
Section 1: 11-K (FORM 11-K)

[Table of Contents](#)

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

FORM 11-K

(Mark One):

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

For the fiscal year ended December 31, 2019

OR

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

For the transition period from _____ to _____

Commission file number: 001-14260

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

The GEO SAVE 401(K) PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**The GEO Group, Inc.
4955 Technology Way
Boca Raton, Florida 33431**

Table of Contents

THE GEO SAVE 401(K) PLAN
TABLE OF CONTENTS
December 31, 2019

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	3
Financial statements:	
<u>Statements of Net Assets Available for Benefits</u>	4
<u>Statement of Changes in Net Assets Available for Benefits</u>	5
<u>Notes to Financial Statements</u>	6
Supplemental Schedule:	
<u>Schedule H, Line 4i- Schedule of Assets (Held at End of Year)</u>	11
<u>Signatures</u>	12
<u>Exhibit Index</u>	13
<u>Ex-23.1 Consent of Grant Thornton LLP</u>	

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Plan Administrator and Plan Participants
The Geo Save 401(k) Plan

Opinion on the financial statements

We have audited the accompanying statements of net assets available for benefits of The Geo Save 401(k) Plan (the “Plan”) as of December 31, 2019 and 2018, the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2019 and 2018, and the changes in net assets available for benefits for the year ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on the Plan’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental information

The schedule of assets (held at end of year) as of December 31, 2019 (“supplemental information”) has been subjected to audit procedures performed in conjunction with the audit of the Plan’s financial statements. The supplemental information is the responsibility of the Plan’s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ GRANT THORNTON LLP

We have served as the Plan’s auditor since 2011.

Miami, Florida
June 29, 2020

[Table of Contents](#)

THE GEO SAVE 401(K) PLAN

Statements Net Assets Available for Benefits

	December 31,	
	2019	2018
Assets		
Investments at fair value	\$ 163,838,802	\$ 129,645,383
Investments at contract value	<u>27,746,737</u>	<u>25,822,932</u>
	191,585,539	155,468,315
Receivables:		
Notes receivable from participants	<u>8,891,024</u>	<u>7,993,473</u>
Net assets available for benefits	<u>\$ 200,476,563</u>	<u>\$ 163,461,788</u>

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

[Table of Contents](#)

THE GEO SAVE 401(K) PLAN

Statement of Changes in Net Assets Available for Benefits

	For the Year Ended December 31, 2019
Additions to net assets attributed to:	
Investment income:	
Appreciation in fair value of investments, net	\$ 19,904,098
Interest and dividends	9,855,265
Net investment income	<u>29,759,363</u>
Interest on notes receivable from participants	496,301
Contributions:	
Participant	18,014,145
Company	5,832,336
Rollover	1,824,141
Total contributions	<u>25,670,622</u>
Total additions	55,926,286
Deductions from net assets attributed to:	
Benefits paid to participants	18,518,637
Administrative expenses	392,874
Total deductions	<u>18,911,511</u>
Net increase in net assets available for benefits	37,014,775
Net assets available for benefits, beginning of year	163,461,788
Net assets available for benefits, end of year	<u>\$ 200,476,563</u>

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

THE GEO SAVE 401(K) PLAN
Notes to Financial Statements
December 31, 2019 and 2018

Note 1 - Plan Description

Plan Description

The GEO Save 401(k) Plan (the “Plan”) is a defined contribution plan, sponsored by GEO Group, Inc. (the “Company”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

The following is a summary of major plan provisions. Participants should refer to the Plan document for more complete information.

Participation

An employee age 18 or older is eligible to participate in the Plan on the first day of the payroll period following the date of employment.

Contributions and Allocations

The Plan permits tax-deferred contributions from 1% to 75% of a participant’s annual compensation, subject to certain Internal Revenue Code (“IRC”) limitations. Amounts contributed by participants are fully vested when made. The Plan allows for rollovers of vested balances from previous employers’ qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

The Company may contribute to the Plan either annual or bi-weekly matching contributions on behalf of participants who made elective deferrals during such period in an amount determined annually by the Company’s management. The Company may, at its discretion, designate a different matching contribution formula for participants at each separate work site, and/or participants with different job classifications. In order to be entitled to an allocation of the Company’s annual matching contribution, participants, as defined under the Plan, must be employed on the last day of the Plan year. Also, the Company, at its discretion, may make a basic voluntary contribution to the Plan each year. There were no such voluntary contributions made during the year ended December 31, 2019.

Participant Accounts

Each participant’s account is adjusted with the participant’s contributions and the participant’s withdrawals, and allocations of the Company’s contributions, Plan earnings and expenses. Allocations are based on participant earnings or account balances as of the date of the allocation.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$1,000 and a maximum not to exceed the lesser of \$50,000, or 50% of their vested account balance. Loans are repayable through payroll deductions over a period not to exceed five years, unless used to acquire a principal residence, in which case the repayment period may not exceed ten years. Loans are secured by balances in participants’ vested accounts, and a participant may only have one outstanding loan at a time. The interest rates on loans outstanding are based on the prime rate plus 1% and as of December 31, 2019 and 2018 ranged from 4.25% to 7.25%.

Forfeited Accounts

At December 31, 2019 and 2018, forfeited non-vested amounts totaled approximately \$314,000 and \$283,000, respectively. Any non-vested portion of matching contributions credited to the accounts of participants who withdraw prior to becoming fully vested is forfeited and used by the Company to reduce future matching contributions and/or payment of eligible administrative expenses. The Company utilized approximately \$238,000 of forfeitures for the payment of employer matching contributions and administrative expenses during the year ended December 31, 2019.

[Table of Contents](#)

Vesting

Participants fully vest in the Company's contributions upon completion of three years of vesting service, as defined in the Plan. Additionally, Company contributions become fully vested upon normal retirement age, as defined by the Plan, death, or termination of employment as a result of a total or permanent disability. See vesting schedule below:

Years of Vesting Service	Vested Interest
Less than 2	0%
2, but less than 3	20%
3 or more	100%

Payment of Benefits

Eligible participants may elect to receive benefits in a lump-sum payment, a series of payments within one calendar year, a series of annual installments of approximately equal amounts to be paid over a period of five to ten years, or the employee's vested benefit may be used to purchase an immediate or deferred annuity. The amount of benefits paid will be determined by the balance in the participant's Plan account at the date of retirement, termination, death or disability.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles (GAAP). Benefits are recorded as reductions to net assets when paid.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value with the exception of fully benefit-responsive investment contracts. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See below for discussion of *Fair Value Measurements*.

Contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts. The contract value is the relevant measurement since it represents the amount that the participant would receive if they were to initiate permitted withdrawal transactions under the terms of the Plan.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold, as well as held, during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document. There were no credit loss reserves as of December 31, 2019 and 2018.

Fair Value Measurements

Accounting standards provide a framework for measuring investments at fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Table of Contents

Three levels of inputs may be used to measure fair value:

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds - These investments are public investment vehicles valued using the Net Asset Value ("NAV") provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

The GEO Group, Inc. Common Stock - The GEO Group, Inc. common stock account is based on cash held in the account plus the ending quoted closing price of the common stock of the Company that is held by the account on the last day of the Plan year, including stock dividends received from the Company, and is classified within level 1 of the valuation hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net assets during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The COVID-19 pandemic has also led to extreme volatility in financial markets and has affected, and may continue to affect, the market price of GEO's common stock and other Plan assets. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, the widespread pandemic could result in significant disruption of global financial markets. The extent to which COVID-19 impacts the financial markets will depend on future developments that are highly uncertain and cannot be predicted.

The Coronavirus Aid Relief, and Economic Security Act (CARES Act) was passed by the U.S. Senate on March 26, 2020. Section 2202 of the CARES Act permits eligible Plan participants to request penalty-free distributions of up to \$100,000 for qualifying coronavirus-related reasons. These reasons include adverse financial consequences due to being quarantined, furloughed, laid off, having work hours reduced or being unable to work due to a lack of childcare due to COVID-19. Plan Management is in the process of reviewing the CARES Act and any resulting changes to the Plan.

The Plan has evaluated subsequent events through June 29, 2020, the date the financial statements were issued.

[Table of Contents](#)

Note 3 - Fair Value of Investments

Below are the Plan's investments carried at fair value on a recurring basis at December 31, 2019 and 2018 by the fair value hierarchy levels described in Note 2:

	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2019				
Investments at fair value:				
The GEO Group, Inc. common stock	\$ 6,158,727	\$ 6,158,727	\$ —	\$ —
Mutual funds	157,680,075	157,680,075	—	—
Total investments, at fair value	<u>\$ 163,838,802</u>	<u>\$ 163,838,802</u>	<u>\$ —</u>	<u>\$ —</u>

	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2018				
Investments at fair value:				
The GEO Group, Inc. common stock	\$ 7,176,770	\$ 7,176,770	\$ —	\$ —
Mutual funds	122,468,613	122,468,613	—	—
Total investments, at fair value	<u>\$ 129,645,383</u>	<u>\$ 129,645,383</u>	<u>\$ —</u>	<u>\$ —</u>

Note 4 - Separate Account Guaranteed Interest Contract

The Plan has entered into a traditional fully benefit-responsive investment contract with Mass Mutual Retirement Services. The SAGIC maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the Plan by the SAGIC. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 2, because the separate account guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is reviewed on a quarterly basis for resetting. The separate account guaranteed interest contract does not allow the crediting interest rate below zero percent.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator does not believe that any events which would limit the Plan's ability to transact at contract value with participants are probable of occurring.

The separate account guaranteed investment contract does not permit the insurance company to terminate the agreement unless the Plan is not in compliance with the investment agreement.

Note 5 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts.

Table of Contents

Note 6 - Income Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated March 31, 2014, that the Plan is designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements. The Plans' policy is to recognize interest and penalties as a component of administrative expenses and there were no interest and penalties recognized during the year ended December 31, 2019. The Plan is subject to routine audits by tax jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 7 - Administrative Expenses

The Plan pays for all costs of Plan administration, which includes third-party administrator fees. The costs of administration are passed on to the participants ratably based on participant balances.

Note 8 - Party-In-Interest Transactions

Certain Plan investments held during 2019 and 2018 are issued by MML Investors Services Inc., a subsidiary of Mass Mutual Life Insurance Company ("Mass Mutual"), the Plan's third-party administrator. As such, these transactions qualify as party-in-interest transactions. The Plan also invests in The GEO Group, Inc. common stock and receives dividends and therefore, these transactions qualify as related party and party-in-interest transactions.

Note 9 - Risks and Uncertainties

The Plan provides for various investment options in investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term which could materially affect the amounts reported in the statement of net assets available for benefits.

Table of Contents

THE GEO SAVE 401(K) PLAN
(Plan Number 001, Employer Identification Number 65-0043078)
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
December 31, 2019

(a)	(b) Identity of issue borrower, lessor or similar party	(c) Description of investment	(d) Current value
Separate account guaranteed interest contract:			
*	MassMutual Retirement Services	Diversified Bond (at contract value)	\$ 27,746,737
Mutual funds:			
*	MassMutual Select	Retire SMART, Income Fund	3,000,707
*	MassMutual Select	Retire SMART 2020 Fund	17,213,395
*	MassMutual Select	Retire SMART 2030 Fund	24,643,721
*	MassMutual Select	Retire SMART 2040 Fund	20,284,974
*	MassMutual Select	Retire SMART 2050 Fund	18,554,172
*	MassMutual Select	Select Indexed Equity Fund	14,273,197
	MFS Investment Management	MFS International Value Fund	4,411,496
	MFS	Value Fund	5,424,950
	Oppenheimer	Developing Markets Fund	1,654,271
	Harbor	Mid Cap Value Fund	3,392,871
	Victory Integrity	Select Small Company Value Fund	4,853,275
*	MassMutual Select	Select Small-Cap Growth Equity Fund	2,091,037
*	MassMutual Premier	Premier Global Fund	2,797,980
	Northern Funds	International Equity Index Fund	2,015,467
	Northern Funds	Bond Index Fund	2,954,783
	Metropolitan	Total Return Bond Fund	4,608,128
	Northern Funds	Small Cap Index Fund	1,846,273
*	MassMutual Select	Select Mid-Cap Growth II Fund	3,285,885
	John Hancock	Strategic Income Fund	2,029,872
	T Rowe Price	Blue Chip Growth Fund	16,204,349
	Northern Funds	Mid Cap Index Fund	2,139,272
			<u>157,680,075</u>
*	The GEO Group, Inc.	Common Stock	<u>6,158,727</u>
Notes receivable from participants, (interest rates from 4.25% to 7.25%, maturing no later than 2028)			<u>8,891,024</u>
Total			<u><u>\$ 200,476,563</u></u>

* Party-In-Interest as defined by ERISA

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

The GEO Group, Inc.

Date:
June 29, 2020

/s/ Brian R. Evans

BRIAN R. EVANS

Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
23.1	Consent of Independent Registered Public Accounting Firm - Grant Thornton LLP

13

[\(Back To Top\)](#)

Section 2: EX-23.1 (EX-23.1)

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We have issued our report dated June 29, 2020, with respect to the financial statements and supplemental information included in the Annual Report of The GEO Save 401(k) Plan on Form 11-K for the year ended December 31, 2019. We consent to the incorporation by reference of said report in the Registration Statement of The GEO Group, Inc. on Form S-8 (File No. 333-17265).

/s/ GRANT THORNTON LLP

Miami, Florida
June 29, 2020

[\(Back To Top\)](#)