UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 4, 2021

THE GEO GROUP, INC.
(Exact Name of Registrant as Specified in its Charter)

Florida	1-14260	65-0043078
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4955 Technology Way, Boca Raton, Florida	33431
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (561) 893-0101

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instructions A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 Par Value	**GEO**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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.

Section 2 Financial Information

Item 2.02. Results of Operations and Financial Condition.

On November 4, 2021, The GEO Group, Inc. ("GEO" or the "Company") issued a press release (the "Earnings Press Release") announcing its financial results for the quarter and nine months ended September 30, 2021 and updating its financial guidance for the fourth quarter and full year 2021. A copy of the Earnings Press Release is furnished hereto as Exhibit 99.1. GEO also held a conference call on November 4, 2021 to discuss these matters, a transcript of which is furnished hereto as Exhibit 99.2.

In the Earnings Press Release, GEO provided Net Operating Income, EBITDAre, Adjusted EBITDAre, Funds From Operations, Normalized Funds From Operations, Adjusted Funds From Operations and Adjusted Net Income for the quarter and nine months ended September 30, 2021 and the comparable prior-year periods that were not calculated in accordance with Generally Accepted Accounting Principles (the "Non-GAAP Information") and are presented as supplemental disclosures. Generally, for purposes of Regulation G under the Securities Exchange Act of 1934, Non-GAAP Information is any numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. The Earnings Press Release presents the financial measure calculated and presented in accordance with GAAP, which is the most directly comparable to the Non-GAAP Information, with a prominence equal to or greater than its presentation of the Non-GAAP Information. The Earnings Press Release also contains a reconciliation of the Non-GAAP Information to the financial measure calculated and presented in accordance with GAAP which is the most directly comparable to the Non-GAAP Information.

Net Operating Income is defined as revenues less operating expenses, excluding depreciation and amortization expense, general and administrative expenses, real estate related operating lease expense, and start-up expenses, pre-tax. Net Operating Income is calculated as net income adjusted by subtracting equity in earnings of affiliates, net of income tax provision, and by adding income tax provision, interest expense, net of interest income, gain/loss on extinguishment of debt, depreciation and amortization expense, general and administrative expenses, real estate related operating lease expense, gain/loss on real estate assets, pre-tax, and start-up expenses, pre-tax.

EBITDAre (EBITDA for real estate) is defined as net income adjusted by adding provisions for income tax, interest expense, net of interest income, depreciation and amortization, and gain/loss on real estate assets, pre-tax. Adjusted EBITDAre (Adjusted EBITDA for real estate) is defined as EBITDAre adjusted for net loss attributable to non-controlling interests, stock-based compensation expenses, pre-tax, and certain other adjustments as defined from time to time, including for the periods presented M&A related expenses, pre-tax, loss on asset divestiture, pre-tax, start-up expenses, pre-tax, one-time employee restructuring expenses, pre-tax, COVID-19 expenses, pre-tax, close-out expenses, pre-tax, and other non-cash revenue and expense, pre-tax.

Given the nature of GEO's business as a real estate owner and operator, GEO believes that EBITDAre and Adjusted EBITDAre are helpful to investors as measures of its operational performance because they provide an indication of its ability to incur and service debt, to satisfy general operating expenses, to make capital expenditures and to fund other cash needs or reinvest cash into its business. GEO believes that by removing the impact of its asset base (primarily depreciation and amortization) and excluding certain non-cash charges, amounts spent on interest and taxes, and certain other charges that are highly variable from year to year, EBITDAre and Adjusted EBITDAre provide its investors with performance measures that reflect the impact to operations from trends in occupancy rates, per diem rates and operating costs, providing a perspective not immediately apparent from net income attributable to GEO.

The adjustments GEO makes to derive the non-GAAP measures of EBITDAre and Adjusted EBITDAre exclude items which may cause short-term fluctuations in income from continuing operations and which GEO does not consider to be the fundamental attributes or primary drivers of its business plan and they do not affect GEO's overall long-term operating performance. EBITDAre and Adjusted EBITDAre provide disclosure on the same basis as that used by GEO's management and provide consistency in its financial reporting, facilitate internal and external comparisons of its historical operating performance and its business units and provide continuity to investors for comparability purposes.

Funds From Operations, or FFO, is defined in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which defines FFO as net income/loss attributable to common shareholders (computed in accordance with United States Generally Accepted Accounting Principles), excluding real estate related depreciation and amortization, excluding gains and losses from the cumulative effects of accounting changes, extraordinary items and sales of properties, and including adjustments for unconsolidated partnerships and joint ventures.

Normalized Funds from Operations, or Normalized FFO, is defined as FFO adjusted for certain items which by their nature are not comparable from period to period or that tend to obscure GEO's actual operating performance, including for the periods presented M&A related expenses, pre-tax, loss on asset divestiture, pre-tax, gain on the extinguishment of debt, pre-tax, start-up expenses, pre-tax, one-time employee restructuring expenses, pre-tax, COVID-19 expenses, pre-tax, close-out expenses, pre-tax, and tax effect of adjustments to FFO.

Adjusted Funds From Operations, or AFFO, is defined as Normalized FFO adjusted by adding non-cash expenses such as non-real estate related depreciation and amortization, stock based compensation expense, the amortization of debt issuance costs, discount and/or premium and other non-cash interest, and by subtracting recurring consolidated maintenance capital expenditures and other non-cash revenue and expenses.

Adjusted Net Income is defined as Net Income Attributable to GEO adjusted for certain items which by their nature are not comparable from period to period or that tend to obscure GEO's actual operating performance, including for the periods presented gain/loss on real estate assets, pre-tax, M&A related expenses, pre-tax, loss on asset divestiture, pre-tax, gain on the extinguishment of debt, pre-tax, start-up expenses, pre-tax, one-time employee restructuring expenses, pre-tax, COVID-19 expenses, pre-tax, close-out expenses, pre-tax, and tax effect of adjustments to Net Income Attributable to GEO.

Because of the unique design, structure and use of its GEO Secure Services and GEO Care facilities, the Company believes that assessing the performance of its secure facilities, processing centers, and reentry centers without the impact of depreciation or amortization is useful and meaningful to investors. Although NAREIT has published its definition of FFO, companies often modify this definition as they seek to provide financial measures that meaningfully reflect their distinctive operations. GEO has modified FFO to derive Normalized FFO and AFFO that meaningfully reflect its operations.

GEO's assessment of its operations is focused on long-term sustainability. The adjustments GEO makes to derive the non-GAAP measures of Normalized FFO and AFFO exclude items which may cause short-term fluctuations in net income attributable to GEO but have no impact on GEO's cash flows, or the Company does not consider them to be fundamental attributes or the primary drivers of GEO's business plan and they do not affect GEO's overall long-term operating performance. GEO may make adjustments to FFO from time to time for certain other income and expenses that do not reflect a necessary component of GEO's operational performance on the basis discussed above, even though such items may require cash settlement.

Because FFO, Normalized FFO and AFFO exclude depreciation and amortization unique to real estate as well as non-operational items and certain other charges that are highly variable from year to year, they provide GEO investors with performance measures that reflect the impact to operations from trends in occupancy rates, per diem rates, operating costs and interest costs, providing a perspective not immediately apparent from Net Income Attributable to GEO.

GEO believes the presentation of FFO, Normalized FFO and AFFO provide useful information to investors as they provide an indication of GEO's ability to fund capital expenditures and expand its business. FFO, Normalized FFO and AFFO provide disclosure on the same basis as that used by GEO's management and provide consistency in its financial reporting, facilitate internal and external comparisons of its historical operating performance and its business units and provide continuity to investors for comparability purposes. Additionally, FFO, Normalized FFO and AFFO are widely recognized measures in GEO's industry as a real estate investment trust.

The Earnings Press Release contains reconciliation tables for Net Operating Income, EBITDAre, Adjusted EBITDAre, Funds from Operations, Normalized Funds from Operations, Adjusted Funds from Operations and Adjusted Net Income.

GEO has presented in the Earnings Press Release certain forward-looking statements about GEO's future financial performance that include non-GAAP financial measures, including Adjusted EBITDAre, Net Operating Income, Funds from Operations, Normalized Funds from Operations, and Adjusted Funds from Operations. The determination of the amounts that are included or excluded from these non-GAAP financial measures is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period.

While GEO has provided a high level reconciliation for the guidance ranges for full year 2021, it is unable to present a more detailed quantitative reconciliation of the forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because management cannot reliably predict all of the necessary components of such GAAP measures. The quantitative reconciliation of the forward-looking non-GAAP financial measures will be provided for completed annual and quarterly periods, as applicable, calculated in a consistent manner with the quantitative reconciliation of non-GAAP financial measures previously reported for completed annual and quarterly periods.

The Non-GAAP Information should be considered in addition to results that are prepared under current accounting standards but should not be considered a consolidated substitute for, or superior to, financial information prepared in accordance with GAAP. The Non-GAAP Information may differ from similarly titled measures presented by other companies. The Non-GAAP Information, as well as other information in the Earnings Press Release, should be read in conjunction with GEO's financial statements filed with the Securities and Exchange Commission.

The information set forth in Item 2.02 in this Form 8-K is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information set forth in Item 2.02 in this Form 8-K shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release, dated November 4, 2021, announcing GEO's financial results for the quarter and nine months ended September 30, 2021.
99.2	Transcript of Conference Call discussing GEO's financial results for the quarter and nine months ended September 30, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

THE GEO GROUP, INC.

November 10, 2021	By:	/s/ Brian R. Evans
Date		Brian R. Evans Senior Vice President and Chief Financial Officer (Principal Financial Officer)

Exhibit 99.1

The GEO Group, Inc.

NEWS RELEASE

4955 Technology Way ∎ Boca Raton, Florida 33431 ∎ www.geogroup.com

CR-21-22

THE GEO GROUP REPORTS THIRD QUARTER 2021 RESULTS

Boca Raton, Fla. – November 4, 2021 — The GEO Group, Inc. (NYSE: GEO) (“GEO”), a fully integrated equity real estate investment trust (“REIT”) and a leading provider of enhanced in-custody rehabilitation, post-release support, electronic monitoring, and community-based programs, reported today its financial results for the third quarter and the first nine months of 2021.

Third Quarter 2021 Highlights

- **Total revenues of $557.3 million**
- **Net Income Attributable to GEO of $34.7 million**
- **Adjusted Net Income of $44.0 million**
- **Normalized Funds From Operations (“Normalized FFO”) of $0.52 per diluted share**
- **Adjusted Funds From Operations (“AFFO”) of $0.65 per diluted share**

We reported third quarter 2021 net income attributable to GEO of $34.7 million compared to $39.2 million for the third quarter 2020. We reported total revenues for the third quarter 2021 of $557.3 million compared to $579.1 million for the third quarter 2020. Third quarter 2021 results reflect a $1.1 million loss on real estate assets, pre-tax, $4.0 million in M&A related expenses, pre-tax, a one-time $5.0 million loss, pre-tax, on the previously announced divestiture of GEO’s Youth Services contracts, and a $0.8 million benefit in the tax effect of adjustments to net income attributable to GEO. Excluding these items, we reported third quarter 2021 Adjusted Net Income of $44.0 million compared to $44.4 million for the third quarter 2020.

We reported third quarter 2021 Normalized FFO of $62.8 million, or $0.52 per diluted share, which remained relatively unchanged from $62.8 million, or $0.52 per diluted share, for the third quarter 2020. We reported third quarter 2021 AFFO of $78.7 million, or $0.65 per diluted share, compared to $80.6 million, or $0.67 per diluted share, for the third quarter 2020.

George C. Zoley, Executive Chairman of GEO, said, “We are pleased with our financial results and the significant progress we have made towards reducing our debt and deleveraging our balance sheet. In the first nine months of 2021, we reduced our net recourse debt by approximately $175 million, already meeting our previously articulated goal of reducing our net recourse debt by $150 million to $175 million for the full year 2021. We believe that our financial performance and our ability to meet our debt reduction goal ahead of schedule are representative of the strength of our diversified business segments. We recognize that there have been concerns regarding our future access to financing, and we believe that our debt reduction efforts, our review of potential sales of Company-owned assets and businesses, and our Board’s ongoing evaluation of our corporate tax structure are all prudent steps as we work proactively towards addressing our future debt maturities.”

—More—

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

First Nine Months 2021 Highlights

- **Total revenues of $1.70 billion**
- **Net Income Attributable to GEO of $127.2 million**
- **Adjusted Net Income of $128.9 million**
- **Normalized FFO of $1.54 per diluted share**
- **AFFO of $1.95 per diluted share**

For the first nine months of 2021, we reported net income attributable to GEO of $127.2 million compared to $101.1 million for the first nine months of 2020. We reported total revenues for the first nine months of 2021 of $1.70 billion compared to $1.77 billion for the first nine months of 2020. Results for the first nine months of 2021 reflect a $9.3 million gain on real estate assets, pre-tax, $4.0 million in M&A related expenses, pre-tax, a one-time $5.0 million loss, pre-tax, on the previously announced divestiture of GEO's Youth Services contracts, $7.5 million in one-time employee restructuring expenses, pre-tax, a $4.7 million gain on the extinguishment of debt, pre-tax, and a $0.8 million benefit in the tax effect of adjustments to net income attributable to GEO. Excluding these items, we reported Adjusted Net Income of $128.9 million for the first nine months of 2021 compared to $116.3 million for the first nine months of 2020.

For the first nine months of 2021, we reported Normalized FFO of $185.6 million, or $1.54 per diluted share, compared to $171.5 million, or $1.43 per diluted share, for the first nine months of 2020. For the first nine months of 2021, we reported AFFO of $235.3 million, or $1.95 per diluted share, compared to $226.0 million, or $1.88 per diluted share, for the first nine months of 2020.

Balance Sheet and Liquidity

At the end of the third quarter 2021, we had approximately $537.1 million in cash on hand, primarily resulting from the previously announced drawdown of our Revolving Credit Facility. Our decision to draw on our Revolving Credit Facility was a conservative precautionary step to preserve liquidity, maintain financial flexibility, and obtain additional funds for general corporate purposes.

During the first nine months of 2021, we reduced net recourse debt by approximately $175 million, already meeting our previously articulated net recourse debt reduction objective of $150 million to $175 million for the full year 2021. During the fourth quarter 2021, we expect to reduce net recourse debt by an additional $10 million to $20 million. During the first nine months of 2021, we also completed the sale of five real estate assets, totaling approximately 1,000 beds in addition to the divestiture of our Youth services contracts. These sales generated combined net proceeds of approximately $46 million. We are continuing to examine our options to address our funded recourse debt, including our nearer term maturities which encompass our 2023 and 2024 senior unsecured notes and our senior credit facility, which may include, subject to market conditions, additional capital markets transactions, repurchases, redemptions, exchanges, or other refinancing of our existing debt, and/or evaluating the potential sale of additional Company-owned assets and businesses.

Additionally, as has been previously disclosed, our Board of Directors is currently undertaking an evaluation of GEO's corporate tax structure as a Real Estate Investment Trust.

—More—

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

Updated 2021 Financial Guidance

We have updated our 2021 financial guidance for the fourth quarter and full year 2021. We expect Net Income Attributable to GEO for the fourth quarter 2021 to be between $40 million and $42 million on quarterly revenues of $554 million to $559 million. We expect fourth quarter 2021 Adjusted Net Income to be between $0.37 and $0.39 per diluted share and fourth quarter 2021 AFFO to be between $0.65 and $0.67 per diluted share.

For the full year 2021, we expect Net Income Attributable to GEO to be in a range of $165.5 million to $168.0 million on full-year 2021 revenues of approximately $2.26 billion. We expect full year 2021 Adjusted Net Income to be in a range of $1.41 to $1.43 per diluted share and full year 2021 AFFO to be in a range of $2.57 to $2.59 per diluted share. We expect full year 2021 Adjusted EBITDA to be in a range of $451.5 million to $455.0 million.

Consistent with our previously disclosed expectations, our guidance reflects the non-renewal of our contracts with the Federal Bureau of Prisons at the Big Spring Correctional Facility and Flightline Correctional Facility in Texas, when the current contract option periods expire on November 30, 2021.

COVID-19 Information

As the COVID-19 pandemic has impacted communities across the United States and around the world, our employees and facilities have also been impacted by the spread of COVID-19. Ensuring the health and safety of our employees and all those in our care has always been our number one priority.

During the pandemic, we have implemented mitigation initiatives to address the risks of COVID-19, consistent with the guidance issued for correctional and detention facilities by the Centers for Disease Control and Prevention (“CDC”). We will continue to evaluate and refine the steps we have taken as appropriate and necessary based on updated guidance by the CDC and best practices. We are grateful for our frontline employees who continue to make daily sacrifices to care for all those in our facilities. Information on the COVID-19 mitigation initiatives implemented by GEO can be found at www.geogroup.com/COVID19.

Conference Call Information

We have scheduled a conference call and simultaneous webcast for today at 11:00 AM (Eastern Time) to discuss our third quarter 2021 financial results as well as our outlook. The call-in number for the U.S. is 1-877-250-1553 and the international call-in number is 1-412-542-4145. In addition, a live audio webcast of the conference call may be accessed on the Webcasts section under the News, Events and Reports tab of GEO’s investor relations webpage at investors.geogroup.com. A replay of the webcast will be available on the website for one year. A telephonic replay of the conference call will be available until November 18, 2021 at 1-877-344-7529 (U.S.) and 1-412-317-0088 (International). The participant passcode for the telephonic replay is 10161560.

—More—

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

About The GEO Group

The GEO Group, Inc. (NYSE: GEO) is a fully integrated equity real estate investment trust specializing in the design, financing, development, and support services for secure facilities, processing centers, and community reentry centers in the United States, Australia, South Africa, and the United Kingdom. GEO is a leading provider of enhanced in-custody rehabilitation, post-release support, electronic monitoring, and community-based programs. GEO's worldwide operations include the ownership and/or delivery of support services for 107 facilities totaling approximately 86,000 beds, including idle facilities and projects under development, with a workforce of up to approximately 18,500 employees.

Reconciliation Tables and Supplemental Information

GEO has made available Supplemental Information which contains reconciliation tables of Net Income Attributable to GEO to Net Operating Income, Net Income to EBITDAre (EBITDA for real estate) and Adjusted EBITDAre (Adjusted EBITDA for real estate), and Net Income Attributable to GEO to FFO, Normalized FFO and Adjusted FFO, along with supplemental financial and operational information on GEO's business and other important operating metrics, and in this press release, Net Income Attributable to GEO to Adjusted Net Income. The reconciliation tables are also presented herein. Please see the section below titled "Note to Reconciliation Tables and Supplemental Disclosure - Important Information on GEO's Non-GAAP Financial Measures" for information on how GEO defines these supplemental Non-GAAP financial measures and reconciles them to the most directly comparable GAAP measures. GEO's Reconciliation Tables can be found herein and in GEO's Supplemental Information available on GEO's investor webpage at investors.geogroup.com.

Note to Reconciliation Tables and Supplemental Disclosure –
Important Information on GEO's Non-GAAP Financial Measures

Net Operating Income, EBITDAre, Adjusted EBITDAre, Funds from Operations, Normalized Funds from Operations, Adjusted Funds from Operations, and Adjusted Net Income are non-GAAP financial measures that are presented as supplemental disclosures. GEO has presented herein certain forward-looking statements about GEO's future financial performance that include non-GAAP financial measures, including Adjusted EBITDAre, Net Operating Income, FFO, Normalized FFO, and AFFO. The determination of the amounts that are included or excluded from these non-GAAP financial measures is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period.

While we have provided a high level reconciliation for the guidance ranges for full year 2021, we are unable to present a more detailed quantitative reconciliation of the forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because management cannot reliably predict all of the necessary components of such GAAP measures. The quantitative reconciliation of the forward-looking non-GAAP financial measures will be provided for completed annual and quarterly periods, as applicable, calculated in a consistent manner with the quantitative reconciliation of non-GAAP financial measures previously reported for completed annual and quarterly periods.

—More—

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

Net Operating Income is defined as revenues less operating expenses, excluding depreciation and amortization expense, general and administrative expenses, real estate related operating lease expense, and start-up expenses, pre-tax. Net Operating Income is calculated as net income adjusted by subtracting equity in earnings of affiliates, net of income tax provision, and by adding income tax provision, interest expense, net of interest income, gain/loss on extinguishment of debt, depreciation and amortization expense, general and administrative expenses, real estate related operating lease expense, gain/loss on real estate assets, pre-tax, and start-up expenses, pre-tax.

EBITDAre (EBITDA for real estate) is defined as net income adjusted by adding provisions for income tax, interest expense, net of interest income, depreciation and amortization, and gain/loss on real estate assets, pre-tax. Adjusted EBITDAre (Adjusted EBITDA for real estate) is defined as EBITDAre adjusted for net loss attributable to non-controlling interests, stock-based compensation expenses, pre-tax, and certain other adjustments as defined from time to time, including for the periods presented M&A related expenses, pre-tax, loss on asset divestiture, pre-tax, one-time employee restructuring expenses, pre-tax, start-up expenses, pre-tax, COVID-19 expenses, pre-tax, close-out expenses, pre-tax, and other non-cash revenue and expense, pre-tax.

Given the nature of our business as a real estate owner and operator, we believe that EBITDAre and Adjusted EBITDAre are helpful to investors as measures of our operational performance because they provide an indication of our ability to incur and service debt, to satisfy general operating expenses, to make capital expenditures and to fund other cash needs or reinvest cash into our business. We believe that by removing the impact of our asset base (primarily depreciation and amortization) and excluding certain non-cash charges, amounts spent on interest and taxes, and certain other charges that are highly variable from year to year, EBITDAre and Adjusted EBITDAre provide our investors with performance measures that reflect the impact to operations from trends in occupancy rates, per diem rates and operating costs, providing a perspective not immediately apparent from net income attributable to GEO.

The adjustments we make to derive the non-GAAP measures of EBITDAre and Adjusted EBITDAre exclude items which may cause short-term fluctuations in income from continuing operations and which we do not consider to be the fundamental attributes or primary drivers of our business plan and they do not affect our overall long-term operating performance. EBITDAre and Adjusted EBITDAre provide disclosure on the same basis as that used by our management and provide consistency in our financial reporting, facilitate internal and external comparisons of our historical operating performance and our business units and provide continuity to investors for comparability purposes.

Funds From Operations, or FFO, is defined in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which defines FFO as net income/loss attributable to common shareholders (computed in accordance with United States Generally Accepted Accounting Principles), excluding real estate related depreciation and amortization, excluding gains and losses from the cumulative effects of accounting changes, extraordinary items and sales of properties, and including adjustments for unconsolidated partnerships and joint ventures.

—More—

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

Normalized Funds from Operations, or Normalized FFO, is defined as FFO adjusted for certain items which by their nature are not comparable from period to period or that tend to obscure GEO's actual operating performance, including for the periods presented M&A related expenses, pre-tax, loss on asset divestiture, pre-tax, gain on the extinguishment of debt, pre-tax, start-up expenses, pre-tax, one-time employee restructuring expenses, pre-tax, COVID-19 expenses, pre-tax, close-out expenses, pre-tax, and tax effect of adjustments to FFO. Adjusted Funds From Operations, or AFFO, is defined as Normalized FFO adjusted by adding non-cash expenses such as non-real estate related depreciation and amortization, stock based compensation expense, the amortization of debt issuance costs, discount and/or premium and other non-cash interest, and by subtracting recurring consolidated maintenance capital expenditures and other non-cash revenue and expenses.

Adjusted Net Income is defined as Net Income Attributable to GEO adjusted for certain items which by their nature are not comparable from period to period or that tend to obscure GEO's actual operating performance, including for the periods presented gain/loss on real estate assets, pre-tax, M&A related expenses, pre-tax, loss on asset divestiture, pre-tax, gain on the extinguishment of debt, pre-tax, start-up expenses, pre-tax, one-time employee restructuring expenses, pre-tax, COVID-19 expenses, pre-tax, close-out expenses, pre-tax, and tax effect of adjustments to Net Income Attributable to GEO.

Because of the unique design, structure and use of our GEO Secure Services and GEO Care facilities, we believe that assessing the performance of our secure facilities, processing centers, and reentry centers without the impact of depreciation or amortization is useful and meaningful to investors. Although NAREIT has published its definition of FFO, companies often modify this definition as they seek to provide financial measures that meaningfully reflect their distinctive operations. We have modified FFO to derive Normalized FFO and AFFO that meaningfully reflect our operations. Our assessment of our operations is focused on long-term sustainability. The adjustments we make to derive the non-GAAP measures of Normalized FFO and AFFO exclude items which may cause short-term fluctuations in net income attributable to GEO but have no impact on our cash flows, or we do not consider them to be fundamental attributes or the primary drivers of our business plan and they do not affect our overall long-term operating performance. We may make adjustments to FFO from time to time for certain other income and expenses that do not reflect a necessary component of our operational performance on the basis discussed above, even though such items may require cash settlement.

Because FFO, Normalized FFO and AFFO exclude depreciation and amortization unique to real estate as well as non-operational items and certain other charges that are highly variable from year to year, they provide our investors with performance measures that reflect the impact to operations from trends in occupancy rates, per diem rates, operating costs, and interest costs, providing a perspective not immediately apparent from Net Income Attributable to GEO.

We believe the presentation of FFO, Normalized FFO and AFFO provide useful information to investors as they provide an indication of our ability to fund capital expenditures and expand our business. FFO, Normalized FFO and AFFO provide disclosure on the same basis as that used by our management and provide consistency in our financial reporting, facilitate internal and external comparisons of our historical operating performance and our business units and provide continuity to investors for comparability purposes. Additionally, FFO, Normalized FFO and AFFO are widely recognized measures in our industry as a real estate investment trust.

—More—

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

Safe-Harbor Statement

This press release contains forward-looking statements regarding future events and future performance of GEO that involve risks and uncertainties that could materially and adversely affect actual results, including statements regarding GEO's financial guidance for the full year and fourth quarter of 2021 and GEO's proposed steps to address its future debt maturities. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate," or "continue" or the negative of such words and similar expressions. Risks and uncertainties that could cause actual results to vary from current expectations and forward-looking statements contained in this press release include, but are not limited to: (1) GEO's ability to meet its financial guidance for 2021 given the various risks to which its business is exposed; (2) GEO's ability to deleverage and repay, refinance or otherwise address its debt maturities in an amount or on the timeline it expects, or at all; (3) GEO's ability to identify and successfully complete any potential sales of additional Company-owned assets and businesses on commercially advantageous terms on a timely basis, or at all; (4) changes in federal and state government policy, orders, directives, legislation and regulations that affect public-private partnerships with respect to secure, correctional and detention facilities, processing centers and reentry centers, including the timing and scope of implementation of President Biden's Executive Order directing the U.S. Attorney General not to renew the U.S. Department of Justice contracts with privately operated criminal detention facilities; (5) changes in federal immigration policy; (6) public and political opposition to the use of public-private partnerships with respect to secure correctional and detention facilities, processing centers and reentry centers; (7) the magnitude, severity, and duration of the current COVID-19 global pandemic, its impact on GEO, GEO's ability to mitigate the risks associated with COVID-19, and the efficacy and distribution of COVID-19 vaccines; (8) GEO's ability to sustain or improve company-wide occupancy rates at its facilities in light of the COVID-19 global pandemic and policy and contract announcements impacting GEO's federal facilities in the United States; (9) fluctuations in our operating results, including as a result of contract terminations, contract renegotiations, changes in occupancy levels and increases in our operating costs; (10) general economic and market conditions, including changes to governmental budgets and its impact on new contract terms, contract renewals, renegotiations, per diem rates, fixed payment provisions, and occupancy levels; (11) GEO's ability to timely open facilities as planned, profitably manage such facilities and successfully integrate such facilities into GEO's operations without substantial costs; (12) GEO's ability to win management contracts for which it has submitted proposals and to retain existing management contracts; (13) risks associated with GEO's ability to control operating costs associated with contract start-ups; (14) GEO's ability to successfully pursue growth and continue to create shareholder value; (15) GEO's ability to obtain financing or access the capital markets in the future on acceptable terms or at all; (16) other factors contained in GEO's Securities and Exchange Commission periodic filings, including its Form 10-K, 10-Q and 8-K reports, many of which are difficult to predict and outside of GEO's control.

Third quarter and first nine months of 2021 financial tables to follow:

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

Condensed Consolidated Balance Sheets*
(Unaudited)

	As of September 30, 2021 *(unaudited)*	As of December 31, 2020 *(unaudited)*
ASSETS		
Cash and cash equivalents	$ 537,070	$ 283,524
Restricted cash and cash equivalents	30,201	26,740
Accounts receivable, less allowance for doubtful accounts	327,723	362,668
Contract receivable, current portion	6,313	6,283
Prepaid expenses and other current assets	31,682	32,108
Total current assets	**$ 932,989**	**$ 711,323**
Restricted Cash and Investments	60,732	37,338
Property and Equipment, Net	2,055,406	2,122,195
Contract Receivable	366,155	396,647
Operating Lease Right-of-Use Assets, Net	118,073	124,727
Assets Held for Sale	9,717	9,108
Deferred Income Tax Assets	36,604	36,604
Intangible Assets, Net (including goodwill)	928,016	942,997
Other Non-Current Assets	81,104	79,187
Total Assets	**$ 4,588,796**	**$ 4,460,126**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 67,411	$ 85,861
Accrued payroll and related taxes	80,798	67,797
Accrued expenses and other current liabilities	216,404	202,378
Operating lease liabilities, current portion	28,982	29,080
Current portion of finance lease obligations, long-term debt, and non-recourse debt	27,010	26,180
Total current liabilities	**$ 420,605**	**$ 411,296**
Deferred Income Tax Liabilities	30,726	30,726
Other Non-Current Liabilities	95,789	115,555
Operating Lease Liabilities	95,357	101,375
Finance Lease Liabilities	2,147	2,988
Long-Term Debt	2,629,010	2,561,881
Non-Recourse Debt	297,456	324,223
Total Shareholders' Equity	1,017,706	912,082
Total Liabilities and Shareholders' Equity	**$ 4,588,796**	**$ 4,460,126**

* all figures in '000s

—More—

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

Condensed Consolidated Statements of Operations*
(Unaudited)

	Q3 2021 *(unaudited)*	Q3 2020 *(unaudited)*	YTD 2021 *(unaudited)*	YTD 2020 *(unaudited)*
Revenues	$557,277	$579,136	$1,699,073	$1,771,982
Operating expenses	399,900	434,131	1,233,060	1,339,912
Depreciation and amortization	32,883	33,628	100,306	100,389
General and administrative expenses	50,475	46,644	153,642	145,969
Operating income	**74,019**	**64,733**	**212,065**	**185,712**
Interest income	5,990	6,360	18,177	17,046
Interest expense	(32,525)	(30,749)	(96,422)	(95,539)
Gain on extinguishment of debt	—	1,472	4,693	3,035
Loss on asset divestiture	(5,031)	—	(5,031)	—
Gain/(Loss) on dispositions of real estate	(1,057)	(271)	9,322	(1,151)
Income before income taxes and equity in earnings of affiliates	**41,396**	**41,545**	**142,804**	**109,103**
Provision for income taxes	8,395	4,616	21,394	15,358
Equity in earnings of affiliates, net of income tax provision	1,640	2,243	5,647	7,202
Net income	**34,641**	**39,172**	**127,057**	**100,947**
Less: Net loss attributable to noncontrolling interests	69	48	157	174
Net income attributable to The GEO Group, Inc.	**$ 34,710**	**$ 39,220**	**$ 127,214**	**$ 101,121**
Weighted Average Common Shares Outstanding:				
Basic	120,525	119,826	120,326	119,677
Diluted	120,872	120,032	120,583	119,964
Net income per Common Share Attributable to The GEO Group, Inc. **:				
Basic:				
Net income per share — basic	**$ 0.24**	**$ 0.33**	**$ 0.94**	**$ 0.84**
Diluted:				
Net income per share — diluted	**$ 0.24**	**$ 0.33**	**$ 0.94**	**$ 0.84**
Regular Dividends Declared per Common Share	**$ —**	**$ 0.48**	**$ 0.25**	**$ 1.44**

* All figures in ‘000s, except per share data

** Diluted earnings per share attributable to GEO available to common stockholders was calculated and presented in GEO’s unaudited financial statements under the two-class method for the nine months ended September 30, 2021 due to the issuance of GEO’s 6.50% exchangeable senior notes due 2026 as the exchangeable senior notes are considered to be participating securities.

—More—

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

Reconciliation of Net Income Attributable to GEO to Adjusted Net Income
(In thousands, except per share data)(Unaudited)

	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Net Income attributable to GEO	$ 34,710	$ 39,220	$127,214	$101,121
Add:				
(Gain)/Loss on real estate assets, pre-tax	1,057	271	(9,322)	1,151
M&A related expenses, pre-tax	3,977	—	3,977	—
Loss on asset divestiture, pre-tax	5,031	—	5,031	—
One-time employee restructuring expenses, pre-tax	—	—	7,459	—
Gain on extinguishment of debt, pre-tax	—	(1,472)	(4,693)	(3,035)
Start-up expenses, pre-tax	—	1,907	—	4,413
COVID-19 expenses, pre-tax	—	2,635	—	7,404
Close-out expenses, pre-tax	—	1,674	—	5,895
Tax effect of adjustments to Net Income attributable to GEO	(763)	142	(750)	(620)
Adjusted Net Income	**$ 44,012**	**$ 44,377**	**$128,916**	**$116,329**
Weighted average common shares outstanding—Diluted	120,872	120,032	120,583	119,964
Adjusted Net Income Per Diluted Share *	**$ 0.36**	**$ 0.37**	**$ 1.07**	**$ 0.97**

* In accordance with GAAP, diluted earnings per share attributable to GEO available to common stockholders is calculated under the if-converted method or the two-class method, whichever calculation results in the lowest diluted earnings per share amount, which may be lower than Adjusted Net Income Per Diluted Share.

—More—

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

Reconciliation of Net Income Attributable to GEO to FFO, Normalized FFO, and AFFO*
(Unaudited)

	Q3 2021 (unaudited)	Q3 2020 (unaudited)	YTD 2021 (unaudited)	YTD 2020 (unaudited)
Net Income attributable to GEO	$ 34,710	$ 39,220	$ 127,214	$ 101,121
Add (Subtract):				
Real Estate Related Depreciation and Amortization	18,825	18,359	56,643	55,139
(Gain)/Loss on real estate assets, pre-tax	1,057	271	(9,322)	1,151
Equals: NAREIT defined FFO	**$ 54,592**	**$ 57,850**	**$ 174,535**	**$ 157,411**
Add (Subtract):				
Gain on extinguishment of debt, pre-tax	—	(1,472)	(4,693)	(3,035)
Start-up expenses, pre-tax	—	1,895	—	4,401
M&A related expenses, pre-tax	3,977	—	3,977	—
One-time employee restructuring expenses, pre-tax	—	—	7,459	—
Loss on asset divestiture, pre-tax	5,031	—	5,031	—
COVID-19 expenses, pre-tax	—	2,635	—	7,404
Close-out expenses, pre-tax	—	1,715	—	5,935
Tax effect of adjustments to funds from operations **	(763)	142	(750)	(620)
Equals: FFO, normalized	**$ 62,837**	**$ 62,765**	**$ 185,559**	**$ 171,496**
Add (Subtract):				
Non-Real Estate Related Depreciation & Amortization	14,058	15,269	43,663	45,250
Consolidated Maintenance Capital Expenditures	(3,447)	(3,878)	(11,957)	(15,045)
Stock Based Compensation Expenses	4,329	4,689	15,755	19,163
Other non-cash revenue & expenses	(1,102)	—	(3,306)	—
Amortization of debt issuance costs, discount and/or premium and other non-cash interest	1,974	1,776	5,559	5,153
Equals: AFFO	**$ 78,649**	**$ 80,621**	**$ 235,273**	**$ 226,017**
Weighted average common shares outstanding - Diluted	120,872	120,032	120,583	119,964
FFO/AFFO per Share - Diluted				
Normalized FFO Per Diluted Share	**$ 0.52**	**$ 0.52**	**$ 1.54**	**$ 1.43**
AFFO Per Diluted Share	**$ 0.65**	**$ 0.67**	**$ 1.95**	**$ 1.88**
Regular Common Stock Dividends per common share	**$ —**	**$ 0.48**	**$ 0.25**	**$ 1.44**

* all figures in '000s, except per share data
** tax adjustments related to gain/loss on real estate assets, gain on extinguishment of debt, start-up expenses, M&A related expenses, one-time employee restructuring expenses, loss on asset divestiture, COVID-19 expenses, and close-out expenses.

—More—

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

Reconciliation of Net Income Attributable to GEO to
Net Operating Income, EBITDAre and Adjusted EBITDAre*
(Unaudited)

	Q3 2021 (unaudited)	Q3 2020 (unaudited)	YTD 2021 (unaudited)	YTD 2020 (unaudited)
Net Income attributable to GEO	$ 34,710	$ 39,220	$ 127,214	$ 101,121
Less				
Net loss attributable to noncontrolling interests	69	48	157	174
Net Income	**$ 34,641**	**$ 39,172**	**$ 127,057**	**$ 100,947**
Add (Subtract):				
Equity in earnings of affiliates, net of income tax provision	(1,640)	(2,243)	(5,647)	(7,202)
Income tax provision	8,395	4,616	21,394	15,358
Interest expense, net of interest income	26,535	24,389	78,245	78,493
Gain on extinguishment of debt	—	(1,472)	(4,693)	(3,035)
Depreciation and amortization	32,883	33,628	100,306	100,389
General and administrative expenses	50,475	46,644	153,642	145,969
Net Operating Income, net of operating lease obligations	**$ 151,289**	**$ 144,734**	**$ 470,304**	**$ 430,918**
Add:				
Operating lease expense, real estate	4,054	4,510	12,379	14,254
(Gain)/Loss on real estate assets, pre-tax	1,057	271	(9,322)	1,151
Start-up expenses, pre-tax	—	1,895	—	4,401
Net Operating Income (NOI)	**$ 156,400**	**$ 151,410**	**$ 473,361**	**$ 450,725**

	Q3 2021 (unaudited)	Q3 2020 (unaudited)	YTD 2021 (unaudited)	YTD 2020 (unaudited)
Net Income	**$ 34,641**	**$ 39,172**	**$ 127,057**	**$ 100,947**
Add (Subtract):				
Income tax provision **	8,612	5,122	22,242	16,792
Interest expense, net of interest income ***	26,535	22,917	73,552	75,458
Depreciation and amortization	32,883	33,628	100,306	100,389
(Gain)/Loss on real estate assets, pre-tax	1,057	271	(9,322)	1,151
EBITDA*re*	**$ 103,728**	**$ 101,110**	**$ 313,835**	**$ 294,737**
Add (Subtract):				
Net loss attributable to noncontrolling interests	69	48	157	174
Stock based compensation expenses, pre-tax	4,329	4,689	15,755	19,163
Start-up expenses, pre-tax	—	1,895	—	4,401
M&A related expenses, pre-tax	3,977	—	3,977	—
One-time employee restructuring expenses, pre-tax	—	—	7,459	—
Loss on asset divestiture, pre-tax	5,031	—	5,031	—
COVID-19 expenses, pre-tax	—	2,635	—	7,404
Close-out expenses, pre-tax	—	1,715	—	5,935
Other non-cash revenue & expenses, pre-tax	(1,102)	—	(3,306)	—
Adjusted EBITDA*re*	**$ 116,032**	**$ 112,092**	**$ 342,908**	**$ 331,815**

* all figures in '000s
** including income tax provision on equity in earnings of affiliates
*** includes (gain)/loss on extinguishment of debt

—More—

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

2021 Outlook/Reconciliation
(In thousands, except per share data)
(Unaudited)

	FY 2021		
Net Income Attributable to GEO	$ 165,500	to	$ 168,000
Real Estate Related Depreciation and Amortization	75,000		75,000
(Gain)/Loss on Real Estate	(9,000)		(9,000)
Funds from Operations (FFO)	$ 231,500	to	$ 234,000
(Gain)/Loss on Extinguishment of Debt	(5,000)		(5,000)
Non-recurring Expenses	20,000		20,000
Normalized Funds from Operations	$ 246,500	to	$ 249,000
Non-Real Estate Related Depreciation and Amortization	58,000		58,000
Consolidated Maintenance Capex	(15,000)		(15,000)
Non-Cash Stock Based Compensation	19,500		19,500
Non-Cash Interest Expense	7,500		7,500
Other Non-Cash Revenue & Expenses	(4,000)		(4,000)
Adjusted Funds From Operations (AFFO)	$ 312,500	to	$ 315,000
Net Interest Expense	104,000		104,000
Non-Cash Interest Expense	(7,500)		(7,500)
Consolidated Maintenance Capex	15,000		15,000
Income Taxes *(including income tax provision on equity in earnings of affiliates)*	27,500		28,500
Adjusted EBITDAre	$ 451,500	to	$ 455,000
G&A Expenses	198,000		198,000
Non-recurring Expenses	(20,000)		(20,000)
Non-Cash Stock Based Compensation	(19,500)		(19,500)
Equity in Earnings of Affiliates	(7,000)		(7,000)
Real Estate Related Operating Lease Expense	19,000		19,000
Net Operating Income	$ 622,000	to	$ 625,500
Adjusted Net Income Per Diluted Share*	$ 1.41		$ 1.43
AFFO Per Diluted Share	$ 2.57	to	$ 2.59
Weighted Average Common Shares Outstanding-Diluted	121,500	to	121,500

* In accordance with GAAP, diluted earnings per share attributable to GEO available to common stockholders is calculated under the if-converted method or the two-class method, whichever calculation results in the lowest diluted earnings per share amount, which may be lower than Adjusted Net Income Per Diluted Share.

- End -

Contact: Pablo E. Paez (866) 301 4436
Executive Vice President, Corporate Relations

Exhibit 99.2

Participants

CORPORATE PARTICIPANTS

Pablo E. Paez
Executive Vice President-Corporate Relations, The GEO Group, Inc.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

James H. Black
Senior Vice President & President-Secure Services, The GEO Group, Inc.

Jose Gordo
Chief Executive Officer & Director, The GEO Group, Inc.

OTHER PARTICIPANTS

Joe Gomes
Analyst, Noble Capital Markets, Inc.

Kirk Ludtke
Analyst, Imperial Capital LLC

Mitra Ramgopal
Analyst, Sidoti & Co. LLC

Henry Coffey
Analyst, Wedbush Securities, Inc.

Oren Shaked
Managing Director, BTIG LLC

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Management Discussion Section

Operator

Good morning and welcome to The GEO Group Third Quarter 2021 Earnings Conference Call. All participants will be in listen-only mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask questions. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to Pablo Paez, Executive Vice President of Corporate Relations. Please go ahead.

Pablo E. Paez

Executive Vice President-Corporate Relations, The GEO Group, Inc.

Thank you, operator. Good morning, everyone, and thank you for joining us for today's discussion of The GEO Group's third quarter 2021 earnings results. With us today are George Zoley, Executive Chairman of the Board; Jose Gordo, Chief Executive Officer; Brian Evans, Chief Financial Officer; and James Black, President of GEO Secure Services.

This morning, we will discuss our third quarter results and our outlook. We will conclude the call with a question-and-answer session. This conference call is also being webcast live on our investor website at investors.geogroup.com. Today, we will discuss non-GAAP basis information. A reconciliation from non-GAAP basis information to GAAP basis results is included in the press release and supplemental disclosure we issued this morning.

Additionally, much of the information we will discuss today, including the answers we give in response to your questions, may include forward-looking statements regarding our beliefs and current expectations with respect to various matters. These forward-looking statements are intended to fall within the Safe Harbor provisions of the securities laws. Our actual results may differ materially from those in the forward-looking statements as a result of various factors contained in our Securities and Exchange Commission filings, including the Form 10-K, 10-Q and 8-K reports.

With that, please allow me to turn this call over to our Executive Chairman, George Zoley. George?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Thank you, Pablo, and good morning to everyone. We are pleased with our strong third quarter results and the significant progress we have made year-to-date towards reducing our net debt leverage. We believe our financial performance is representative of the resiliency and strength of our diversified business segments. For over 30 years, we've been a trusted government services provider.

We currently provide support services for immigration processing centers on behalf of the US Department of Homeland Security and for secure facilities and residential reentry centers on behalf of federal and state agencies. During the third quarter, we renewed eight of our facility contracts, including four immigration processing centers and four residential reentry centers under contract with the Federal Bureau of Prisons or state correctional agencies.

Additionally, we received a six-month extension for our U.S. Marshals contract at the Western Regional Detention Facility in San Diego, California. We also entered into a new five-year contract for our Moshannon Valley Facility with Clearfield County, Pennsylvania to provide support services under a five-year intergovernmental agreement between the county and the Department of Homeland Security.

In early September, our GEO Care business unit began providing services at our new residential reentry center in Tampa, Florida under contract with the Federal Bureau of Prisons. On November 1, we transitioned the operations of our Guadalupe County Facility to the New Mexico Corrections Department and began a new lease agreement with the State of New Mexico with a two-year base period and successive two-year renewal opportunities through October 2041.

In the third quarter, we also completed the previously announced transition of two managed-only contracts in Florida to another operator and the discontinuation of our managed-only contract for the Dungavel Facility in the United Kingdom. Further, we were notified by the BOP of the non-renewal of our contracts for the Big Spring and Flight Line facilities in Texas at the end of November 2021, consistent with our previous expectations.

Our operational focus remains on addressing the challenges of the ongoing COVID pandemic while delivering high-quality support services on behalf of our government agency partners. Understanding the challenges created by the pandemic, we invested significant resources to mitigate the impact of COVID, including $2 million for 45 Abbott Rapid testing devices and $3.7 million in Bi-Polar Ionization Air Purification Systems.

We are proud of our frontline employees who've continued to provide humane and compassionate care to all those entrusted to our facilities and programs. At the management and board level, we remain focused on reducing our debt and deleveraging our balance sheet. We're pleased to have reduced our net recourse debt by approximately $175 million through the end of the third quarter, thus already meeting our previous net recourse debt reduction goal of $150 to $175 million for the full-year 2021.

We recognize there have been several concerns regarding our future access to financing. Accordingly, we have adopted a multifaceted approach to address these concerns, including our focus on debt reduction, a review of potential sales of company-owned assets and businesses, and the ongoing evaluation by our board of our corporate tax structure as a real estate investment trust. We believe these initiatives and considerations are in the best interests of our shareholders and our other stakeholders as we work proactively to address our debt maturities and enhance long-term shareholder value.

At this time, I'll turn the call over to Brian Evans to address these initiatives in more detail and review our results and guidance. Brian?

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

Thank you, George. Good morning, everyone. Today, we reported third quarter revenues of approximately $557 million and net income attributable to GEO of $34.7 million. Our third quarter results include a $1.1 million pre-tax loss on real estate assets, $4 million in M&A-related expenses pre-tax, a one-time $5 million pre-tax loss on the previously announced divestiture of our Youth Services contracts, and an $800,000 benefit in the tax effect of adjustments to net income attributable to GEO.

Excluding these items, we reported third quarter adjusted net income of $0.36 per diluted share and AFFO of $0.65 per diluted share. Moving to our guidance, we expect fourth quarter 2021 net income attributable to GEO to be between $40 million and $42 million on quarterly revenues of $554 million to $559 million. We expect fourth quarter 2021 adjusted net income to be between $0.37 and $0.39 per diluted share and fourth quarter 2021 AFFO to be between $0.65 and $0.67 per diluted share.

For the full-year 2021, we expect net income attributable to GEO to be in a range of $165.5 million to $168 million on full-year 2021 revenues of approximately $2.26 billion. We expect full-year 2021 adjusted net income to be in a range of $1.41 to $1.43 per diluted share. We expect full-year 2021 AFFO to be in a range of $2.57 to $2.59 per diluted share. We expect full-year 2021 adjusted EBITDA to be in a range of $451.5 to $455 million.

Moving to our capital structure, at the end of the third quarter, we had approximately $537 million in cash on hand, primarily resulting from the previously announced drawdown of our revolving credit facility. Our decision to draw on our revolver was a conservative precautionary step to preserve liquidity, maintain financial flexibility and obtain additional funds for general corporate purposes.

Accounting for our $537 million of cash on hand, our net recourse debt currently stands at approximately $2.1 billion, not including non-recourse debt, finance lease obligations or the mortgage loan on our corporate headquarters. We believe we will be able to address our debt maturities in due course on reasonable terms. With our current cash on hand and our steady financial performance, we are proactively examining our options to address our funded recourse debt, including our nearer term maturities which encompass our 2023 and 2024 unsecured notes and our senior secured credit facility.

We have continued to execute our multifaceted approach focusing on debt reduction and deleveraging our balance sheet. In 2020, we reduced our net recourse debt by approximately $100 million. During the first nine months of 2021, we have further reduced net recourse debt by approximately $175 million, already meeting our previously articulated goal of reducing net recourse debt by $150 million to $175 million for the full-year 2021. We intend to remain focused on debt reduction and deleveraging our balance sheet.

During the fourth quarter of 2021, we expect to reduce our net recourse debt by an additional $10 to $20 million. Our strategy also includes various initiatives we’ve announced previously, including our exploration of potential opportunities to sell company-owned assets and businesses, our engagement of financial and legal advisors to assist us in reviewing capital structure alternatives, and the ongoing evaluation by our board of our corporate tax structure.

With respect to asset sales, during the third quarter, we completed the sale of our 222-bed Queens Detention Facility in New York for $18 million. Year-to-date, we have completed the sale of five real estate assets, totaling approximately 1,000 beds. During the third quarter, we also completed the divestiture of our Youth Services contracts. On a combined basis, these sales generated net proceeds of approximately $46 million.

At this time, I will turn the call over to James Black for a review of our GEO Secure Services segment.

James H. Black
Senior Vice President & President-Secure Services, The GEO Group, Inc.

Thank you, Brian. Good morning, everyone. Our operational focus during the third quarter has remained on addressing the ongoing challenges of the COVID pandemic, as our frontline employees continue to provide quality services and compassionate care to those entrusted to our facilities. We continue to focus on implementing mitigation initiatives and practices that are consistent with the guidance issued by the Centers for Disease Control and Prevention. Our employees have continued to have access to paid leave and paid time off to be able to remain home as needed.

Face mask and cleaning supplies continue to be made available across our facilities. And as noted by Executive Chairman, we have made a significant investment of $2 million to deploy Abbott Rapid test devices across our facilities, which has allowed us to screen new arrivals at intake and isolate and quarantine positive cases. Through the end of October 2021, we had administered approximately 184,000 COVID tests at our Secure Services facilities since the start of the pandemic.

We also invested $3.7 million to install Bi-Polar Ionization Systems at select services facilities to reduce the spread of airborne bacteria and viruses. We have been working closely with our government agency partners and local health departments to increase the vaccination rate at our facilities. At the end of October 2021, approximately 39,000 individuals at our Secure Services facilities have been fully vaccinated, representing approximately 65% of the population in our facilities. We will evaluate our mitigation efforts and will make adjustments based on updated guidance by the CDC and other best practices.

With respect to recent contract activity, during the third quarter, we renewed four contracts with immigration processing centers, where we provide support services on behalf of the US Department of Homeland Security. We also entered into a five-year contract with Clearfield County, Pennsylvania to provide support services at Moshannon Valley Facility in connection with the five-year intergovernmental agreement between the county and the Department of Homeland Security.

The support services we provide at immigration processing centers are highly rated by national accreditation organizations and are delivered in a safe and humane environment. All those entrusted to our care at immigration processing centers are provided culturally sensitive meals approved by a registered dietitian, clothing, 24/7 access to healthcare services, and full access to telephones, legal services and faith-based opportunities.

Recreation amenities at our immigration processing centers include flat-screen TVs in the housing areas, multi-purpose rooms, outdoor covered pavilions, artificial turf soccer fields and exercise equipment. The healthcare staffing at these centers is approximately more than double that of our state correctional facilities, which is needed to provide appropriate treatment for individuals who have numerous and diverse health and mental health needs.

During this third quarter, we also received a six-month extension for our U.S. Marshals contract at the Western Regional Detention Facility in San Diego. At the state level, on November 1, we transitioned the operation of our Guadalupe County Facility to the New Mexico Corrections Department. Effective that same date, we began a new lease agreement with the State of New Mexico for the use of the Guadalupe County Facility. The lease has a two-year base period and successive two-year renewals through October 30, 2041.

In the third quarter, we also completed three facility deactivations, including the previously announced transition of the managed-only contracts for the Graceville and Bay facilities in Florida to another operator and the discontinuation of our managed-only contract for the Dungavel Facility in Scotland. We were also notified by the Bureau of Prisons on the non-renewal of our contracts for the Big Spring and Flight Line facilities in Texas at the end of November 2021.

These renewals are consistent with our prior expectations, and we have been preparing operationally to complete the ramp-down of these two facilities. In Delaware County, Pennsylvania, we received notice that the county intends to take over management of the managed-only George W. Hill Facility effective April 2022. Our team will be working with county officials to ensure a smooth transition. Finally, with respect to the procurement activity, we are preparing a response to a recent request for proposals in Arizona for up to 2,700 beds, which can be located either in-state or out of state.

At this time, I will turn the call over to our Chief Executive Officer, Jose Gordo, for a review of GEO Care and closing remarks.

Jose Gordo
Chief Executive Officer & Director, The GEO Group, Inc.

Thank you, James. Good morning, everyone. Unfortunately, the President of our GEO Care business unit, Ann Schlarb is unable to join us today. However, I'm pleased to provide you with an update. During the third quarter, our GEO Reentry facilities and programs have remained focused on the implementation of our COVID mitigation strategies and practices consistent with the guidance issued by the CDC.

We continue to focus our efforts on increased sanitation, testing and deploying face masks, and we have ensured that our employees continue to have access to paid leave and paid time off to remain home as needed. We evaluate our mitigation efforts on an ongoing basis and will make adjustments as appropriate and necessary based on updated guidance by the CDC and other best practices.

Operationally, our GEO Reentry Services division had an active third quarter with the opening in early September of our new 118-bed residential reentry center in Tampa under contract with the Federal Bureau of Prisons. We also opened four new day reporting centers in Tennessee and two new day reporting centers in Louisiana, with capacity to provide services for up to 540 individuals.

And we successfully renewed four residential reentry contracts during the third quarter, two with the Federal Bureau of Prisons and two with state correctional agencies. As we disclosed last quarter, on July 1, we completed the divestiture of our Youth Services contracts, which resulted in the assignment of the contracts to an independent non-profit entity. We retained the real estate ownership of our six company-owned Youth Services facilities and entered into a lease agreement with the new operating entity.

Moving to our Electronic Monitoring division, we are very pleased with the continued sequential growth in quarterly revenues for BI, which provides a full suite of electronic monitoring and supervision solutions, products and technologies. Finally, we continue to be optimistic about the future of our GEO Continuum of Care program, which integrates enhanced in-custody rehabilitation, including cognitive behavioral treatment with post-release support services.

Our award-winning GEO Continuum of Care program is part of GEO's contribution to criminal justice reform and the primary objective of our program is to reduce recidivism. We believe that the program provides a proven successful model on how the 2.2 million people in the US criminal justice system can be better served in changing their lives.

Our efforts are not in competition or in conflict with other national initiatives regarding offender sentencing reforms. In fact, we applaud these efforts. With our GEO Continuum of Care, we seek to draw national attention to the many still incarcerated in need of a more structured and comprehensive approach to rehabilitation. We also believe that the success of this initiative can position GEO to pursue additional quality growth opportunities.

In closing, we are pleased with the financial results and the significant progress we have made towards reducing debt and deleveraging our balance sheet. We believe that our company remains resilient with strong earnings and cash flows that are supported by valuable real estate assets and diversified contracts entailing essential government services. We recognize that despite our steady financial performance, there continues to be concerns regarding our future access to financing, and we are taking proactive steps to address these concerns.

We believe that our focus on debt reduction and deleveraging our balance sheet, our review of potential sales of company-owned assets and businesses, our ongoing evaluation of potential capital structure alternatives with the assistance of our financial and legal advisors, and our board's ongoing evaluation of our corporate tax structure are all prudent steps as we work towards addressing our future debt maturities. We believe that these efforts are in the best interest of our shareholders and other stakeholders.

Over the last four months, I have had an opportunity to work closely with members of our team across our diversified business divisions, and I have been impressed with the talent, professionalism and dedication of our employees. I'm looking forward to continuing to work together with our management team and our board as we execute on the future strategic direction of the company.

That completes our remarks, and we'd be glad to take any questions.

Question And Answer Section

Operator

We will now begin the question-and-answer session. [Operator Instructions] The first question comes from Joe Gomes with Noble Capital Markets. You may go ahead.

Joe Gomes

Analyst, Noble Capital Markets, Inc.

Good morning and thanks for taking my questions. So, first, I wanted to...

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Good morning.

Joe Gomes
Analyst, Noble Capital Markets, Inc.

...to ask a little bit on ICE, if you're looking at some of the information that comes off from ICE, their ADP's been following here the past month or two. There's the whole issue on Title 42. I'm just trying to get an idea, how you've been seeing your ICE populations, your thoughts on Title 42? And also it was a nice deal to see Moshannon Valley. Are there any of the other – your recently closed facilities that ICE might be looking at in order to enter into new contracts?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Well, we continue to market all of our idle facilities to federal and state agencies, as exemplified by the recent lease with the State of New Mexico, the opening of the Moshannon Facility under contract with the county for ICE purposes. And I think that facility was more directed to a consolidation of ICE services in the surrounding states. So, we've made our facilities known to the ICE officials as far as where they're located geographically, their capacities and so forth, and they are evaluating those facilities.

Joe Gomes
Analyst, Noble Capital Markets, Inc.

And in terms of your ICE populations here quarter-over-quarter?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

I think it went up during the quarter and it went down towards the end of the quarter. So, the reason for that, we really don't know, because there's approximately 200,000 people coming across the border monthly. So, all detention, as we've said many times, is selective detention and we are not involved in those decisions. We merely provide the secure housing to support those decisions.

Joe Gomes
Analyst, Noble Capital Markets, Inc.

Right, right, okay. Thank you on that. And you mentioned a couple of times in the call here the potential sale of company assets, and obviously, there's been some press about the potential sale of your BI business. I was wondering, A, could you comment a little bit more on that. If, for example, it was to be sold, do you lose any type of synergies with the rest of the remaining businesses? And then, again, you mentioned that it did very well in the quarter, the Electronic Monitoring business. I was just wondering what is driving the positive momentum in that business.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

With regard to your first question, we're prohibited by SEC rules on commenting on any potential asset sales, so – and we can't really comment on rumors. But the ISAP program has in itself increased substantially since the beginning of the year, but it increased over the quarter and then decreased a little bit towards the end of the quarter, somewhat similar to our ICE detentions.

Joe Gomes
Analyst, Noble Capital Markets, Inc.

Okay. Thank you for that. And I noticed you guys increased the fourth quarter guidance from where it was in the third quarter. I was just wondering again what is behind that. When you listen to your call and you've lost some contracts here, what is driving the increase in estimated revenues and net income attributable to GEO for the fourth quarter?

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

Well, I think in some of our facilities, we have seen some improvements in populations or occupancies, and we're also continuing to experience good cost control, I think, in other facilities. And so, the net of those two, we've taken into account in the fourth quarter. It's been pretty consistent through the first nine months of the year. So, we've assumed some of that going forward as well.

Joe Gomes
Analyst, Noble Capital Markets, Inc.

Okay. And you mentioned the new opportunity that you're working on in Arizona. Any other new state opportunities that you can tell us about?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

No, that's the only public procurement that we can acknowledge at this time.

Joe Gomes
Analyst, Noble Capital Markets, Inc.

Okay, great. Thanks for taking the questions. I'll get back in queue and let someone else ask some questions.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Thank you.

Operator
Our next question comes from Kirk Ludtke with Imperial Capital. You may go ahead.

Kirk Ludtke
Analyst, Imperial Capital LLC

Good morning, everyone.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Good morning.

Kirk Ludtke
Analyst, Imperial Capital LLC

I have just a couple topics I'd like to follow up on and a couple new ones. One is the minimum wage litigation. I'd like to revisit New Mexico for a second and – as well as BI. With respect to the minimum wage litigation, I'd like to understand the contracts a little bit better, and more specifically, who's responsible if this goes against you and you're forced to pay back wages? Is that a cost that ICE assumes under the contract or is that something that you would have to pay for?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Well, in the highly improbable scenario you've just described, I imagine we would have to initially pay for the wages, but we would probably have a legal basis for a claim against ICE. But I emphasize highly improbable because there's been a recent court ruling out of the Fourth Circuit Court of Appeals that's squarely on this point, and the basis of the ruling was, to put simply, that people in a confinement facility are by definition not in the workforce and cannot be employees because they're being confined. They cannot – and they're not subject to minimum wage payment. And it is also further against federal law to employ illegal aliens or migrants who come into our country.

Kirk Ludtke
Analyst, Imperial Capital LLC

Okay. Thank you. That's helpful.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

In our contract, our – let me add a couple of things. Our contract specifically says that the detainees in our custody cannot be employees. We cannot use them as employees.

Kirk Ludtke
Analyst, Imperial Capital LLC

Okay. That's helpful. Thank you. Are the – I suspect that this could be an issue with respect to other customers. Are the contracts the same in terms of how detainees or prisoners are compensated?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

The ICE contracts have very standardized terms, and this is one of them that there is a requirement in each ICE contract and ICE being partnered – within the Department of Homeland Security, a portion of the contracts requires that a voluntary work program be established predominantly to reduce idleness in the facility for the detainees and for them to have an opportunity to contribute to the well-running of the facility and the services they themselves receive. We administer that program as required in the contract, but the compensation for that program is stipulated in the contract and by Congress. And the contract for Tacoma for 15 years has said that the amount shall be $1 or no less than $1, and that's the payment that's been made and that's the typical text in all of our ICE contracts.

Kirk Ludtke
Analyst, Imperial Capital LLC

Okay. Thank you. That's helpful. Are the contract provisions with respect to this issue the same with the states – your state customers?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

No. It probably varies from state to state, and any payments that we would make would be pursuant to similar payments that the state makes in their own facilities. So, it's probably a few more dollars more, but it's not more than that. And no state facility that we operate and no state law that we come under requires the payment of minimum wage to inmates who are confined and incarcerated in the facility.

Kirk Ludtke
Analyst, Imperial Capital LLC

Okay. Thank you. With respect to New Mexico...

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yes.

Kirk Ludtke
Analyst, Imperial Capital LLC

Yes. Are there other states that – is this a – I'm curious if you think this might be the beginning of a trend where states assume operation – the operations of facilities. And so, I'm curious if other states are interested in something similar, what the profitability – how the profitability of the facility changes before and after the transition, and what you think about the leasing model in general. Do you think it's something you'd like to do more of?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

We are marketing our idle facilities to other governmental organizations, and one of the possibilities is, obviously, the leasing model and we're very open to it. We – currently as a REIT, it's part of our business model. So, we're very comfortable with that concept and comfortable with us being either the operator or not being the operator.

Kirk Ludtke
Analyst, Imperial Capital LLC

And the profitability – I know you don't want to say specifically what you make there. But directionally, is it more or less profitable after the transition?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

It all depends on what occurred before the transition, whether – it depends on the prior occupancy levels of the facility. So, there's a lot of factors that go into it. So, I really can't generalize on the experience of one situation.

Kirk Ludtke
Analyst, Imperial Capital LLC

Got it. Okay. Thank you. And moving to BI for a second, is this a good CapEx run rate? It was a – revenue picked up sequentially quite a bit in the quarter, which was good to see. But is this the CapEx run rate we should be thinking about for BI?

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

Well, there's some – I think as we've said before, there's some transition of technology. So, the CapEx rate is a little bit high right now, I'd say $5 to $10 million. But that should complete next year. So, this rate that we're experiencing this year should be consistent next year, and then after that, I think it would taper some depending on how much they're growing.

Kirk Ludtke
Analyst, Imperial Capital LLC

Okay. Thank you. That's helpful. And then, lastly, I saw some fresh reports about a facility in Alabama. Did you mention this and I missed it or is there something – some opportunity there?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

We've been in discussions with Alabama for several years now and their interest is presently of the – potential purchase of the facility.

Kirk Ludtke
Analyst, Imperial Capital LLC

But nothing concrete yet?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Well, I believe they need legislative authorization to move ahead with that.

Kirk Ludtke
Analyst, Imperial Capital LLC

Okay, great. Thank you. That's very helpful. I'll get back in queue.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Thank you.

Operator

Our next question comes from Mitra Ramgopal with Sidoti. You may go ahead.

Mitra Ramgopal
Analyst, Sidoti & Co. LLC

Yes. Hi. Good morning. Thanks for taking the questions. First, just a couple on occupancy levels. I was curious if you're seeing any easing of COVID restrictions that's resulting in some of the improved occupancy at some of the facilities you mentioned.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yeah. I don't know if it's the easing of restrictions or rather the inverse that we are stepping up our vaccination program of staff and individuals inside the facility, better treatment protocols, and it appears to be a virus that we're going to have to deal with for some time. So, we're in our, I guess, second year of this virus, and we're getting accustomed to the required protocols for dealing with this virus and social distancing within the facilities, with testing people when they come in, as they go out and so forth. So, better procedures through longer experience.

Mitra Ramgopal
Analyst, Sidoti & Co. LLC

Okay. If I remember, I think there was a restriction of maybe 75% in terms of capacity. I was wondering if maybe that, for example, might have changed.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

You know what it is?

Jose Gordo
Chief Executive Officer & Director, The GEO Group, Inc.

No. I don't know of any restrictions.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

In the ICE facilities, there was at some time. I don't know if that's been lifted or not yet.

Mitra Ramgopal
Analyst, Sidoti & Co. LLC

Okay. Okay. No, it is good. And...

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

We see a wide difference in occupancies, and I don't know if it's driven by the prior statement of you can't – I think that statement is still generally in force. You can't go above the 75%. But where you are with below 75% depends on a number of factors.

Jose Gordo
Chief Executive Officer & Director, The GEO Group, Inc.

Right.

Mitra Ramgopal
Analyst, Sidoti & Co. LLC

Okay. No, thanks for clearing that up. And just curious on the U.S. Marshals facilities, if you're also maybe benefiting from increased activity in terms of court and sentencing, et cetera, at the federal level.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Well, I think there has been a general increase in our U.S. Marshals count in the several facilities we have for the Marshals Service around the country.

Mitra Ramgopal
Analyst, Sidoti & Co. LLC

Okay. On the BI business, I know you don't comment specifically on it. But I was just wondering if there's anything you're doing to drive the increases we're seeing there.

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

The increase in participant count has been driven by the administration, I think, really, policy decisions.

Mitra Ramgopal
Analyst, Sidoti & Co. LLC

Okay. So, that's something you can certainly focus on...

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

The activity – yeah, it's the activity at the border that George mentioned earlier, several hundred thousand people per month coming across the Southern border and some of those individuals are being put into the ISAP program. Certainly not all of them, but some of them are.

Mitra Ramgopal
Analyst, Sidoti & Co. LLC

Okay. Thanks. And I was just wondering if you had any comment on the favorable ruling you got in terms of the California bill that they were trying to pass and how that might affect you going forward.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Well, we think it was a historic ruling in the sense that it affirmed that states cannot discriminate against the federal government regarding the implementation of immigration policy. And in that particular case, the state had provisions allowing themselves to use private sector facilities for a period of time, and it did not provide the same benefits to the federal government. In fact, it required the closure of federal facilities. So, that was part of the ruling that the State Law AB 32 was inherently discriminatory against the federal government.

Mitra Ramgopal
Analyst, Sidoti & Co. LLC

Okay. And I think you mentioned you're still evaluating the corporate tax structure. Should we expect an announcement on that front in conjunction with the year-end earnings release?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

I would say by year-end or at that time, for sure.

Mitra Ramgopal
Analyst, Sidoti & Co. LLC

Okay. Thanks again for taking the questions.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Thank you.

Operator

Our next question comes from Henry Coffey with Wedbush. You may go ahead.

Henry Coffey
Analyst, Wedbush Securities, Inc.

Yes. Good morning and thank you for taking my questions. With the BI electronic monitoring and location monitoring, obviously, that is benefiting from ICE counts. But are there any policy initiatives that could really alter the equation there, mainly to the positive, if you have a whole new, "a possible rethink" on how to manage immigration populations, et cetera? Something that would really – we see where the growth is coming from, but an initiative that would really change the equation or...

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

I don't think it's necessary for a new initiative. The contract itself allows for a significant increase in the numbers of people who participate in the program. So, it continues to be used, as I think the idea of alternatives to detention is being more popularized and receiving support on a bipartisan basis. It's cheaper and it's effective and the technology is being continuously improved, and therefore, it's gaining popularity in its usage.

Henry Coffey
Analyst, Wedbush Securities, Inc.

And then, on this minimum wage situation, is this something that has caused you to pause and then put in an amendment to all your existing contracts to clarify who is at risk if there is a change?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

No, we don't – we believe the law is clear. There has been 100 court cases on this subject regarding confined detainees or inmates as to whether they're entitled to minimum wage law, and all of those courts have ruled in the negative, they're not. And most recently, I think it was in March, the Fourth District Court of Appeals ruled on a core civic lawsuit that involved a facility in New Mexico and it was a unanimous decision. And I think one or two of the judges were democratically recommended judges from prior Democratic administrations, and it was unanimous ruling that people who are under confinement are not in the workforce, and by definition, cannot become employees.

Henry Coffey
Analyst, Wedbush Securities, Inc.

And so, the current case is more of an anomaly, in your view, than of some kind of substance?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yes. In this particular court hearing, the Fourth Circuit Court of Appeals decision was not accepted or allowed to be argued, and Washington is in a different circuit. They're under the Ninth Circuit, and it was the first time that circuit had undertaken this issue. And we're disappointed obviously in the outcome, but we are very optimistic about the ultimate end result that it's a fairly well-established case law and just general understanding that people who are being confined, such as inmates or detainees, are not in the workforce and do not have the ability to be treated as or compensated as employees. They're there 24 hours a day. They're under confinement. They don't get to bargain for their wages. They're not part of the workforce.

Henry Coffey
Analyst, Wedbush Securities, Inc.

And then finally on the REIT issue, given the minimal cash drain from sort of a combination stock and cash dividend, what are the open issues that have – that are preventing you from kind of coming to a quick and final resolution? How are you balancing one against the other and what's at risk here and what's driving the decision process about whether you'll hold or drop REIT status?

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

Well, I think as we've said and we've said during the year, we're working with our financial and legal advisors to look at the best structure for the company going forward. So, it's not just the REIT status. We have the debt issues that we need to deal with. So, it's a total comprehensive review. And when that process is far enough along, we will make a decision and we'll make an announcement with regards to our [indiscernible] (00:48:40).

Henry Coffey
Analyst, Wedbush Securities, Inc.

Can you give us any insight into what the issues at hand are around this?

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

As far as – I'm not sure what do you mean by issues at hand?

Henry Coffey
Analyst, Wedbush Securities, Inc.

I mean what are the issues that you're looking when trying to make the decision?

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

[indiscernible] (00:48:56) consideration, we're looking at what's the best use of the company's cash flows going forward, where are we going to get the most value for the cash flow that we generate, is it dividend, is it paying down debt, is it reinvesting in the business, and how much liquidity do we want to have as a company as we move forward, how is the market...

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

[indiscernible] (00:49:17) tax rate.

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

...how is the market – right. Tax rates and how is the market acknowledging the dividend that we were paying that was fairly substantial previously and I would argue that it wasn't necessarily reflected in the equity value. So, we're looking at all of those things. We're reviewing them as a management team and working with our board and the financial advisors. And as George said earlier, we expect to come to some conclusion with that by year-end.

Henry Coffey
Analyst, Wedbush Securities, Inc.

Would you consider a potentially dilutive preferred or equity offering as a way to reduce the capital debt stress on the company's balance sheet or is that off the table?

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

We're being mindful of all strategies and all the stakeholders. We're trying [indiscernible] (00:50:04).

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

[indiscernible] (00:50:05).

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

Yeah. We've engaged Lazard to help us through that process. So, we're being mindful of the equity holders and the debt holders.

Henry Coffey
Analyst, Wedbush Securities, Inc.

All right, thank you very much.

Operator

Our next question comes from Jordan Sherman with Ranger Global. You may go ahead. Forgive me. It's Oren Shaked with BTIG. You may go ahead.

Oren Shaked
Managing Director, BTIG LLC

Hi. Good morning. Going back to the potential re-contracting of idle facilities, George, how would you characterize some of the conversations you're having on that?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Could you speak up a little bit louder, because we can hardly hear you?

Oren Shaked
Managing Director, BTIG LLC

Yeah. Sorry. Going back to – can you hear me now?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yes, go ahead.

Oren Shaked
Managing Director, BTIG LLC

Okay, very good. Going back to the potential re-contracting of idle facilities...

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yes.

Oren Shaked
Managing Director, BTIG LLC

...how would you characterize some of the conversations that you're having on that front? Can you just give us some color around the reception that you're getting from different parties that you're speaking with?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

I can only say we're relatively optimistic that with both federal agencies and state agencies.

Oren Shaked
Managing Director, BTIG LLC

Okay. I appreciate that. And then, going back to BI, you talked about ISAP and how there was some – an increase in during the quarter and then it tapered off towards the end. Maybe give us a little bit of a flavor for the variability of the revenue associated with ISAP and how much it might swing both intra-quarter and inter-quarter.

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

Well, it's per diem-based service. There's no minimum guarantees, if you will. But I think if you look at the trend of the contract for the ISAP contract and then in general for the rest of the EM business, it's been steady growth over the period of our ownership and even prior to our ownership. So, it's probably averaged between 5% to 10%, closer to 10% growth over the contract period. Sometimes it goes in spurts, but it seems to move steadily upwards.

Oren Shaked
Managing Director, BTIG LLC

Thank you very much.

Operator

Our next question comes from Jordan Sherman with Ranger Global. You may go ahead.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Yeah. Thanks. Can you guys hear me now?

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

Yes.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Okay, good. So, I wanted to ask about the court case in Washington, just the timeline of what happens from here. You're going to appeal? When do you have to file that appeal and then what's the – just the timeline of how that will progress or at least you expect it to progress?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

I think the timeline is about a month...

Jose Gordo
Chief Executive Officer & Director, The GEO Group, Inc.

About a month, yeah.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

...for the appeal, and then it could take several months for the case to be heard and several months thereafter for a ruling to be established. So...

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Right. So, the only clear timeline is that you have about a month to make the – to file the appeal and then it's up to – it'll grind its way through the courts as it grinds its way through the courts?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yes, yes.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Okay, perfect. Then separately, the other ICE contracts that expire this year, have there – I'm sure you're having other conversations. What's the – is there any update on the status of those? I apologize if I missed that if you made comments about those.

Jose Gordo
Chief Executive Officer & Director, The GEO Group, Inc.

ICE contract?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

ICE contract or BOP contract?

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Well, I know the BOP. So, the BOP, you've got notice on. Big Spring and Flight Line, right?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yeah. Which one are you...

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Are there other contracts...

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

Yeah. We've renewed the Aurora contract and the [indiscernible] (00:54:24).

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yeah. There's no ICE contracts that have expired this year.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Okay. So, that's the end of it for this year. Next year, we have a couple?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Well, we always have a couple. They come up to their renewal date. I don't think we have any expirations per se.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Well, renewal dates...

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yeah.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

I apologize if I've misspoken.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

There could be couple of renewal dates next year.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Are those in discussion already? Any thoughts about how those will...

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

No, not really. Not at this time, no.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

So, it's still too early?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yeah, too early.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Okay. You mentioned – I want to clarify. I just wanted to confirm I've heard this correctly. You said the only active RFP at the moment is the one in Arizona?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

That comes to my mind. The only public – well, yeah, yeah. Hawaii hasn't done an RFP yet. They're talking about doing one next year. But the only public RFP...

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Is the Arizona one?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

...is Arizona State RFP.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

And I was under the understanding that that was – that they wanted to complete that this year.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

No, I think it's going to be...

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

[indiscernible] (00:55:51).

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

...a decision for early next year.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Okay.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

And the award could be two awards, because that number of beds, I don't – 2,700 beds, I don't believe is available at any single facility.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Understood. Okay. So, it could be multiple contracts. Are there discussions – I'm sorry.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Because they're high-security prisoners and they require cell-type housing.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Got it. Okay. The – okay. So, in terms of public RFPs, there's only one. Discussions with other states about possible need for – is there anything that you could comment about any conversations going on?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

No, I can't comment. But there are conversations, and those kind of transactions that do not require RFPs.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Okay. Let me ask that differently. Has any other state announced that they have a need for beds and might be looking for them? Let me say it that way.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

I can't comment.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Okay. So, no one has said publicly that they are out looking for beds type of thing. I'm not asking to say something you can't say. I'm just saying if there were states that have said that they're out looking for beds and they've made those comments publicly, then you should be able to comment.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

I really can't say affirmatively one way or the other, because there's a bunch of news articles all the time about people saying things and...

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

Yeah. It doesn't necessarily lead to an RFP or something.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yeah.

Brian Robert Evans
Chief Financial Officer & Senior Vice President, The GEO Group, Inc.

Idaho said stuff in the past. Even in the State of Florida, one of the Senate President, I think, said something about consolidating and building new larger facilities and so forth. So, there's always discussion like that. But I don't know that there's anything definitive as it relates to our industry now.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Got it, got it. Is your expectation that we will get some RFPs? That or the other way around that there was enough activity that you'll be able to – you will find some contracts for – you will at least have a shot at getting the contract for some of the additional idle facilities?

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Our inclination at this time and our aspirations are – do not include RFPs.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Got it, got it. Okay. So, there are discussions that you think are advanced enough that – okay. We'll move on from that, apologies. Texas, the two – the two Texas facilities are – is your plan at the moment to wind them down to idle those facilities or...

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Well, they're being wound down by the BOP that's removing prisoners and relocating them. But we are actively marketing those two locations.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

And they will be – when will – I guess when will BOP have fully wound those down, A, and then...

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

By the end of this month.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

By the end of this month, okay.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

As far as the inmates in the facility.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

And what type of visibility would you need on those potential contracts, like how long could you keep those facilities or people in place in hopes of getting a contract? Meaning will you – does that make sense? Yeah.

[indiscernible] (00:59:43)

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

My answer is it's under review at this time, pending our review of what our potential opportunities are.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

And I guess [indiscernible] (00:59:56).

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

But we haven't made a decision yet.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Yeah. No, I appreciate that. Just more generically, if a facility winds down, how long will you – I guess it's going to matter how close you think you are to the separate contracts...

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Yeah, it's situational.

Jordan M. Sherman
Portfolio Manager, Ranger Global Real Estate Advisors LLC

Yeah, yeah. I got it, got it. Okay, never mind. Very cool. Thank you for that. Thank you.

Operator

This concludes our question-and-answer session. I'd like to turn the conference back over to George Zoley for any closing remarks.

George Christopher Zoley
Executive Chairman, The GEO Group, Inc.

Well, thank you very much for participating in today's call. We look forward to addressing you on the next one.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.