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): February 12, 2020

THE GEO GROUP, INC.
(Exact Name of Registrant as Specified in 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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934(17 CFR §240.12b-2).

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 February 12, 2020, The GEO Group, Inc. ("GEO" or the "Company") issued a press release (the "Earnings Press Release") announcing its financial results for the fourth quarter and year ended December 31, 2019 and issuing its financial guidance for the full year and first quarter 2020. A copy of the Earnings Press Release is furnished hereto as Exhibit 99.1. GEO also held a conference call on February 12, 2020 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 fourth quarter and year ended December 31, 2019 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 start-up expenses, pre-tax, legal related expenses, pre-tax, escrow releases, pre-tax and close-out expenses, 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 net Tax Cuts and Jobs Act ("TCJA") impact, gain/loss on the extinguishment of debt, pre-tax, start-up expenses, pre-tax, legal related expenses, pre-tax, escrow releases, 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.

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 net TCJA impact, gain/loss on real estate assets, gain/loss on the extinguishment of debt, pre-tax, start-up expenses, pre-tax, legal related expenses, pre-tax, escrow releases, 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 GEO's correctional facilities, processing centers, and reentry centers, the Company believes that assessing the performance of its correctional 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's 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, Net Operating Income, Adjusted EBITDAre, Funds from Operations, Normalized Funds from Operations, and Adjusted Funds from Operations. The determination of the amounts that are 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 2020, 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 February 12, 2020, announcing GEO's financial results for the fourth quarter and year ended December 31, 2019.
99.2	Transcript of Conference Call discussing GEO's financial results for the fourth quarter and year ended December 31, 2019.
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.

February 19, 2020	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

THE GEO GROUP REPORTS FOURTH QUARTER AND FULL-YEAR 2019 RESULTS

- **4Q19 Net Income Attributable to GEO of $0.32 per diluted share**
- **4Q19 Adjusted Net Income of $0.38 per diluted share**
- **4Q19 AFFO of $0.66 per diluted share**
- **Initial FY20 guidance for Net Income Attributable to GEO of $1.27-$1.37 per diluted share and Adjusted Net Income of $1.37 to $1.47 per diluted share**
- **Initial FY20 AFFO guidance of $2.57-$2.67 per diluted share**
- **FY20 guidance reflects increase of approximately $4 million in GEO's annual expense commitment for GEO Continuum of Care rehabilitation and post release programs**
- **FY20 guidance assumes no contribution from California facilities transitioning from California state corrections contracts to new ICE contracts during 2020**

Boca Raton, Fla. – February 12, 2020 — The GEO Group, Inc. (NYSE: GEO) ("GEO"), a fully integrated equity real estate investment trust ("REIT") and a leading provider of evidence-based offender rehabilitation and community reentry services around the globe, reported today its financial results for the fourth quarter and full-year 2019.

Fourth Quarter 2019 Highlights

- **Net Income Attributable to GEO of $38.1 million or $0.32 per diluted share**
- **Adjusted Net Income of $0.38 per diluted share**
- **Net Operating Income of $151.5 million**
- **Normalized FFO of $0.53 per diluted share**
- **AFFO of $0.66 per diluted share**

GEO reported fourth quarter 2019 net income attributable to GEO of $38.1 million, or $0.32 per diluted share, compared to $33.4 million, or $0.28 per diluted share, for the fourth quarter 2018. GEO reported total revenues for the fourth quarter 2019 of $621.7 million up from $599.4 million for the fourth quarter 2018. Fourth quarter 2019 results reflect a $0.4 million gain on the extinguishment of debt, pre-tax, $2.2 million in start-up expenses, pre-tax, $2.0 million in legal related expenses, pre-tax, and $4.6 million in close-out expenses, pre-tax. Excluding these items, GEO reported fourth quarter 2019 Adjusted Net Income of $46.0 million, or $0.38 per diluted share.

GEO reported fourth quarter 2019 Normalized Funds From Operations ("Normalized FFO") of $63.6 million, or $0.53 per diluted share, compared to $61.1 million, or $0.51 per diluted share, for the fourth quarter 2018. GEO reported fourth quarter 2019 Adjusted Funds From Operations ("AFFO") of $79.1 million, or $0.66 per diluted share, compared to $78.0 million, or $0.65 per diluted share, for the fourth quarter 2018.

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

George C. Zoley, Chairman and Chief Executive Officer of GEO, said, "We are pleased with our quarterly financial and operational performance. During the fourth quarter of 2019, we completed the ramp-up of 3,600 previously idle beds and entered into several new contracts at the federal level, which are expected to drive future earnings and cash flow growth. We are proud of the continued success of our GEO Continuum of Care enhanced rehabilitation and post-release program and have increased our annual expenditure commitment from $10 million to approximately $14 million to support the expansion of the program during 2020. We remain focused on the effective allocation of capital to continue to enhance shareholder value, and we believe that our current dividend payment is supported by stable and predictable cash flows."

Full-Year 2019 Highlights

- **Net Income Attributable to GEO of $166.6 million or $1.40 per diluted share**
- **Adjusted Net Income of $1.60 per diluted share**
- **Net Operating Income of $654.7 million**
- **Normalized FFO of $2.19 per diluted share**
- **AFFO of $2.75 per diluted share**

For the full-year 2019, GEO reported net income attributable to GEO of $166.6 million, or $1.40 per diluted share, compared to $145.1 million, or $1.20 per diluted share, for the full-year 2018. GEO reported total revenues for the full-year 2019 of $2.48 billion up from $2.33 billion for the full-year 2018. Results for the full-year 2019 reflect $10.9 million in start-up expenses, pre-tax, $2.0 million in legal related expenses, pre-tax, $4.6 million in close-out expenses, pre-tax, a $4.8 million loss on the extinguishment of debt, pre-tax, and a $2.7 million loss on real estate assets, pre-tax. Excluding these items, GEO reported Adjusted Net Income of $190.5 million, or $1.60 per diluted share, for the full-year 2019.

GEO reported Normalized FFO for the full-year 2019 of $260.7 million, or $2.19 per diluted share, compared to $234.3 million, or $1.94 per diluted share, for the full-year 2018. GEO reported AFFO for the full-year 2019 of $328.4 million, or $2.75 per diluted share, compared to $297.8 million, or $2.47 per diluted share, for the full-year 2018.

GEO Continuum of Care Highlights

To strengthen its commitment to be a leading provider of enhanced in-custody rehabilitation and post-release services, GEO announced today that it has increased its annual expenditure commitment to expand the delivery of its GEO Continuum of Care programs from approximately $10 million to approximately $14 million in 2020. The GEO Continuum of Care integrates enhanced in-custody rehabilitation programming, including cognitive behavioral treatment, with post-release support services.

—More—

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Executive Vice President, Corporate Relations

During 2019, GEO Continuum of Care programs achieved several important milestones:

- Completed more than 6.8 million hours of rehabilitation programming
- Averaged more than 13,000 daily participants in academic programs
- Awarded 2,882 GEDs and high school equivalency degrees
- Averaged more than 33,000 daily participants in vocational training programs
- Awarded 9,413 vocational training certifications
- Averaged more than 18,000 daily participants in substance abuse treatment programs
- Awarded 8,767 substance abuse treatment program completions

2020 Financial Guidance

GEO issued its initial financial guidance for the full-year and first quarter 2020. GEO expects full-year 2020 total revenue to be approximately $2.48 billion. GEO expects full-year 2020 Net Income Attributable to GEO to be in a range of $1.27 to $1.37 per diluted share and Adjusted Net Income to be in a range of $1.37 to $1.47 per diluted share. GEO expects full-year 2020 AFFO to be in a range of $2.57 to $2.67 per diluted share.

GEO's full-year 2020 guidance assumes no contribution from GEO's 700-bed Central Valley, 750-bed Desert View, and 700-bed Golden State facilities in California, which will be transitioning during 2020 from California state corrections contracts to the previously announced new 15-year contracts, inclusive of option periods, which GEO entered into with U.S. Immigration and Customs Enforcement ("ICE") on December 20, 2019.

As GEO previously announced, the State of California completed the ramp-down of the Central Valley facility at the end of September 2019, and the Desert View and Golden State facilities are in the process of ramping down during the first half of 2020. The discontinuation of the California corrections contracts for the three company-owned facilities represents an annualized revenue loss of approximately $47 million.

While GEO expects that the three facilities will transition as facility annexes under the new ICE contracts during the second half of 2020, GEO has not assumed any contribution from these facilities in its initial financial guidance.

GEO's full-year 2020 guidance also reflects an increase of approximately $4 million in its annual expenditure commitment for the GEO Continuum of Care, which will allow for the expansion of the program to all state correctional facilities managed by GEO**.**

For the first quarter 2020, GEO expects total revenues to be in a range of $610 million to $615 million. GEO expects first quarter 2020 Net Income Attributable to GEO to be in a range of $0.16 to $0.18 per diluted share and Adjusted Net Income to be in range of $0.21 to $0.23 per diluted share. GEO expects first quarter 2020 AFFO to be in a range of $0.52 to $0.54 per diluted share.

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Executive Vice President, Corporate Relations

In addition to the items impacting full-year 2020 guidance, compared to fourth quarter 2019 results, first quarter 2020 guidance reflects approximately $0.03 per diluted share in additional employment tax expense as a result of the seasonality in unemployment taxes, which are front-loaded in the first quarter of the year.

Debt Repurchases and Borrowing Capacity

During the fourth quarter of 2019, GEO repurchased approximately $22 million of senior unsecured notes due 2022, bringing the total debt repurchases during 2019 to $56 million at year-end. GEO has approximately $340 million in available borrowing capacity under its $900 million revolving credit facility, which matures in May 2024.

Quarterly Dividend

On February 3, 2020, GEO's Board of Directors declared a quarterly cash dividend of $0.48 per share. The quarterly cash dividend will be paid on February 21, 2020 to shareholders of record as of the close of business on February 14, 2020. The declaration of future quarterly cash dividends is subject to approval by GEO's Board of Directors and to meeting the requirements of all applicable laws and regulations. GEO's Board of Directors retains the power to modify its dividend policy as it may deem necessary or appropriate in the future.

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 AFFO, 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.

Conference Call Information

GEO has scheduled a conference call and simultaneous webcast for today at 11:00 AM (Eastern Time) to discuss GEO's fourth quarter and full-year 2019 financial results as well as its 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 Events and 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 February 26, 2020 at 1-877-344-7529 (U.S.) and 1-412-317-0088 (International). The participant passcode for the telephonic replay is 10139081.

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About The GEO Group

The GEO Group (NYSE: GEO) is the first fully integrated equity real estate investment trust specializing in the design, financing, development, and operation of 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 management of 129 facilities totaling approximately 95,000 beds, including projects under development, with a growing workforce of approximately 23,000 professionals.

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 Net Income, 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 2020, 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.

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 start-up expenses, pre-tax, legal related expenses, pre-tax, escrow releases, pre-tax, and close-out expenses, 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.

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

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Because of the unique design, structure and use of our correctional facilities, processing centers, and reentry centers, we believe that assessing the performance of our correctional 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.

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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.

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 affect actual results, including statements regarding financial guidance for the full year and first quarter of 2020, the assumptions underlying such guidance, the continued expansion and success of our GEO Continuum of Care, and statements regarding growth opportunities and allocation of capital to enhance long-term value for our shareholders. Factors 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 2020 given the various risks to which its business is exposed; (2) GEO's ability to declare future quarterly cash dividends and the timing and amount of such future cash dividends; (3) GEO's ability to successfully pursue further growth and continue to create shareholder value; (4) GEO's ability to obtain future financing on acceptable terms; (5) GEO's ability to access the capital markets in the future on satisfactory terms or at all; (6) the impact from debt repurchases and GEO's ability to repurchase additional debt; (7) risks associated with GEO's ability to control operating costs associated with contract start-ups; (8) 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; (9) GEO's ability to win management contracts for which it has submitted proposals and to retain existing management contracts; (10) GEO's ability to sustain company-wide occupancy rates at its facilities; (11) the impact of any future regulations or guidance on the Tax Cuts and Jobs Act; (12) GEO's ability to remain qualified as a REIT; (13) the incurrence of REIT related expenses; and (14) other factors contained in GEO's Securities and Exchange Commission periodic filings, including its Form 10-K, 10-Q and 8-K reports.

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

Fourth quarter and full-year 2019 financial tables to follow:

Condensed Consolidated Balance Sheets*
(Unaudited)

	As of December 31, 2019 (unaudited)	As of December 31, 2018 (unaudited)
ASSETS		
Cash and cash equivalents	$ 32,463	$ 31,255
Restricted cash and cash equivalents	32,418	51,678
Accounts receivable, less allowance for doubtful accounts	430,982	445,526
Contract receivable, current portion	11,199	15,535
Prepaid expenses and other current assets	40,716	57,768
Total current assets	**$ 547,778**	**$ 601,762**
Restricted Cash and Investments	30,923	22,431
Property and Equipment, Net	2,144,722	2,158,610
Contract Receivable	360,647	368,178
Operating Lease Right-of-Use Assets, Net	121,527	—
Assets Held for Sale	6,059	2,634
Deferred Income Tax Assets	36,278	29,924
Intangible Assets, Net (including goodwill)	986,426	1,008,719
Other Non-Current Assets	83,174	65,860
Total Assets	**$ 4,317,534**	**$ 4,258,118**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 99,232	$ 93,032
Accrued payroll and related taxes	54,672	76,009
Accrued expenses and other current liabilities	191,608	204,170
Operating lease liabilities, current portion	26,208	—
Current portion of finance lease obligations, long-term debt, and non-recourse debt	24,208	332,027
Total current liabilities	**$ 395,928**	**$ 705,238**
Deferred Income Tax Liabilities	19,254	13,681
Other Non-Current Liabilities	88,526	82,481
Operating Lease Liabilities	97,291	—
Finance Lease Liabilities	2,954	4,570
Long-Term Debt	2,408,297	2,397,227
Non-Recourse Debt	309,236	15,017
Total Shareholders' Equity	996,048	1,039,904
Total Liabilities and Shareholders' Equity	**$ 4,317,534**	**$ 4,258,118**

* all figures in '000s

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Executive Vice President, Corporate Relations

Condensed Consolidated Statements of Operations*
(Unaudited)

	Q4 2019 (unaudited)	Q4 2018 (unaudited)	FY 2019 (unaudited)	FY 2018 (unaudited)
Revenues	$621,710	$599,430	$2,477,922	$2,331,386
Operating expenses	478,080	456,460	1,860,758	1,755,772
Depreciation and amortization	33,585	31,898	130,825	126,434
General and administrative expenses	43,743	47,588	185,926	184,515
Operating income	**66,302**	**63,484**	**300,413**	**264,665**
Interest income	5,807	8,560	28,934	34,755
Interest expense	(35,167)	(39,324)	(151,024)	(149,529)
Gain/(Loss) on extinguishment of debt, pre-tax	352	—	(4,795)	(574)
Income before income taxes and equity in earnings of affiliates	**37,294**	**32,720**	**173,528**	**149,317**
Provision for income taxes	2,139	1,924	16,648	14,117
Equity in earnings of affiliates, net of income tax provision	2,887	2,557	9,532	9,627
Net income	**38,042**	**33,353**	**166,412**	**144,827**
Less: Net loss attributable to noncontrolling interests	10	39	191	262
Net income attributable to The GEO Group, Inc.	**$ 38,052**	**$ 33,392**	**$ 166,603**	**$ 145,089**
Weighted Average Common Shares Outstanding:				
Basic	119,231	119,273	119,097	120,241
Diluted	119,621	119,861	119,311	120,747
Net income per Common Share Attributable to The GEO Group, Inc. :				
Basic:				
Net income per share — basic	**$ 0.32**	**$ 0.28**	**$ 1.40**	**$ 1.21**
Diluted:				
Net income per share — diluted	**$ 0.32**	**$ 0.28**	**$ 1.40**	**$ 1.20**
Regular Dividends Declared per Common Share	**$ 0.48**	**$ 0.47**	**$ 1.92**	**$ 1.88**

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

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Executive Vice President, Corporate Relations

Reconciliation of Net Income Attributable to GEO to Adjusted Net Income

(In thousands, except per share data)(Unaudited)

	Q4 2019	*Q4 2018*	*FY 2019*	*FY 2018*
Net Income attributable to GEO	$ 38,052	$ 33,392	$166,603	$145,089
Add (Subtract):				
Net Tax Cuts and Jobs Act Impact	—	—	—	304
(Gain)/Loss on extinguishment of debt, pre-tax	(353)	—	4,795	574
Start-up expenses, pre-tax	2,154	2,473	10,872	6,299
Legal related expenses, pre-tax	2,000	2,647	2,000	7,147
Escrow releases, pre-tax	—	—	—	(2,273)
Close-out expenses, pre-tax	4,595	4,245	4,595	4,245
(Gain)/Loss on real estate assets, pre-tax	—	1,646	2,693	4,347
Tax effect of adjustments to Net Income attributable to GEO	(433)	(1,392)	(1,083)	(2,031)
Adjusted Net Income	**$ 46,015**	**$ 43,011**	**$190,475**	**$163,701**
Weighted average common shares outstanding - Diluted	119,621	119,861	119,311	120,747
Adjusted Net Income Per Diluted Share	**$ 0.38**	**$ 0.36**	**$ 1.60**	**$ 1.36**

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

	Q4 2019 (unaudited)	*Q4 2018 (unaudited)*	*FY 2019 (unaudited)*	*FY 2018 (unaudited)*
Net Income attributable to GEO	$ 38,052	$ 33,392	$166,603	$145,089
Add (Subtract):				
Real Estate Related Depreciation and Amortization	18,221	18,061	72,191	70,592
(Gain)/Loss on real estate assets	—	1,646	2,693	4,347
Equals: NAREIT defined FFO	$ 56,273	$ 53,099	$241,487	$220,028
Add (Subtract):				
Net Tax Cuts and Jobs Act Impact	—	—	—	304
(Gain)/Loss on extinguishment of debt, pre-tax	(353)	—	4,795	574
Start-up expenses, pre-tax	1,492	2,473	8,959	6,299
Legal related expenses, pre-tax	2,000	2,647	2,000	7,147
Escrow releases, pre-tax	—	—	—	(2,273)
Close-out expenses, pre-tax	4,578	4,245	4,578	4,245
Tax Effect of adjustments to Funds From Operations **	(427)	(1,392)	(1,078)	(2,031)
Equals: FFO, normalized	$ 63,563	$ 61,072	$260,741	$234,293
Add (Subtract):				
Non-Real Estate Related Depreciation & Amortization	15,364	13,837	58,634	55,842
Consolidated Maintenance Capital Expenditures	(7,006)	(5,077)	(21,899)	(22,638)
Stock Based Compensation Expenses	5,425	5,699	22,344	22,050
Amortization of debt issuance costs, discount and/or premium and other non-cash interest	1,748	2,422	8,609	8,282
Equals: AFFO	$ 79,094	$ 77,953	$328,429	$297,829
Weighted average common shares outstanding - Diluted	119,621	119,861	119,311	120,747
FFO/AFFO per Share - Diluted				
Normalized FFO Per Diluted Share	**$ 0.53**	**$ 0.51**	**$ 2.19**	**$ 1.94**
AFFO Per Diluted Share	**$ 0.66**	**$ 0.65**	**$ 2.75**	**$ 2.47**
Regular Common Stock Dividends per common share	**$ 0.48**	**$ 0.47**	**$ 1.92**	**$ 1.88**

* all figures in '000s, except per share data

** tax adjustments related to (Gain)/Loss on real estate assets, (Gain)/Loss on extinguishment of debt, Start-up expenses, Legal related expenses, Escrow releases 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)

	Q4 2019 (unaudited)	Q4 2018 (unaudited)	FY 2019 (unaudited)	FY 2018 (unaudited)
Net Income attributable to GEO	$ 38,052	$ 33,392	$166,603	$145,089
Less				
Net loss attributable to noncontrolling interests	10	39	191	262
Net Income	**$ 38,042**	**$ 33,353**	**$166,412**	**$144,827**
Add (Subtract):				
Equity in earnings of affiliates, net of income tax provision	(2,887)	(2,557)	(9,532)	(9,627)
Income tax provision	2,139	1,924	16,648	14,117
Interest expense, net of interest income	29,361	30,763	122,090	114,774
(Gain)/Loss on extinguishment of debt	(353)	—	4,795	574
Depreciation and amortization	33,585	31,898	130,825	126,434
General and administrative expenses	43,743	47,588	185,926	184,515
Net Operating Income, net of operating lease obligations	**$143,630**	**$142,969**	**$617,164**	**$575,614**
Add:				
Operating lease expense, real estate	6,340	8,485	25,854	32,290
(Gain)/Loss on real estate assets, pre-tax	—	1,646	2,693	4,347
Start-up expenses, pre-tax	1,492	2,213	8,959	6,039
Net Operating Income (NOI)	**$151,462**	**$155,313**	**$654,670**	**$618,290**

	Q4 2019 (unaudited)	Q4 2018 (unaudited)	FY 2019 (unaudited)	FY 2018 (unaudited)
Net Income	**$ 38,042**	**$ 33,353**	**$166,412**	**$144,827**
Add (Subtract):				
Income tax provision **	2,737	2,176	18,417	15,005
Interest expense, net of interest income ***	29,008	30,763	126,885	115,348
Depreciation and amortization	33,585	31,898	130,825	126,434
(Gain)/Loss on real estate assets, pre-tax	—	1,646	2,693	4,347
EBITDAre	**$103,372**	**$ 99,836**	**$445,232**	**$405,961**
Add (Subtract):				
Net loss attributable to noncontrolling interests	10	39	191	262
Stock based compensation expenses, pre-tax	5,425	5,699	22,344	22,049
Start-up expenses, pre-tax	1,492	2,473	8,959	6,299
Legal related expenses, pre-tax	2,000	2,647	2,000	7,147
Escrow Releases, pre-tax	—	—	—	(2,273)
Close-out expenses, pre-tax	4,578	4,245	4,578	4,245
Adjusted EBITDAre	**$116,877**	**$114,939**	**$483,304**	**$443,690**

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

— More –

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Executive Vice President, Corporate Relations

2020 Outlook/Reconciliation
(In thousands, except per share data)
(Unaudited)

	FY 2020		
Net Income Attributable to GEO	$152,500	to	$164,500
Real Estate Related Depreciation and Amortization	76,000		76,000
Funds from Operations (FFO)	**$228,500**	to	**$240,500**
Start-Up and Close-Out Expenses	11,500		11,500
Normalized Funds from Operations	**$240,000**	to	**$252,000**
Non-Real Estate Related Depreciation and Amortization	65,000		65,000
Consolidated Maintenance Capex	(24,000)		(24,000)
Non-Cash Stock Based Compensation	21,500		21,500
Non-Cash Interest Expense	6,000		6,000
Adjusted Funds From Operations (AFFO)	**$308,500**	to	**$320,500**
Net Interest Expense	113,000		113,000
Non-Cash Interest Expense	(6,000)		(6,000)
Consolidated Maintenance Capex	24,000		24,000
Income Taxes (including income tax provision on equity in earnings of affiliates)	21,000		21,000
Adjusted EBITDAre	**$460,500**	to	**$472,500**
G&A Expenses	196,500		196,500
Non-Cash Stock Based Compensation	(21,500)		(21,500)
Equity in Earnings of Affiliates	(7,000)		(7,000)
Real Estate Related Operating Lease Expense	18,000		18,000
Net Operating Income	**$646,500**	to	**$658,500**
Adjusted Net Income Per Diluted Share	**$ 1.37**	to	**$ 1.47**
AFFO Per Diluted Share	**$ 2.57**	to	**$ 2.67**
Weighted Average Common Shares Outstanding-Diluted	120,000	to	120,000

- End -

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

Participants

CORPORATE PARTICIPANTS

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

George C. Zoley
Chairman, Chief Executive Officer & Founder, The GEO Group, Inc.

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

J. David Donahue
Senior Vice President & President-GEO Secure Services, The GEO Group, Inc.

Ann M. Schlarb
Senior Vice President & President-GEO Care, The GEO Group, Inc.

Management Discussion Section

Operator

Good morning, and welcome to The GEO Group Fourth Quarter 2019 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 fourth quarter and full-year 2019 earnings results. With us today are George Zoley, Chairman and Chief Executive Officer; Brian Evans, Chief Financial Officer; Ann Schlarb, President of GEO Care; and David Donahue, President of GEO Secure Services.

This morning, we will discuss our fourth quarter and full-year results and outlook for the upcoming year. 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 that 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 Chairman and CEO, George Zoley. George?

George C. Zoley
Chairman, Chief Executive Officer & Founder, The GEO Group, Inc.

Thank you, Pablo, and good morning to everyone. We are pleased with the quarterly operational and financial performance of our diversified business units. Now, I'd like to address a few of the highlights of the quarter.

We completed the ramp-up of our company-owned 1,800-bed North Lake, Michigan facility and the county-owned 1,800-bed Reeves County, Texas facility under new 10-year contracts with the Federal Bureau of Prisons.

During the quarter, we also entered into several important contracts at the federal level. First, on December 20, we signed two 15-year contracts with the U.S. Immigration and Customs Enforcement for five company-owned facilities in California totaling 4,490 beds.

These contracts provide for the continuation of our 1,940-bed Adelanto ICE Processing Center and the 400-bed Mesa Verde ICE Processing Center in California. But they also incorporate three other company-owned facilities: the 700-bed Central Valley facility, the 750-bed Desert View facility, and the 700-bed Golden State facility in California, as annexes to the two ICE processing centers.

Just the Adelanto and Mesa Verde facilities, without the annexes, are expected to generate over $100 million in annualized revenues and will support approximately 700 full-time jobs.

As has been widely reported, the State of California recently enacted a new state law, AB 32, aimed at phasing out and eliminating private sector contracts for state correctional facilities and federal facilities. The new law took effect on January 1, 2020, subsequent to the start date for our new 15-year contracts with ICE. GEO, as well as the U.S. Department of Justice have filed separate legal actions challenging the constitutionality of AB 32.

As we have previously disclosed, our contract for our Central Valley facility was discontinued by the State of California at the end of September last year. And now, we expect our two other California correctional contracts to expire on March 1 for the Desert View facility and May 1 for the Golden State facility.

Our present expectation is that the three ICE facility annexes at Central Valley, Desert View and Golden State, will transition under that new ICE contracts during the second half of 2020, and will generate approximately an additional $100 million in revenues on an annual basis.

However, our initial guidance for 2020 has not assumed any contribution from these facilities. We note that the President's proposed budget for Immigration and Customs Enforcement included a 23% increase in funding.

On December 23, we also signed a new managed-only contract with the U.S. Marshals Service for the government-owned 512-bed El Centro Detention Facility in California. We expect to begin detainee intake next month during March. This contract will have a term of approximately nine years and is expected to generate approximately $29 million in annualized revenues, creating more than 240 new full-time jobs.

In Colorado, we made the final lease payment on the 1,200-bed Hudson facility, which will eliminate approximately $10 million annually in lease costs for the idle facility. We're very pleased about that development.

In Australia, we are completing negotiations and construction, respectively, on two expansion projects which will add 800 combined beds at our Ravenhall and Junee Correctional Centres. Throughout 2019, we also continued our efforts to expand the GEO Continuum of Care or CoC program, which was first piloted – piloted in 2015. Our CoC program integrates offender rehabilitation including cognitive behavioral treatment with post-release support services to address basic community needs of released individuals.

In 2019, our CoC sites delivered approximately 6.8 million hours of programming and reached new highs by awarding approximately 2,900 high school equivalency degrees, more than 9,400 vocational training certifications, approximately 8,800 substance abuse treatment completions, and approximately 44,700 behavioral treatment completions.

The GEO Continuum of Care is our company's contribution to criminal justice reform by providing improved rehabilitation programs to some of the 2.2 million people still incarcerated. In 2020, we are increasing our company's annual funding commitment to the CoC program from $10 million to $14 million, which now represents approximately 9% of our annual net income. This increase in funding will allow us to expand the CoC program to all state correctional facilities managed by GEO.

By setting this example, we hope to expand our role as a vocal advocate for increasing funding for rehabilitation programs that help individuals re-enter society as productive citizens.

Now, I will ask Brian Evans to review our results, outlook and liquidity position. Brian?

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

Thank you, George. Good morning, everyone. Today, we reported fourth quarter revenues of approximately $622 million and net income attributable to GEO of $0.32 per diluted share. Our fourth quarter results reflect a $350,000 gain on the extinguishment of debt, $2.2 million in start-up expenses before tax, $2 million in legal-related expenses before tax, and $4.6 million in pre-tax closeout expenses.

Excluding these items, we reported fourth quarter adjusted net income of $0.38 per diluted share. We also reported fourth quarter 2019 AFFO of $0.66 per diluted share.

Compared to our third quarter 2019 results, our fourth quarter 2019 also reflects the following factors: the start-up activity for our company-owned North Lake, Michigan facility and the county-owned Reeves County, Texas facility; and the discontinuation of our company-owned Central Valley facility contract with the State of California at the end of September.

Turning to our outlook for 2020. We have issued our initial guidance for the full year and the first quarter. As George mentioned, our Central Valley, Desert View and Golden State facilities in California have either depopulated or are in the process of ramping down from use by the State of California.

The discontinuation of the California corrections contracts for these three company-owned facilities represents an annualized revenue decline of approximately $47 million. While we expect that these three facilities will transition as facility annexes under our new ICE contracts during the second half of 2020, we have not assumed any contribution from these facilities in our initial guidance.

Additionally, we are increasing our annual funding commitment for our Continuum of Care program from $10 million to approximately $14 million above contractual obligations in 2020. This $4 million increase will allow us to expand the Continuum of Care program to all state correctional facilities managed by GEO, and this added expense is reflected in our guidance with no offsetting revenues.

Based on these assumptions, we expect full year net income attributable to GEO to be in a range of $1.27 to $1.37 per diluted share. We expect full year adjusted net income to be in a range of $1.37 to $1.47 per diluted share on annual revenues of approximately $2.48 billion. We expect full year AFFO to be in a range of $2.57 to $2.67 per diluted share.

For the first quarter of 2020, we expect net income attributable to GEO to be in a range of $0.16 to $0.18 per diluted share, and adjusted net income to be in a range of $0.21 to $0.23 per diluted share on quarterly revenues of $610 million to $615 million. We expect first quarter 2020 AFFO to be between $0.52 and $0.54 per diluted share.

In addition to the reduced revenue and earnings from our California facilities and the added expense for our Continuum of Care program compared to fourth quarter 2019 results, our first quarter 2020 guidance reflects approximately $0.03 per diluted share in additional employment tax expenses, which are front-loaded in the first quarter of each year, as well as normal seasonal fluctuations in federal populations.

Moving to our capital structure. During the fourth quarter of 2019, we repurchased approximately $22 million of our senior notes due 2022, bringing the total repurchases in 2019 to approximately $56 million. We currently have approximately $340 million in available capacity under our revolving credit facility in addition to an accordion feature of $450 million under our credit facility. We have ample capacity under our revolver to take out the remaining amount outstanding of our 2022 senior notes, which is our debt obligations with the nearest maturity.

And we continue to enjoy access to capital with several dozens of lenders and financial institutions currently committed under our credit facility. With respect to uses of cash, we expect total CapEx in 2020 to be approximately $100 million, including $24 million for maintenance CapEx. We also made the final lease payment on a 1,200-bed Hudson facility, reducing our annual operating lease expense by approximately $10 million.

Finally, we believe our quarterly dividend payments continue to be supported by our cash flows and earnings and remain below our historical guided payout ratio of 75% of AFFO.

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

J. David Donahue
Senior Vice President & President-GEO Secure Services, The GEO Group, Inc.

Thanks, Brian, and good morning, everyone. I'd like to provide you with an update on our GEO Secure Services business unit. Starting with our federal segment, as has been noted today, we completed the ramp-up of two federal facilities during the fourth quarter of 2019. In Michigan, we completed the ramp-up of our company-owned 1,800-bed North Lake Correctional Facility under a 10-year contract with the Federal Bureau of Prisons. This 10-year contract is expected to generate approximately $37 million in annualized revenues.

And in Texas, also under a 10-year contract with the BOP, we work with Reeves County to complete the ramp-up of the county-owned 1,800-bed Reeves County Detention Center I & II. As a reminder, GEO provides management consulting and support services to Reeves County in relation to this facility, while the county holds the contract with the BOP for the operation of the facility.

Turning to recent contract awards. On December 20, we entered into two agreements with ICE involving five company-owned facilities in the state of California totaling 4,490 beds. The two new contracts will have a term of 15 years, inclusive of auction periods. The contracts cover our company-owned 1,940-bed Adelanto ICE Processing Center and the 400-bed Mesa Verde ICE Processing Center, which were previously under short-term contracts.

And the new contracts also incorporate three other company-owned facilities in California: the 700-bed Central Valley, the 750-bed Desert View, and the 700-bed Golden State facilities, which are incorporated as facility annexes under the new ICE contracts.

On a combined basis, these contracts are expected to generate over $200 million on annualized revenues, and will support more than 1,200 full-time jobs in the communities of Adelanto and McFarland in California.

As George noted earlier today, the State of California recently enacted a new law aimed at phasing out and eliminating private sector contracts for both state correctional facilities and federal facilities. This new law, known as AB 32, became effective on January 1, 2020, subsequent to the signing of our new contracts with ICE.

As we disclosed last quarter, our contract for the 700-bed Central Valley facility was discontinued by the California Department of Corrections and Rehabilitation at the end of September 2019. And as George mentioned earlier, the ramp-down of California populations at our Desert View and Golden State facilities is now expected to be completed by March 1 and May 1, respectively.

We expect all three ICE facility annexes at Central Valley, Desert View and Golden State, to transition onto the new ICE contracts during the second half of 2020. However, we've not assumed any contribution from these facilities in our 2020 guidance.

Also, during the fourth quarter of 2019, we signed a new managed-only contract with the United States Marshals Service for the operation of the 512-bed El Centro detention facility in California, which is owned by the federal government. We expect to begin detainee intake next month in March. This new contract will have a term of approximately nine years and is expected to generate approximately $29 million in annualized revenues whilst creating more than 240 new full-time jobs.

Moving to our state segment. We believe our remaining state correctional customers have stable budgets, and we've been able to continue to provide high-quality services in those states. Several states continue to face capacity constraints, and many of our customers are facing challenges related to older prisons. In the states where we operate, the average age of state prisons range from approximately 30 to 60 years.

Now, moving to our international markets. We are currently undertaking a number of expansions in Australia. In the State of Victoria, we are continuing negotiations for a 300-bed expansion at our 1,300-bed Ravenhall Correctional Centre, which is expected to add $19 million in annualized revenues. Also in Victoria, we are developing a 137-bed expansion to the Fulham Correctional Centre, which will bring the total capacity of that center to 955 beds during 2020.

Finally, in New South Wales, we have substantially completed a 489-bed expansion at the Junee Correctional Centre, bringing that center's total capacity to 1,279 beds. This expansion is expected to generate annual revenues of approximately $12 million.

At this time, I'll turn the call over to Ann for the review of our GEO Care segment. Ann?

Ann M. Schlarb
Senior Vice President & President-GEO Care, The GEO Group, Inc.

Thank you, Dave, and good morning, everyone. I'd like to provide you an update on our GEO Care business unit, starting with our GEO Reentry Services division. During the fourth quarter, we began operating a new 60-bed contract expansion at our Alabama Therapeutic Education Facility. Additionally, during the quarter, we opened a new non-residential day reporting center in the State of Louisiana, bringing our total day reporting center count to six in Louisiana and 67 nationwide.

We continue to pursue opportunities to expand our existing partnerships and partner with new government agencies to assist individuals with successfully re-entering the community through residential, non-residential and in-custody treatment programs.

Moving to our Youth Services division. Our programs continue to provide important rehabilitation and treatment alternatives for youth across several state and local jurisdictions. Our Youth Services division maintained stable utilization rates across our residential facilities throughout 2019.

Turning to our BI Electronic Monitoring division. We are awaiting a contract award decision by the end of this month for the rebid of the Alternatives to Detention contract with ICE, which BI has held since it was first piloted in 2004. This program has allowed the federal government to effectively use community alternatives for several tens of thousands of individuals going through the immigration review process.

Finally, we remain excited about the successful growth of our GEO Continuum of Care program which we are expanding to all state correctional facilities managed by GEO. Our Continuum of Care program integrates enhanced in-custody rehabilitation program, including cognitive behavioral treatment with post-release support services such as transitional housing, transportation, clothing, food and job placement assistance.

The Continuum of Care program is overseen and assisted by a corporate division with over 50 staff with subject matter experts in education, cognitive behavioral and substance abuse treatment, post-release services, Continuum of Care training and quality assurance. During 2019, our Continuum of Care sites completed over 6.8 million hours of rehabilitation programming, our academic programs averaged over 13,000 daily participants and awarded close to 2,900 high school equivalency degrees.

The average daily attendance for our vocational courses totaled more than 33,000 participants leading to more than 9,400 vocational training certifications, and more than 18,000 individuals attended substance abuse treatment on a daily basis with approximately 8,800 participants completing their substance abuse treatment programs. We also provided post-release support services to more than 3,800 individuals returning to their community. We believe that the scope of our Continuum of Care program is unparalleled and represents a significant contribution to criminal justice reform.

At this time, I'll turn the call back to George for his closing remarks.

George C. Zoley
Chairman, Chief Executive Officer & Founder, The GEO Group, Inc.

Thank you, Ann. We continue to be pleased with our operational and financial performance while our initial guidance for 2020 is impacted by the transition of our three California facilities and our additional $4 million investment in the GEO Continuum of Care. Our cash flows continue to be stable with substantial upside potential. We are particularly proud of our – the expansion of our Continuum of Care program. Our increased annual funding commitment of $14 million for the CoC program represents approximately 9% of our company's net income. To our knowledge, this is the most significant monetary commitment to offender rehabilitation in – in criminal justice reform of any company in the United States.

We've always been committed to treating everyone in our care with respect and dignity. And we are hopeful that others will join us in advocating for more funding and enhanced rehabilitation for the men and women in our nation's correctional systems. We are proud of the dedication and professionalism of our diverse workforce who have established GEO as a leading professional service provider to government agencies. We remain focused on the effective allocation of capital and creating long-term value for our shareholders.

That completes our presentation, we would be glad to address any questions.

Question And Answer Section

Operator

We will now begin the question-and-answer session. [Operator Instructions] I'm seeing no questions at this time. I'll turn it back to George Zoley for any closing remarks.

George C. Zoley
Chairman, Chief Executive Officer & Founder, The GEO Group, Inc.

Okay. Well, thank you all for participating in today's call. We look forward to you joining us at the next call. Thank you.

Operator

Conference is now concluded. Thank you all for attending today's presentation. You may now disconnect your lines. Have a great day.