(0.1)	(3.6)
	<u>29.5%</u>	<u>26.0%</u>	<u>160.3%</u>

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The CARES Act, among other things, incentivized companies to retain employees through an Employee Retention Credit ("ERC"). The ERC compensates employers for wages of employees that were retained and could not perform their job duties at 100% capacity as a result of coronavirus pandemic restrictions. In December 2020, the Consolidated Appropriations Act provided additional funding for the ERC with expanded benefits through June 30, 2021. During the year ended December 31, 2022, the Company recorded an ERC of \$7.0 million, which offset operating expenses. The credit was reduced by \$1.8 million of federal income tax expense.

The Inflation Reduction Act of 2022 (the "Inflation Reduction Act") was signed into law on August 16, 2022. Among other provisions, such act creates an excise tax of 1% on the fair value of net stock repurchases in excess of share issuances made by publicly traded U.S. corporations, effective for repurchases after December 31, 2022. The impact of this excise tax on the Company's financial position, and/or liquidity, in future periods, will vary based on the level of net stock repurchases in excess of share issuances made by the Company in a given year. The Company has concluded that the excise tax associated with stock repurchases is properly recognized as a component of equity given that it is a direct cost associated with the repurchase of common stock. The excise tax recognized during the year ended December 31, 2023 was estimated to be \$0.3 million associated with the repurchase of 3.5 million shares, net of the shares issued for restricted stock plans as permitted by the issuance offset rule under the Inflation Reduction Act.

CoreCivic had no liabilities for uncertain tax positions as of December 31, 2023 and 2022. CoreCivic recognizes interest and penalties related to unrecognized tax positions in income tax expense. CoreCivic does not currently anticipate that the total amount of unrecognized tax positions will significantly change in the next twelve months.

CoreCivic's U.S. federal income tax returns for tax years 2020 through 2022 remain subject to examination by the Internal Revenue Service ("IRS"). The majority of states in which CoreCivic files income tax returns follow the same statute of limitations as the federal government. Certain states in which CoreCivic files income tax returns have statutes that remain open from 2019.

### 13. STOCKHOLDERS' EQUITY

#### Dividends on Common Stock

On August 5, 2020, the Board of Directors ("BOD") voted unanimously to approve a plan to revoke the Company's REIT election and become a taxable C Corporation, effective January 1, 2021; the BOD also voted unanimously to discontinue the then-current quarterly dividend and prioritize allocating the Company's free cash flow to reduce debt levels.

## Common Stock

*Share Repurchase Program.* On May 12, 2022, the BOD approved a share repurchase program to repurchase up to \$150.0 million of the Company's common stock. On August 2, 2022, the BOD increased the authorization to repurchase under the share repurchase program by up to an additional \$75.0 million of the Company's common stock, or a total aggregate authorized amount to repurchase up to \$225.0 million of the Company's common stock. Repurchases of the Company's outstanding common stock will be made in accordance with applicable securities laws and may be made at the Company's discretion based on parameters set by the BOD from time to time in the open market, through privately negotiated transactions, or otherwise. The share repurchase program has no time limit and does not obligate the Company to purchase any particular amount of its common stock. The authorization for the share repurchase program may be terminated, suspended, increased or decreased by the BOD in its discretion at any time. Through December 31, 2023, the Company repurchased 10.1 million shares of its common stock at a total cost of \$112.6 million, excluding costs associated with the share repurchase program, or \$11.16 per share, including 3.5 million shares at a total cost of \$38.1 million, or \$10.97 per share, during 2023.

*Restricted stock units.* During 2023, CoreCivic issued approximately 2.0 million RSUs to certain of its employees and non-employee directors, with an aggregate value of \$22.3 million, including 1.8 million RSUs to employees and non-employee directors whose compensation is charged to general and administrative expense and 0.2 million RSUs to employees whose compensation is charged to operating expense. During 2022, CoreCivic issued approximately 2.1 million RSUs to certain of its employees and non-employee directors, with an aggregate value of \$21.5 million, including 1.9 million RSUs to employees and non-employee directors whose compensation is charged to general and administrative expense and 0.2 million RSUs to employees whose compensation is charged to operating expense.

CoreCivic has established performance-based vesting conditions on a portion of the RSUs awarded to its officers and executive officers that, unless earlier vested under the terms of the agreements, are subject to vesting over a three-year period based upon the satisfaction of certain annual performance criteria. The RSUs awarded to officers and executive officers in 2021, 2022 and 2023 consist of a combination of awards with performance-based conditions and time-based conditions. Unless earlier vested under the terms of the RSU agreements, the RSUs with time-based vesting conditions vest in equal amounts over three years on the later of (i) the anniversary date of the grant or (ii) the delivery of the audited financial statements by the Company's independent registered public accountant for the applicable fiscal year. The RSUs with performance-based vesting conditions are divided into one-third increments, each of which is subject to vesting based upon satisfaction of certain annual performance criteria established at the beginning of the fiscal years ending December 31, 2021, 2022, and 2023 for the 2021 awards, December 31, 2022, 2023, and 2024 for the 2022 awards, and December 31, 2023, 2024, and 2025 for the 2023 awards, and which can be increased up to 150% or decreased to 0% based on performance relative to the annual performance criteria, and further increased or decreased using a modifier of 80% to 120% based on CoreCivic's total shareholder return relative to a peer group. Based on performance achieved for 2023, the RSUs subject to performance-based vesting criteria were increased by 106.9%; and were further increased by a 120% modifier based on CoreCivic's total shareholder return relative to the peer group. Because the performance criteria for the fiscal years ending December 31, 2024 and 2025 have not yet been established, the values of the third RSU increment of the 2022 awards and of the second and third increments of the 2023 awards for financial reporting purposes will not be determined until such criteria are established. Time-based RSUs issued to other employees, unless earlier vested under the terms of the agreements, generally vest in equal amounts over three years on the later of (i) the anniversary date of the grant or (ii) the delivery of the audited financial statements by the Company's independent registered public accountant for the applicable fiscal year. RSUs issued to non-employee directors generally vest one year from the date of award.



Nonvested RSU transactions as of December 31, 2023 and activity for the year then ended are summarized below (in thousands, except per share amounts).

	Shares of RSUs	Weighted average grant date fair value
Nonvested at December 31, 2022	3,871	\$9.87
Granted	1,968	\$11.35
Cancelled	(120)	\$10.20
Vested	(1,849)	\$10.33
<b>Nonvested at December 31, 2023</b>	<b>3,870</b>	<b>\$10.61</b>

During 2023, 2022, and 2021, CoreCivic expensed \$20.8 million (\$1.6 million of which was recorded in operating expenses and \$19.2 million of which was recorded in general and administrative expenses), \$17.6 million (\$1.5 million of which was recorded in operating expenses and \$16.1 million of which was recorded in general and administrative expenses), and \$18.7 million (\$1.6 million of which was recorded in operating expenses and \$17.1 million of which was recorded in general and administrative expenses), net of forfeitures, relating to RSUs, respectively. As of December 31, 2023, CoreCivic had \$16.2 million of total unrecognized compensation cost related to RSUs that is expected to be recognized over a remaining weighted-average period of 1.6 years. The total fair value of RSUs that vested during 2023, 2022, and 2021 was \$17.8 million, \$18.3 million, and \$6.4 million, respectively.

At CoreCivic's 2022 annual meeting of stockholders held in May 2022, CoreCivic's stockholders approved the CoreCivic, Inc. Amended and Restated 2020 Stock Incentive Plan that authorized the issuance of new awards to an aggregate of up to 5.9 million shares, plus remaining shares that were available for grant under the CoreCivic, Inc. 2020 Stock Incentive Plan. As of December 31, 2023, CoreCivic had 6.1 million shares available for issuance under the Amended and Restated 2020 Stock Incentive Plan.

### Preferred Stock

CoreCivic has the authority to issue 50.0 million shares of \$0.01 par value per share preferred stock (the "Preferred Stock"). The Preferred Stock may be issued from time to time upon authorization by the BOD, in such series and with such preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications or other provisions as may be fixed by CoreCivic's BOD.

## 14. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. For CoreCivic, diluted earnings per share is computed by dividing net income by the weighted average number of common shares after considering the additional dilution related to restricted stock-based awards and stock options.

A reconciliation of the numerator and denominator of the basic earnings per share computation to the numerator and denominator of the diluted earnings per share computation is as follows (in thousands, except per share data):

	For the Years Ended December 31,		
	2023	2022	2021
<b>NUMERATOR</b>			
<b>Basic:</b>			
Net income (loss)	\$ 67,590	\$ 122,320	\$ (51,896)
<b>Diluted:</b>			
Net income (loss)	\$ 67,590	\$ 122,320	\$ (51,896)
<b>DENOMINATOR</b>			
<b>Basic:</b>			
Weighted average common shares outstanding	113,798	118,199	120,192
<b>Diluted:</b>			
Weighted average common shares outstanding	113,798	118,199	120,192
Effect of dilutive securities:			
Restricted stock-based awards	852	899	—
Weighted average shares and assumed conversions	114,650	119,098	120,192
<b>BASIC EARNINGS (LOSS) PER SHARE</b>	<b>\$ 0.59</b>	<b>\$ 1.03</b>	<b>\$ (0.43)</b>
<b>DILUTED EARNINGS (LOSS) PER SHARE</b>	<b>\$ 0.59</b>	<b>\$ 1.03</b>	<b>\$ (0.43)</b>

For the year ended December 31, 2021, 0.5 million of restricted stock-based awards and 1.0 million of non-controlling interest - operating partnership units were excluded from the computation of diluted loss per share because they were anti-dilutive. In addition, approximately 0.1 million and 0.3 million of stock options were excluded from the computations of diluted earnings (loss) per share for the years ended December 31, 2022 and 2021, respectively, because they were anti-dilutive.

## 15. COMMITMENTS AND CONTINGENCIES

### Legal Proceedings

The nature of CoreCivic's business results in claims and litigation alleging that it is liable for damages arising from the conduct of its employees, offenders or others. The nature of such claims includes, but is not limited to, claims arising from employee or offender misconduct, medical malpractice, employment matters, property loss, contractual claims, including claims regarding compliance with contract performance requirements, and personal injury or other damages resulting from contact with CoreCivic's facilities, personnel or offenders, including damages arising from an offender's escape or from a disturbance at a facility. CoreCivic maintains insurance to cover many of these claims, which may mitigate the risk that any single claim would have a material effect on CoreCivic's consolidated financial position, results of operations, or cash flows, provided the claim is one for which coverage is available. The combination of self-insured retentions and deductible amounts means that, in the aggregate, CoreCivic is subject to self-insurance risk.

Based upon management's review of the potential claims and outstanding litigation, and based upon management's experience and history of estimating losses, and taking into consideration CoreCivic's self-insured retention amounts, management believes a loss in excess of amounts already recognized would not be material to CoreCivic's financial statements. Adversarial proceedings and litigation are, however, subject to inherent uncertainties, and unfavorable decisions and rulings resulting from legal proceedings could occur which could have a material impact on CoreCivic's consolidated financial position, results of operations, or cash flows for the period in which such decisions or rulings occur, or future periods. Expenses associated with legal proceedings may also fluctuate from quarter to quarter based on changes in CoreCivic's assumptions, new developments, or by the effectiveness of CoreCivic's litigation and settlement strategies.

CoreCivic records a liability in the consolidated financial statements for loss contingencies when a loss is known or considered probable, and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible but not known or probable, and can be reasonably estimated, the estimated loss or range of loss is disclosed. When determining the estimated loss or range of loss, significant judgment is required to estimate the amount and timing of a loss to be recorded. Any receivable for insurance recoveries is recorded separately from the corresponding litigation reserve, and only if recovery is determined to be probable and the amount of payment can be determined. CoreCivic does not accrue for anticipated legal fees and costs and expenses those items as incurred.

#### *ICE Detainee Labor and Related Matters.*

On May 31, 2017, two former ICE detainees, who were detained at the Company's Otay Mesa Detention Center ("OMDC") in San Diego, California, filed a class action lawsuit against the Company in the United States District Court for the Southern District of California. The complaint alleged that the Company forces detainees to perform labor under threat of punishment in violation of state and federal anti-trafficking laws and that OMDC's Voluntary Work Program ("VWP") violates state labor laws including state minimum wage law. ICE requires that CoreCivic offer and operate the VWP in conformance with ICE standards and ICE prescribes the minimum rate of pay for VWP participants. The Plaintiffs seek compensatory damages, exemplary damages, restitution, penalties, and interest as well as declaratory and injunctive relief on behalf of former and current detainees. On April 1, 2020, the district court certified a nationwide anti-trafficking claims class of former and current detainees who participated in an ICE VWP at a CoreCivic facility. It also certified a state law class of former and current detainees who participated in a VWP wherever the Company held ICE detainees in California. The court did not certify any claims for injunctive or declaratory relief. On March 10, 2021, the Ninth Circuit Court of Appeals granted CoreCivic's petition to appeal the class certification ruling. On June 3, 2022, a three-judge panel of the Ninth Circuit affirmed the class certification ruling. Following the three-judge panel affirmance, the Company petitioned the Ninth Circuit for a discretionary appellate review, which was denied. On January 3, 2023, the Ninth Circuit Court granted the Company's motion to stay its mandate during the pendency of the Company's petition for Supreme Court review. On June 12, 2023, the Supreme Court dismissed the Company's petition. The claims resulting in certified classes will now proceed in the United States District Court for the Southern District of California.

Since this case was filed, four similar lawsuits have been filed. A second California lawsuit concerning the Otay Mesa facility has been stayed pending the outcome of class proceedings in the first California case discussed above. The Company disputes the allegations in this case and intends to vigorously defend itself against them. A Maryland case was dismissed on September 27, 2019, and the dismissal was affirmed on appeal. Two suits filed in Georgia and Texas do not allege minimum wage violations. The Texas case was voluntarily dismissed on March 14, 2022. The Georgia case was appealed to the Eleventh Circuit following the District Court's decision not to certify any classes, and the Eleventh Circuit affirmed the District Court's ruling on May 31, 2023. On September 29, 2023, the parties submitted a notice of settlement to the District Court, and finalized the settlement on October 17, 2023, without material liability to the Company.

Due to the stage of the ongoing proceedings, the Company cannot reasonably predict the outcomes, nor can it estimate the amount of loss or range of loss, if any, that may result. As a result, the Company has not recorded an accrual relating to these matters at this time, as losses are not considered probable or reasonably estimable at this stage of these lawsuits.

### *Shareholder Litigation.*

In a memorandum to the BOP dated August 18, 2016, the DOJ directed that, as each contract with privately operated prisons reaches the end of its term, the BOP should either decline to renew that contract or substantially reduce its scope in a manner consistent with law and the overall decline of the BOP's inmate population. Following the release of the August 18, 2016 DOJ memorandum, a securities class action lawsuit was filed on August 23, 2016 against the Company and certain of its current and former officers in the United States District Court for the Middle District of Tennessee (the "District Court"), captioned *Grae v. Corrections Corporation of America et al.*, Case No. 3:16-cv-02267. The Company settled this lawsuit in April 2021. The settlement, which was approved by the District Court on November 8, 2021, contains no admission of liability, wrongdoing, or responsibility by any of the defendants including the Company. The Company paid the settlement amount of \$56.0 million in May 2021. As a result of the settlement, the Company recognized an expense of \$54.3 million during the year ended December 31, 2021, which was net of the remaining insurance available under the Company's policies.

The Company was also named along with several of our directors in six derivative lawsuits which raise similar allegations to those raised in the *Grae* securities litigation. On June 17, 2022, CoreCivic and derivative plaintiffs informed the District Court that the parties had reached an agreement as to the plaintiffs' attorneys' fees and expenses, including \$1.9 million the Company expensed during the year ended December 31, 2022. The final settlement, which was approved by the District Court on December 2, 2022, also calls for the Company to adopt certain governance changes, which the Company has implemented.

### **Insurance Contingencies**

Each of CoreCivic's management contracts and the statutes of certain states require the maintenance of insurance. CoreCivic maintains various insurance policies including employee health, workers' compensation, automobile liability, and general liability insurance. These policies are fixed premium policies with various deductible amounts that are self-funded by CoreCivic. Reserves are provided for estimated incurred claims for which it is probable that a loss has been incurred and the range of such loss can be estimated.

### **Retirement Plan**

All employees of CoreCivic are eligible to participate in the CoreCivic 401(k) Savings and Retirement Plan (the "Plan") upon reaching age 18 and completing six months of qualified service. Eligible employees may contribute up to 90% of their eligible compensation, subject to IRS limitations. For the years ended December 31, 2023, 2022, and 2021, CoreCivic provided a discretionary matching contribution equal to 100% of the employee's contributions up to 5% of the employee's eligible compensation to employees with at least 500 hours of employment in the plan year. Employer matching contributions paid into the Plan each pay period vest immediately pursuant to safe harbor provisions adopted by the Plan. During 2023, 2022, and 2021, CoreCivic's discretionary contributions and expense to the Plan were \$14.4 million, \$15.3 million, and \$15.2 million, respectively.

## **Deferred Compensation Plans**

CoreCivic provides two non-qualified deferred compensation plans (the "Deferred Compensation Plans") for non-employee directors and for certain senior executives. The Deferred Compensation Plans are unfunded plans maintained for the purpose of providing CoreCivic's directors and certain of its senior executives the opportunity to defer a portion of their compensation. Under the terms of the Deferred Compensation Plans, certain senior executives may elect to contribute on a pre-tax basis up to 50% of their base salary and up to 100% of their cash bonus, and non-employee directors may elect to contribute on a pre-tax basis up to 100% of their director retainer and meeting fees. During the years ended December 31, 2023, 2022, and 2021, CoreCivic matched 100% of employee contributions up to 5% of total cash compensation. CoreCivic also contributes a fixed rate of return on balances in the Deferred Compensation Plans, determined at the beginning of each plan year. Matching contributions and investment earnings thereon become vested 20% after two years of service, 40% after three years of service, 80% after four years of service, and 100% after five or more years of service. Distributions are generally payable no earlier than five years subsequent to the date an individual becomes a participant in the Plan, or upon termination of employment (or the date a director ceases to serve as a director of CoreCivic), at the election of the participant. Distributions to senior executives must commence on or before the later of 60 days after the participant's separation from service or the fifteenth day of the month following the month the individual attains age 65.

During 2023, 2022, and 2021, CoreCivic provided a fixed return of 5.0% in each year to participants in the Deferred Compensation Plans. CoreCivic has purchased life insurance policies on the lives of certain employees of CoreCivic, which are intended to fund distributions from the Deferred Compensation Plans. CoreCivic is the sole beneficiary of such policies. At the inception of the Deferred Compensation Plans, CoreCivic established an irrevocable Rabbi Trust to secure the plans' obligations. However, assets in the Deferred Compensation Plans are subject to creditor claims in the event of bankruptcy. During 2023, 2022, and 2021, CoreCivic recorded \$0.3 million, \$0.3 million, and \$0.2 million, respectively, of matching contributions as general and administrative expense associated with the Deferred Compensation Plans. Assets in the Rabbi Trust were \$16.5 million and \$16.0 million as of December 31, 2023 and 2022, respectively, and were reflected in other assets on the accompanying consolidated balance sheets. As of December 31, 2023 and 2022, CoreCivic's liability related to the Deferred Compensation Plans was \$14.6 million and \$13.8 million, respectively, which was reflected in accounts payable and accrued expenses and other liabilities on the accompanying consolidated balance sheets.

## **Employment and Severance Agreements**

CoreCivic currently has employment agreements with several of its executive officers, which provide for the payment of certain severance amounts upon termination of employment under certain circumstances or a change of control, as defined in the agreements.

## **16. SEGMENT REPORTING**

As of December 31, 2023, CoreCivic operated 43 correctional and detention facilities, 39 of which the Company owned. In addition, CoreCivic owned and operated 23 residential reentry centers and owned 6 properties held for lease to government agencies. Management views CoreCivic's operating results in three operating segments, CoreCivic Safety, CoreCivic Community, and CoreCivic Properties. CoreCivic Safety includes the operating results of those correctional and detention facilities placed into service that were owned, or controlled via a long-term lease, and managed by CoreCivic, as well as those correctional and detention facilities owned by a third party and managed by CoreCivic. CoreCivic Safety also includes the operating results of TransCor America, LLC, a subsidiary of the Company that provides transportation services to governmental agencies. CoreCivic Community includes the operating results of those residential reentry centers placed into service that were owned, or controlled via a long-term lease, and managed by CoreCivic. CoreCivic Community also includes the operating results of the Company's electronic monitoring and case management services. CoreCivic Properties includes the operating results of those properties leased to government agencies. The operating performance of the three segments can be measured based on their net operating income. CoreCivic defines facility net operating income as a facility's revenues less operating expenses.

The revenue and net operating income for each of the three segments and a reconciliation to CoreCivic's income before income taxes is as follows for the three years ended December 31, 2023, 2022, and 2021 (in thousands):

	For the Years Ended December 31,		
	2023	2022	2021
<b>Revenue:</b>			
Safety	\$1,731,421	\$1,684,035	\$1,693,968
Community	115,068	103,263	99,435
Properties	49,875	57,873	68,934
<b>Total segment revenue</b>	<b>1,896,364</b>	<b>1,845,171</b>	<b>1,862,337</b>
<b>Operating expenses:</b>			
Safety	1,356,496	1,313,567	1,236,938
Community	91,895	86,016	81,610
Properties	13,829	13,682	18,155
<b>Total segment operating expenses</b>	<b>1,462,220</b>	<b>1,413,265</b>	<b>1,336,703</b>
<b>Facility net operating income:</b>			
Safety	374,925	370,468	457,030
Community	23,173	17,247	17,825
Properties	36,046	44,191	50,779
<b>Total facility net operating income</b>	<b>434,144</b>	<b>431,906</b>	<b>525,634</b>
<b>Other revenue (expense):</b>			
Other revenue	271	158	279
Other operating expense	(210)	(527)	(362)
General and administrative	(136,084)	(127,700)	(135,770)
Depreciation and amortization	(127,316)	(127,906)	(134,738)
Shareholder litigation expense	—	(1,900)	(54,295)
Asset impairments	(2,710)	(4,392)	(11,378)
Interest expense, net	(72,960)	(84,974)	(85,542)
Expenses associated with debt repayments and refinancing transactions	(686)	(8,077)	(56,279)
Gain on sale of real estate assets, net	798	87,728	38,766
Other income (expense)	576	986	(212)
<b>Income before income taxes</b>	<b>\$ 95,823</b>	<b>\$ 165,302</b>	<b>\$ 86,103</b>

The following table summarizes capital expenditures including accrued amounts for the years ended December 31, 2023, 2022, and 2021 (in thousands):

	For the Years Ended December 31,		
	2023	2022	2021
<b>Capital expenditures:</b>			
Safety	\$ 51,070	\$ 70,399	\$ 56,978
Community	3,138	2,362	2,631
Properties	2,324	3,560	9,081
Corporate and other	11,217	7,123	12,804
<b>Total capital expenditures</b>	<b>\$ 67,749</b>	<b>\$ 83,444</b>	<b>\$ 81,494</b>

The total assets are as follows (in thousands):

	December 31,	
	2023	2022
<b>Assets:</b>		
Safety	<b>\$2,284,243</b>	\$2,433,126
Community	<b>213,145</b>	216,303
Properties	<b>402,889</b>	362,908
Corporate and other	<b>205,122</b>	232,432
Total assets	<b><u>\$3,105,399</u></b>	<u>\$3,244,769</u>

## 17. SUBSEQUENT EVENTS

During February 2024, CoreCivic issued approximately 1.5 million RSUs to certain of CoreCivic's employees and non-employee directors, with an aggregate value of \$22.0 million. Unless earlier vested under the terms of the RSU agreement, approximately 1.0 million RSUs with time-based vesting conditions vest in equal amounts over three years on the later of (i) the anniversary date of the grant or (ii) the delivery of the audited financial statements by the Company's independent registered public accounting firm for the applicable fiscal year. Approximately 0.4 million RSUs with performance-based vesting conditions issued to officers and executive officers are divided into one-third increments, each of which is subject to vesting based upon satisfaction of certain annual performance criteria for the fiscal years ending December 31, 2024, 2025, and 2026, and which can be increased or decreased based on performance relative to the annual performance criteria, and further increased or decreased based on total shareholder return relative to a peer group. Approximately 0.1 million RSUs issued to non-employee directors vest on the first anniversary of the award. Any RSUs that become vested will be settled in shares of CoreCivic's common stock.

**CORECIVIC, INC. AND SUBSIDIARIES**  
**SCHEDULE III - REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION**  
**DECEMBER 31, 2023**  
**(in thousands)**

Description	Location	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Accumulated Depreciation (B)	Date Constructed/ Acquired
		Land	Buildings and Improvements		Land and Land Improvements	Buildings and Leasehold Improvements	Total (A)		
Adams County Correctional Center	Adams County, Mississippi	\$ 874	\$ 119,565	\$ 4,661	\$ 1,194	\$ 123,906	\$ 125,100	\$ (38,202)	2008
Adams Transitional Center	Denver, Colorado	6,090	853	820	6,347	1,416	7,763	(390)	2017
Allen Gamble Correctional Center	Holdenville, Oklahoma	250	66,701	48,718	1,400	114,269	115,669	(49,840)	1996
Arapahoe Community Treatment Center	Englewood, Colorado	3,760	1,239	890	3,760	2,129	5,889	(602)	2017
Austin Residential Reentry Center	Del Valle, Texas	4,190	1,058	385	4,215	1,418	5,633	(557)	2015
Austin Transitional Center	Del Valle, Texas	19,488	4,607	1,167	19,506	5,756	25,262	(1,872)	2015
Bent County Correctional Facility	Las Animas, Colorado	550	13,115	70,248	1,601	82,312	83,913	(35,448)	1992
Bridgeport Pre-Parole Transfer Facility	Bridgeport, Texas	70	291	—	70	—	70 (E)	-	1995
CAI Boston Avenue	San Diego, California	800	11,440	1,309	845	12,704	13,549	(4,777)	2013
California City Correctional Center	California City, California	1,785	125,337	18,071	3,103	142,090	145,193	(69,763)	1999
Centennial Community Transition Center	Englewood, Colorado	4,905	1,256	554	5,021	1,694	6,715	(547)	2016
Central Arizona Florence Correctional Complex	Florence, Arizona	1,298	133,531	57,032	5,113	186,748	191,861	(96,454)	1994/1999
Cheyenne Transitional Center	Cheyenne, Wyoming	5,567	2,092	1,025	5,567	3,117	8,684	(1,079)	2015
Cibola County Corrections Center	Milan, New Mexico	444	16,215	34,875	1,598	49,936	51,534	(27,025)	1994
Cimarron Correctional Facility	Cushing, Oklahoma	250	71,303	52,215	910	122,858	123,768	(53,470)	1997
Coffee Correctional Facility (C)	Nicholls, Georgia	—	—	—	—	—	—	—	1998
Columbine Facility	Denver, Colorado	1,414	488	231	669	720	1,389 (E)	(253)	2016
Commerce Transitional Center	Commerce City, Colorado	5,166	1,758	488	5,171	2,241	7,412	(491)	2017
Corpus Christi Transitional Center	Corpus Christi, Texas	—	1,886	622	—	2,508	2,508	(1,992)	2015
Crossroads Correctional Center	Shelby, Montana	413	33,196	46,084	1,710	77,983	79,693	(47,464)	1999
Crowley County Correctional Facility	Olney Springs, Colorado	211	46,845	34,874	2,605	79,325	81,930	(36,309)	2003
Dahlia Facility (D)	Denver, Colorado	6,788	727	306	6,835	986	7,821	(365)	2016
Dallas Transitional Center	Hutchins, Texas	—	3,852	1,945	23	5,774	5,797	(2,411)	2015
Diamondback Correctional Facility	Watonga, Oklahoma	208	41,677	26,835	1,361	67,359	68,720	(34,956)	1998
Eden Detention Center	Eden, Texas	925	27,645	41,066	5,673	63,963	69,636	(32,061)	1995



**CORECIVIC, INC. AND SUBSIDIARIES**  
**SCHEDULE III - REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION**  
**DECEMBER 31, 2023**  
**(in thousands)**

Description	Location	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Accumulated Depreciation (B)	Date Constructed/ Acquired
		Land	Buildings and Improvements		Land and Land Improvements	Buildings and Leasehold Improvements	Total (A)		
El Paso Multi-Use Facility	El Paso, Texas	14,936	4,536	2,055	14,973	6,554	21,527	(2,201)	2015
El Paso Transitional Center	El Paso, Texas	10,325	4,198	1,043	10,467	5,099	15,566	(1,672)	2015
Eloy Detention Center	Eloy, Arizona	498	33,308	19,840	2,326	51,320	53,646	(31,312)	1995
Fort Worth Transitional Center	Fort Worth, Texas	3,251	334	431	3,281	735	4,016	(625)	2015
Houston Processing Center	Houston, Texas	2,250	53,373	57,967	4,551	109,039	113,590	(50,513)	1984
Huerfano County Correctional Center	Walsenburg, Colorado	124	26,358	5,053	1,116	30,419	31,535	(17,476)	1997
James River Residential Center	Newport News, Virginia	800	501	140	814	627	1,441	(78)	2019
Jenkins Correctional Center (C)	Millen, Georgia	—	—	—	—	—	—	—	2012
Kit Carson Correctional Center	Burlington, Colorado	432	35,978	44,749	1,051	80,108	81,159	(33,521)	1998
La Palma Correctional Center	Eloy, Arizona	283	183,155	18,125	2,677	198,886	201,563	(67,080)	2008
Lake Erie Correctional Institution	Conneaut, Ohio	2,871	69,779	7,667	4,280	76,037	80,317	(21,913)	2011
Laredo Processing Center	Laredo, Texas	788	26,737	3,944	986	30,483	31,469	(16,287)	1985
Lee Adjustment Center	Beattyville, Kentucky	500	515	20,601	1,285	20,331	21,616	(10,892)	1998
Leo Chesney Correctional Center	Live Oak, California	250	4,774	1,862	265	6,621	6,886	(4,039)	1989
Longmont Community Treatment Center	Longmont, Colorado	3,364	582	352	3,363	935	4,298	(242)	2016
Marion Adjustment Center	St Mary, Kentucky	250	9,994	9,060	925	18,379	19,304	(9,336)	1998
Midwest Regional Reception Center	Leavenworth, Kansas	130	44,970	46,065	1,054	90,111	91,165	(41,429)	1992
Nevada Southern Detention Center	Pahrump, Nevada	7,548	64,362	12,514	8,458	75,966	84,424	(24,498)	2010
North Fork Correctional Facility	Sayre, Oklahoma	—	42,166	65,130	717	106,579	107,296	(47,252)	1998
Northeast Ohio Correctional Center	Youngstown, Ohio	750	39,583	16,634	2,289	54,678	56,967	(29,970)	1997
Northwest New Mexico Correctional Center	Grants, New Mexico	142	15,888	23,400	1,228	38,202	39,430	(21,729)	1989
Oklahoma Reentry Opportunity Center	Oklahoma City, Oklahoma	8,562	4,631	1,611	8,603	6,201	14,804	(2,070)	2015
Otay Mesa Detention Center	San Diego, California	28,845	114,411	48,099	37,104	154,251	191,355	(24,921)	2015/2019
Prairie Correctional Facility	Appleton, Minnesota	100	22,306	11,799	1,068	33,137	34,205	(20,975)	1991
Recovery Monitoring Solutions	Dallas, Texas	1,152	1,979	523	1,280	2,374	3,654	(641)	2018

**CORECIVIC, INC. AND SUBSIDIARIES**  
**SCHEDULE III - REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION**  
**DECEMBER 31, 2023**  
**(in thousands)**

Description	Location	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Accumulated Depreciation (B)	Date Constructed/ Acquired
		Land	Buildings and Improvements		Land and Land Improvements	Buildings and Leasehold Improvements	Total (A)		
Red Rock Correctional Center (C)	Eloy, Arizona	—	—	—	—	—	—	—	2006
Saguaro Correctional Facility	Eloy, Arizona	193	98,903	6,736	3,040	102,792	105,832	(34,854)	2007
South Raleigh Reentry Center	Raleigh, North Carolina	277	663	75	298	717	1,015	(99)	2019
Southeast Kentucky Correctional Facility	Wheelwright, Kentucky	500	24,487	20,198	2,587	42,598	45,185	(20,701)	1998
Stewart Detention Center	Lumpkin, Georgia	143	70,560	23,865	1,654	92,914	94,568	(40,558)	2004
T. Don Hutto Residential Center	Taylor, Texas	183	13,418	13,160	982	25,779	26,761	(10,964)	1997
Tallahatchie County Correctional Facility	Tutwiler, Mississippi	—	44,638	109,263	2,373	151,528	153,901	(68,614)	2000
Torrance County Detention Facility	Estancia, New Mexico	511	52,599	14,659	1,994	65,775	67,769	(34,359)	1990
Trousdale Turner Correctional Center	Hartsville, Tennessee	649	135,412	6,051	2,004	140,108	142,112	(23,480)	2015
Tulsa Transitional Center	Tulsa, Oklahoma	8,206	4,061	731	606	2,839	3,445	(E) (1,209)	2015
Turley Residential Center	Tulsa, Oklahoma	421	4,105	1,203	432	5,297	5,729	(1,789)	2015
Webb County Detention Center	Laredo, Texas	498	20,161	7,023	2,330	25,352	27,682	(15,469)	1998
West Tennessee Detention Facility	Mason, Tennessee	538	31,931	8,585	2,174	38,880	41,054	(22,486)	1990
Wheeler Correctional Facility (C)	Alamo, Georgia	—	—	—	—	—	—	—	1998
Whiteville Correctional Facility	Whiteville, Tennessee	303	51,694	9,619	1,671	59,945	61,616	(32,999)	1998
Totals		<u>\$ 166,019</u>	<u>\$ 2,083,727</u>	<u>\$ 1,084,253</u>	<u>\$ 220,603</u>	<u>\$ 3,102,808</u>	<u>\$ 3,323,411</u>	<u>\$ (1,324,581)</u>	

**CORECIVIC, INC. AND SUBSIDIARIES**  
**SCHEDULE III - REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION**  
**DECEMBER 31, 2023**  
**(in thousands)**

**NOTES TO SCHEDULE III - REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION**

- (A) The aggregate cost of properties for federal income tax purposes is approximately \$3.7 billion at December 31, 2023.
- (B) Depreciation is calculated using estimated useful lives of depreciable assets up to 50 years for prison facilities.
- (C) CoreCivic retains title to this asset, which is classified under other real estate assets on the Company's consolidated balance sheets in accordance with ASC 853.
- (D) Held for Sale.
- (E) CoreCivic recorded non-cash impairments during the third quarter of 2017 to write down the book value of the Bridgeport facility, during the second quarter of 2020 to write down the book value of the Tulsa Transitional Center, and during the fourth quarter of 2022 to write down the book value of the Columbine Facility to the estimated fair values assuming uses other than correctional or residential reentry facilities.

**CORECIVIC, INC. AND SUBSIDIARIES**  
**SCHEDULE III - REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021**  
(in thousands)

	<b>For the Years Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Investment in Real Estate:</b>			
Balance at beginning of period	\$ 3,288,714	\$ 3,352,942	\$ 3,595,278
Additions through capital expenditures	46,773	41,449	27,217
Asset impairments	—	(4,241)	(3,335)
Disposals/Other	(12,076)	(101,436)	(266,218)
Balance at end of period	<u>\$ 3,323,411</u>	<u>\$ 3,288,714</u>	<u>\$ 3,352,942</u>
<b>Accumulated Depreciation:</b>			
Balance at beginning of period	\$ (1,244,044)	\$ (1,194,051)	\$ (1,128,563)
Depreciation	(82,780)	(81,937)	(81,693)
Disposals/Other	2,243	31,944	16,205
Balance at end of period	<u>\$ (1,324,581)</u>	<u>\$ (1,244,044)</u>	<u>\$ (1,194,051)</u>

## DESCRIPTION OF CAPITAL STOCK

CoreCivic, Inc. (“CoreCivic,” “we,” “our,” “us” or the “Company”) is incorporated in the state of Maryland. The following description of our capital stock is a summary and does not purport to be complete. The description of our capital stock is subject to and qualified in its entirety by reference to (i) our Articles of Amendment and Restatement of the Company, together with our Articles of Amendment of the Company (collectively, the “Charter”), and (ii) our Eleventh Amended and Restated Bylaws (the “Bylaws”), which are incorporated by reference as Exhibit 3.1, Exhibit 3.2 and Exhibit 3.3, respectively, to our Annual Report on Form 10-K for the year ended December 31, 2023. We encourage you to read the Charter, the Bylaws and the applicable provisions of the Maryland General Corporation Law (the “MGCL”) for additional information.

### General

Our authorized capital stock consists of:

- 300,000,000 shares of common stock, par value \$0.01 per share (the “Common Stock”); and
- 50,000,000 shares of preferred stock, par value \$0.01 per share (the “Preferred Stock”).

All outstanding shares of Common Stock are fully paid and nonassessable. There are no outstanding shares of Preferred Stock.

### Description of Common Stock

*Voting Rights.* Each holder of our Common Stock is entitled to one vote per share of Common Stock on all matters to be voted on by our stockholders. Notwithstanding the foregoing, holders of Common Stock shall not be entitled to vote on any proposal to amend provisions of our Charter setting forth the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualification, or terms or conditions of redemption of a class or series of Preferred Stock, if the proposed amendment would not alter the contract rights of the Common Stock.

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge, sell all or substantially all its assets, engage in a share exchange, or convert into a different type of entity, unless the transaction is declared advisable by the board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. A Maryland corporation, however, may provide in its charter for approval of such matters by a lesser percentage, but not less than a majority of the votes entitled to be cast on the matter. Our Charter provides for approval of such matters by the affirmative vote of a majority of the votes entitled to be cast.

*Special Meetings.* Special meetings of stockholders may be called by our president, chairman of the Company’s Board of Directors (the “Board”), a majority of our Board or a committee of our Board that has been duly designated by the Board and whose powers and authority include the power to call such meetings and must be called by our secretary on a written request of stockholders entitled to cast a majority of the votes entitled to be cast at the meeting.

*Dividends and Rights Upon Liquidation.* After the provisions with respect to preferential dividends of any class or series of Preferred Stock, if any, shall have been satisfied, then, and not otherwise, all Common Stock will participate equally in dividends payable to holders of shares of

Common Stock when and as declared by the Board at their discretion out of funds legally available therefor. In the event of voluntary or involuntary dissolution or liquidation of the Company, after distribution in full of the preferential amounts, if any, to be distributed to the holders of Preferred Stock, the holders of Common Stock shall, subject to the additional rights, if any, of the holders of Preferred Stock, be entitled to receive all of the remaining assets of the Company, tangible and intangible, of whatever kind available for distribution to stockholders.

*Other Rights and Preferences.* Holders of our Common Stock have no preemptive rights, no cumulative voting rights and no redemption, sinking fund or conversion provisions

### **Maryland Business Combination Law**

Under the MGCL, certain “business combinations” (including certain issuances of equity securities) between a Maryland corporation and any person who beneficially owns ten percent or more of the voting power of the corporation’s outstanding voting stock, or an affiliate or associate of the corporation who beneficially owned ten percent or more of the voting power at any time within the preceding two years, in each case referred to as an “interested stockholder,” or an affiliate thereof, are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange and, in circumstances specified in the MGCL, an asset transfer or issuance or reclassification of equity securities. After the five-year moratorium, any such business combination must be approved by 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation and by two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with, which, or with whose affiliate, the business combination is to be effected or held by an affiliate or associate of the interested stockholder. The super-majority vote requirements do not apply if, among other conditions, the corporation’s common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares of common stock. The business combination provisions of the MGCL do not apply to business combinations that are approved or exempted by the board of directors prior to the time that the interested stockholder becomes an interested stockholder. These provisions of the MGCL may delay, defer or prevent a transaction or a change in control of us that might involve a premium price for the Common Stock or otherwise be in the best interests of the stockholders.

### **Maryland Control Share Acquisitions Law**

The MGCL provides that holders of “control shares” of a Maryland corporation acquired in a “control share acquisition” have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares of stock of which voting power can be exercised or directed by the acquiror, by officers of the corporation or by employees who are directors of the corporation. “Control shares” are voting shares of stock which, if aggregated with all other such shares of stock previously acquired by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power; (1) one-tenth or more but less than one-third, (2) one-third or more but less than a majority, or (3) a majority or more of all voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A “control share acquisition” means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses), may compel the board of directors of the

corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting. If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem any and all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights, meaning that they may require the corporation to repurchase their shares for their appraised value as determined pursuant to the MGCL. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

“Control share acquisition” does not include (1) shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction, or (2) acquisitions exempted by the charter or bylaws of the corporation, adopted at any time before the acquisition of the shares.

As permitted by the MGCL, our Bylaws contain a provision exempting us from the control share acquisition statute. That Bylaw provision states that the control share statute shall not apply to any acquisition by any person of shares of our stock. Our Board may, without the consent of any of our stockholders, amend or eliminate this Bylaw provision at any time, which means that we would then become subject to the Maryland control share acquisition statute. If we become subject to the Maryland control share acquisition statute, these provisions of the MGCL may delay, defer or prevent a transaction or a change in control of us that might involve a premium price for the Common Stock or otherwise be in the best interests of the stockholders, and there can be no assurance that such provision will not be amended or eliminated by our Board at any time in the future.

## **Subtitle 8**

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Securities Exchange Act of 1934, as amended, and with at least three independent directors to elect to be subject, by provision in its charter or bylaws or by a resolution of its board of directors and notwithstanding any contrary provision in its charter or bylaws, to any or all of five provisions:

- a classified board,
- a two-thirds vote requirement for removing a director,
- a requirement that the number of directors be fixed only by vote of the directors,
- a requirement that a vacancy on the board be filled only by affirmative vote of a majority of the remaining directors in office and (if the board is classified) for the remainder of the full term of the class of directors in which the vacancy occurred, and
- a majority requirement for the calling of a stockholder-requested special meeting of stockholders.

Through a provision in our Bylaws unrelated to Subtitle 8, we already provide that a special meeting of stockholders will be called on the request of stockholders entitled to cast a majority of votes entitled to be cast. Our Charter provides that the number of our directors shall be determined by resolution of the Board.

A Maryland corporation may by its charter or by a resolution of its board of directors be prohibited from electing to be subject to the provisions of Subtitle 8. We are not subject to that prohibition. If we were to elect into any or all of these provisions of Subtitle 8 of the MGCL, it could delay, defer or prevent a transaction or a change in control of us that might involve a premium price for the Common Stock or otherwise be in the best interest of the stockholders.

### **Amendment of Organizational Documents**

Except for amendments that are permitted to be made without stockholder approval, our Charter may be amended, after approval by our Board, by the affirmative vote of a majority of the votes entitled to be cast by stockholders on the matter. Our Bylaws may be amended in any manner not inconsistent with the Charter by a majority vote of our directors present at a Board meeting. In addition, stockholders may amend our Bylaws by the affirmative vote of a majority of the votes entitled to be cast by stockholders on the matter; provided, however, that stockholders may not amend the provisions of the Bylaws relating to indemnification of directors and officers or the limitations in the Bylaws on the stockholders' ability to amend the Bylaws, in either case without the approval of the Board.

### **Restrictions on Ownership and Transfers of Stock**

Our Charter currently references certain restrictions on the ownership and transfer of our Common Stock which, among other purposes, were intended to assist us in complying with applicable Internal Revenue Code of 1986, as amended requirements. However, as a result of our revocation of our real estate investment trust election, effective as January 1, 2021, the Board determined that these restrictions are no longer applicable as of such date.

### **Transfer Agent and Registrar**

The transfer agent and registrar for our Common Stock is Equiniti Trust Company, LLC.

### **National Securities Exchange**

The Common Stock is listed on the New York Stock Exchange under the trading symbol "CXW".

### **Description of Preferred Stock**

We are authorized to issue 50,000,000 shares of Preferred Stock, \$0.01 par value per share.

Our Charter authorizes our Board, without stockholder action, to authorize the issuance of one or more series of Preferred Stock with such preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications or other provisions as may be fixed by the Board.

*Voting Rights.* The holders of Preferred Stock shall have no voting rights and shall have no rights to receive notice of any meetings, except as required by law, or as expressly provided for in our Charter.



**LIST OF SUBSIDIARIES OF CORECIVIC, INC.**

ACS Corrections of Texas, L.L.C., a Texas limited liability company  
Avalon Corpus Christi Transitional Center, LLC, a Texas limited liability company  
Avalon Correctional Services, LLC, a Nevada limited liability company  
Avalon Transitional Center Dallas, LLC, a Texas limited liability company  
Avalon Tulsa, L.L.C., an Oklahoma limited liability company  
Carver Transitional Center, L.L.C., an Oklahoma limited liability company  
CCA Health Services, LLC, a Tennessee limited liability company  
CCA International, LLC, a Delaware limited liability company  
CCA South Texas, LLC, a Maryland limited liability company  
CCA (UK) Ltd., a United Kingdom limited company  
CoreCivic, LLC, a Delaware limited liability company  
CoreCivic of Kansas Holdings LLC, a Maryland limited liability company  
CoreCivic of Kansas LLC, a Maryland limited liability company  
CoreCivic of Tennessee, LLC, a Tennessee limited liability company  
CoreCivic Western Operations, LLC, a Delaware limited liability company  
Correctional Alternatives, LLC, a California limited liability company  
Correctional Management, LLC, a Colorado limited liability company  
EP Horizon Management, LLC, a Texas limited liability company  
Fort Worth Transitional Center, L.L.C., an Oklahoma limited liability company  
Green Level Realty LLC, a Colorado limited liability company  
Innovative Government Solutions, LLC, a Maryland limited liability company  
National Offender Management Systems, LLC, a Colorado limited liability company  
Prison Realty Management, LLC, a Tennessee limited liability company  
Recovery Monitoring Solutions, LLC, a Texas limited liability company  
Rocky Mountain Offender Management Systems, LLC, a Colorado limited liability company  
Southern Corrections Systems of Wyoming, L.L.C., an Oklahoma limited liability company  
Technical and Business Institute of America, LLC, a Tennessee limited liability company  
Thrivur Health, LLC, a Colorado limited liability company  
Time To Change, LLC, a Colorado limited liability company  
TransCor America, LLC, a Tennessee limited liability company  
TransCor Puerto Rico, Inc., a Puerto Rico corporation  
Turley Residential Center, L.L.C., an Oklahoma limited liability company

## Exhibit 22.1

### List of Guarantor Subsidiaries

The following subsidiaries of CoreCivic, Inc. (the "Issuer") are guarantors of the Issuer's (i) 8.25% Senior Notes due 2026; and (ii) 4.75% Senior Notes due 2027:

ACS Corrections of Texas, L.L.C., a Texas limited liability company  
Avalon Corpus Christi Transitional Center, LLC, a Texas limited liability company  
Avalon Correctional Services, LLC, a Nevada limited liability company  
Avalon Transitional Center Dallas, LLC, a Texas limited liability company  
Avalon Tulsa, L.L.C., an Oklahoma limited liability company  
Carver Transitional Center, L.L.C., an Oklahoma limited liability company  
CCA Health Services, LLC, a Tennessee limited liability company  
CCA International, LLC, a Delaware limited liability company  
CCA South Texas, LLC, a Maryland limited liability company  
CoreCivic, LLC, a Delaware limited liability company  
CoreCivic of Tennessee, LLC, a Tennessee limited liability company  
CoreCivic Western Operations, LLC, a Delaware limited liability company  
Correctional Alternatives, LLC, a California limited liability company  
Correctional Management, LLC, a Colorado limited liability company  
EP Horizon Management, LLC, a Texas limited liability company  
Fort Worth Transitional Center, L.L.C., an Oklahoma limited liability company  
Green Level Realty LLC, a Colorado limited liability company  
Innovative Government Solutions, LLC, a Maryland limited liability company  
National Offender Management Systems, LLC, a Colorado limited liability company  
Prison Realty Management, LLC, a Tennessee limited liability company  
Recovery Monitoring Solutions, LLC, a Texas limited liability company  
Rocky Mountain Offender Management Systems, LLC, a Colorado limited liability company  
Southern Corrections Systems of Wyoming, L.L.C., an Oklahoma limited liability company  
Technical and Business Institute of America, LLC, a Tennessee limited liability company  
Thrivur Health, LLC, a Colorado limited liability company  
Time To Change, LLC, a Colorado limited liability company  
TransCor America, LLC, a Tennessee limited liability company  
Turley Residential Center, L.L.C., an Oklahoma limited liability company

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-115493) pertaining to the CoreCivic, Inc. Non-Employee Directors' Compensation Plan,
- (2) Registration Statement (Form S-8 No. 333-69358) pertaining to the CoreCivic, Inc. 401(k) Savings and Retirement Plan,
- (3) Registration Statement (Form S-8 No. 333-264985) pertaining to the CoreCivic, Inc. Amended and Restated 2020 Stock Incentive Plan,
- (4) Registration Statement (Form S-8 No. 333-238479) pertaining to the CoreCivic, Inc. 2020 Stock Incentive Plan,
- (5) Registration Statement (Form S-8 No. 333-176140) pertaining to the registration of additional shares for the Corrections Corporation of America Amended and Restated 2008 Stock Incentive Plan,
- (6) Registration Statement (Form S-8 No. 333-143046) pertaining to the Corrections Corporation of America 2008 Stock Incentive Plan, and
- (7) Registration Statement (Form S-3 No. 333-255070) pertaining to a shelf registration of debt securities, guarantees of debt securities, preferred stock, common stock, warrants, or units.

of our reports dated February 20, 2024 with respect to the consolidated financial statements and schedule of CoreCivic, Inc. and subsidiaries and the effectiveness of internal control over financial reporting of CoreCivic, Inc. and subsidiaries, included in this Annual Report (Form 10-K) of CoreCivic, Inc. and subsidiaries for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Nashville, Tennessee  
February 20, 2024

**CERTIFICATION OF THE CEO PURSUANT TO  
SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)  
AS ADOPTED PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Damon T. Hininger, certify that:

1. I have reviewed this Annual Report on Form 10-K of CoreCivic, Inc.;
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Annual Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and
  - d) Disclosed in this Annual Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2024

/s/ Damon T. Hininger

Damon T. Hininger  
President and Chief Executive Officer

**CERTIFICATION OF THE CFO PURSUANT TO  
SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)  
AS ADOPTED PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, David M. Garfinkle, certify that:

1. I have reviewed this Annual Report on Form 10-K of CoreCivic, Inc.;
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Annual Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and
  - d) Disclosed in this Annual Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2024

/s/ David M. Garfinkle

David M. Garfinkle  
Executive Vice President, Chief  
Financial Officer, and Principal  
Accounting Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CoreCivic, Inc. (the "Company") on Form 10-K for the period ending December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Damon T. Hininger, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Damon T. Hininger  
Damon T. Hininger  
President and Chief Executive Officer  
February 20, 2024

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CoreCivic, Inc. (the "Company") on Form 10-K for the period ending December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David M. Garfinkle, Executive Vice President, Chief Financial Officer, and Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ David M. Garfinkle

David M. Garfinkle  
Executive Vice President, Chief  
Financial Officer, and Principal  
Accounting Officer  
February 20, 2024

**CoreCivic, Inc.**  
**NYSE Executive Compensation Recoupment Policy**

**1. Purpose.** The purpose of this NYSE Executive Compensation Recoupment Policy of the Company (as amended from time to time, the “Policy”), dated as of November 15, 2023, is to describe the circumstances in which current and former Executive Officers will be required to repay or return Erroneously Awarded Compensation to members of the Company Group. The Company has adopted this Policy to comply with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as codified by Section 10D of the Exchange Act, Exchange Act Rule 10D-1 promulgated thereunder, and the rules and requirements of the NYSE (including Section 303A.14 of the NYSE Listed Company Manual) (such legal requirements, and rules and requirements of the NYSE, collectively, the “SEC/NYSE Clawback Rules”). Each Executive Officer shall be required to sign and return to the Company the form of acknowledgment to this Policy in the form attached hereto as Exhibit A pursuant to which such Executive Officer will agree to be bound by the terms and comply with this Policy.

**2. Administration.** This Policy shall be administered by the Committee. The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy, and any such determinations made by the Committee shall be in the Committee’s sole discretion, and shall be final and binding on all affected individuals. Except as otherwise required by applicable legal requirements or the rules and requirements of the NYSE, any determinations of the Committee hereunder need not be uniform with respect to one or more Executive Officers (whether current and/or former).

**3. Definitions.** For purposes of this Policy, the following capitalized terms shall have the meanings set forth below:

(a) “Accounting Restatement” shall mean an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (a “Big R” restatement), or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “little r” restatement).

(b) “Board” shall mean the Board of Directors of the Company.

(c) “Clawback Eligible Incentive Compensation” shall mean all Incentive-Based Compensation Received by any current or former Executive Officer on or after the NYSE Effective Date, provided that:

(i) such Incentive-Based Compensation is Received after such individual began serving as an Executive Officer;

(ii) such individual served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation;

(iii) such Incentive-Based Compensation is Received while the Company has a class of securities listed on the NYSE; and

(iv) such Incentive-Based Compensation is Received during the applicable Clawback Period.



(d) “Clawback Period” shall mean, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date and any transition period (that results from a change in the Company’s fiscal year) of less than nine months within or immediately following those three completed fiscal years.

(e) “Committee” shall mean the Compensation Committee of the Board.

(f) “Common Stock” shall mean the common stock, par value \$.01 per share, of the Company.

(g) “Company” shall mean CoreCivic, Inc., a Maryland corporation.

(h) “Company Group” shall mean the Company, together with each of its direct and indirect subsidiaries.

(i) “Erroneously Awarded Compensation” shall mean, with respect to any current or former Executive Officer in connection with any Accounting Restatement, the amount of Clawback Eligible Incentive Compensation Received by such current or former Executive Officer that exceeds the amount of Clawback Eligible Incentive Compensation that otherwise would have been Received by such current or former Executive Officer had such Clawback Eligible Incentive Compensation been determined based on the restated amounts as reflected in connection with such Accounting Restatement, computed without regard to any taxes paid.

(j) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(k) “Executive Officer” shall mean any officer as defined in Rule 10D-1(d) (or any successor provision thereof) under the Exchange Act.

(l) “Financial Reporting Measures” shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any other measures that are derived wholly or in part from such measures. Financial Reporting Measures may include “non-GAAP financial measures” as well as other measures, metrics and ratios that are not GAAP measures. For purposes of this Policy, stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the SEC.

(m) “Incentive-Based Compensation” shall mean any compensation that is granted, earned or vested (including any compensation deferred with respect thereto) based wholly or in part upon the attainment of a Financial Reporting Measure.

(n) “NYSE” shall mean the New York Stock Exchange.

(o) “NYSE Effective Date” shall mean October 2, 2023 (which is the effective date of the final NYSE listing standards).

(p) “Received” shall mean when Incentive-Based Compensation is received, and Incentive-Based Compensation shall be deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if payment or grant of the Incentive-Based Compensation occurs after the end of that period.

(q) “Restatement Date” shall mean the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

(r) “SEC” shall mean the U.S. Securities and Exchange Commission.

#### **4. Recoupment of Erroneously Awarded Compensation.**

(a) In the event that the Company is required to prepare an Accounting Restatement, (i) the Committee shall determine the amount of any Erroneously Awarded Compensation for each applicable current or former Executive Officer (whether or not such individual is serving as an Executive Officer at such time) (the “Applicable Executives”) in connection with such Accounting Restatement, and (ii) the Company will reasonably promptly require the recoupment of such Erroneously Awarded Compensation from any such Applicable Executive, and any such Applicable Executive shall surrender such Erroneously Awarded Compensation to the Company, at such time(s), and via such method(s), as determined by the Committee in accordance with the terms of this Policy.

(b) For Incentive-Based Compensation based on (or derived from) stock price or total shareholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, (i) such amount shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and (ii) the Company will maintain documentation of the determination of that reasonable estimate and provide such documentation to the NYSE.

(c) The Committee shall determine, in its sole discretion, the method(s) for recouping any Erroneously Awarded Compensation from any Applicable Executive, which may include one or more of the following:

(i) requiring one or more cash payments to the Company Group from such Applicable Executive, including, but not limited to, the repayment of cash Incentive-Based Compensation previously paid by the Company Group to such Applicable Executive;

(ii) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of any equity-based awards previously made by the Company to such Applicable Executive and/or, subject to applicable legal requirements, otherwise requiring the delivery to the Company of shares of Common Stock held by such Applicable Executive;

(iii) withholding, reducing or eliminating future cash compensation (including cash incentive payments), future equity awards and/or other benefits or amounts otherwise to be paid or awarded by the Company Group to such Applicable Executive;

(iv) offsetting amounts against compensation or other amounts otherwise payable by the Company Group to any Applicable Executive, including without limitation, forfeiture of deferred compensation, to the extent consistent with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations thereunder;

(v) cancelling, adjusting or offsetting against some or all outstanding vested or unvested cash or equity awards of the Company held by such Applicable Executive; and/or

(vi) taking any other remedial and recovery actions with respect to such Applicable Executive permitted by applicable legal requirements and the rules and regulations of the NYSE, as determined by the Committee.

(d) Notwithstanding anything herein to the contrary, the Company shall not be required to recover Erroneously Awarded Compensation from any Applicable Executive pursuant to the terms of this Policy if (1) the Committee determines that such recovery would be impracticable, and (2) any of the following conditions is met:

(i) the direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered, provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement pursuant to this clause (i), the Company has (x) made a reasonable attempt to recover such Erroneously Awarded Compensation, (y) documented such reasonable attempt(s) to recover, and (z) provided such documentation to the NYSE;

(ii) recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to the NYSE, that recovery would result in such a violation, has provided copy of the opinion is provided to the NYSE; or

(iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

5. **No Indemnification, Etc.** The Company Group shall not (x) indemnify any current or former Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company Group's enforcement of its rights under this Policy, or (y) pay or reimburse any current or former Executive Officers for insurance premiums to recover losses incurred under this Policy.

6. **Supersedure.** This Policy will supersede any provisions in (x) any agreement, plan or other arrangement applicable to any member of the Company Group, and (y) any organizational documents of any entity that is part of Company Group that, in any such case, (a) exempt any Incentive-Based Compensation from the application of this Policy, (b) waive or otherwise prohibit or restricts the Company Group's right to recover any Erroneously Awarded Compensation, including, without limitation, in connection with exercising any right of setoff as provided herein, and/or (c) require or provide for indemnification to the extent that such indemnification is prohibited under Section 5 above.

7. **Amendment; Termination; Interpretation.** The Board may amend or terminate this Policy at any time, subject to compliance with all applicable legal requirements and the rules and requirements of the NYSE. It is intended that this Policy be interpreted in a manner that is consistent with the SEC/NYSE Clawback Rules. This Policy is separate from, and in addition to, the CoreCivic, Inc. Recoupment Policy (the "Adverse Event Recoupment Policy"), which was adopted by the Company on December 13, 2022 and is intended to provide for mandatory recoupment beyond the scope of the SEC/NYSE Clawback Rules in certain circumstances beyond the scope of this Policy.

**8. Other Recoupment Rights; No Additional Payments.**

(a) Subject to Section 8(b) of this Policy below, any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company Group pursuant to (i) the Adverse Event Recoupment Policy, (ii) the terms of any recoupment provisions in any employment agreement, incentive or equity compensation plan or award or other agreement, (iii) any other legal requirements, including, but not limited to, Section 304 of Sarbanes-Oxley Act of 2002, and (iv) any other legal rights or remedies available to the Company.

(b) Notwithstanding anything herein to the contrary, to prevent duplicative recovery:

(i) to the extent that the amount of any Erroneously Awarded Compensation is recovered from any current or former Executive Officers under this Policy, the Company will not be entitled to recover any such amounts under the Adverse Event Recoupment Policy; and

(ii) to the extent that any Erroneously Awarded Compensation includes any amounts that have been actually reimbursed to the Company Group from any Applicable Executive pursuant to Section 304 of the Sarbanes-Oxley Act (any such amounts that have been reimbursed to the Company Group, the “Applicable SOX Recoupment Amount”), the amount of any Erroneously Awarded Compensation to be recovered from any such Applicable Executive shall be reduced by the Applicable SOX Recoupment Amount.

(c) As determined by the Committee, in its sole and absolute discretion, each Applicable Executive shall be required to reimburse the Company for any and all fees, costs and expenses reasonably incurred (including legal fees) by the Company in recovering Erroneously Awarded Compensation that is the subject to recovery under this Policy.

**9. Successors.** This Policy shall be binding and enforceable against all current and former Executive Officers and, to the extent required by applicable law or guidance from the SEC or NYSE as determined by the Committee, their beneficiaries, heirs, executors, administrators or other legal representatives.

**Exhibit A**

**Form of Acknowledgment**

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the CoreCivic, Inc. NYSE Executive Compensation Recoupment Policy (such policy, as amended from time to time, the “Policy”). Capitalized terms used but not otherwise defined in this acknowledgment shall have the meanings ascribed to such terms in the Policy.

By signing this acknowledgment, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned’s employment with the Company Group. Further, by signing below, the undersigned agrees the terms of the Policy, including, without limitation, any withholding of, or offset against, future compensation as determined to be appropriate by the Committee, and agrees to abide by those terms, including without limitation, by returning any Erroneously Awarded Compensation to the Company Group to the extent required by the Policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date