



## Compliance Report

# GEMCOR, Inc. Woodridge, Illinois

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### Compliance Attestation Examination of the Title IV Programs

**For the Fiscal Year Ended December 31, 2025**

TIN Number: 43-102016

at 1005 Internationale Parkway, Suite 204  
Woodridge, Illinois 60517

Federal Supplemental Educational Opportunity  
Grant Program (84.007)  
Federal Work Study Program (84.033)  
Federal Pell Grant Program (84.063)  
Federal Direct Loan Program (84.268)

**GEMCOR, INC.**  
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**Servicer Information Sheet**

Fiscal Period Start Date: January 1, 2025  
 Fiscal Period End Date: December 31, 2025

**Part I: Servicer Information**

Servicer Name (including aka or dba name):	GEMCOR, Inc.
Servicer Address:	1005 Internationale Parkway, Suite 204, Woodridge, Illinois 60517
Servicer President:	Donald R. Grybas
Contact Person Name and Title:	Donald R. Grybas, President
Contact Telephone:	888-436-2678
Contact Email:	don@gemcorinc.com

**Part II: Accountant Information**

Accounting Firm Name:	Sikich CPA LLC
Address:	1415 West Diehl Road, Suite 400, Naperville, Illinois 60563
Firm License Number (Home State):	066-005528
Firm License Number (Out of State):	N/A
Contact Person Name and Title:	Ryan McDonald, Senior Compliance Manager
Contact Telephone:	630-566-8450
Contact Email:	ryan.mcdonald@sikich.com

**Part III: Subcontractor(s) Used**

Name of Subcontractor	Contract Start Date	Contract End Date
N/A - does not apply		

**Part IV: Division of Services Provided**

Service Provided	GEMCOR, Inc.
Submitting or updating an Institution's E-App	X
Assist students with completion of FAFSA or Pre-FAFSA applications	
Provide financial aid counseling	
Process student financial aid applications, including FAFSA or Pre-FAFSA completion	
Collect, review, and/or maintain supporting documentation required to process Title IV	X
Submit updates/corrections of student or parental information reported on a student's	X
Determine student eligibility and related activities	X
Generate Student Award Letters	X
Certify student eligibility manually or electronically	
Originate Title IV Awards manually or electronically	X
Performing or reviewing R2T4 calculations	X
Report Origination and/or Disbursement records to COD	X
Disburse Title IV funds to students (includes preparation of disbursement journals/rosters)	
Reconcile or otherwise account for Title IV funds that are originated, requested, or	X
Request funds from ED	X
Prepare, review, or certify HCM2 submissions	X
Deliver Title IV credit balance refunds to students or parents	
Additional credit balance disbursement services	
Provide Entrance and/or Exit Loan Counseling	
Federal Perkins Loan Servicing, Collections, or Reporting	
Perform Default Management functions	
Preparation/dissemination of required consumer information disclosures	
Preparation and or submission of required reports	X
Provide temporary or permanent financial aid staffing and/or Title IV processing support	
Provide interim or long-term financial aid management support	X
Student recruiting and retention	
Provision of software products and services involving Title IV administration activities	X
Provision of educational content and instruction	
Other: Receive ISIRs from the CPS/FPS	X
Other: Perform verification and C code review services	X
Other: Provide training and FSA compliance consulting services	X

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**INDEPENDENT ACCOUNTANT’S REPORT ON MANAGEMENT’S  
ASSERTIONS ON COMPLIANCE FOR STUDENT FINANCIAL ASSISTANCE  
PROGRAMS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE *GUIDE FOR FINANCIAL STATEMENT AUDITS  
OF PROPRIETARY SCHOOLS AND FOR COMPLIANCE ATTESTATION  
EXAMINATION ENGAGEMENTS OF PROPRIETARY SCHOOLS AND  
THIRD-PARTY SERVICERS ADMINISTERING TITLE IV PROGRAMS***

To the Stockholders  
GEMCOR, Inc.

We have examined management of GEMCOR, Inc.’s assertions that GEMCOR, Inc. complied with the compliance requirements regarding:

- Institutional Eligibility and Participation
- Reporting
- Student Eligibility
- Disbursements
- Return of Title IV Funds
- Cash Management
- Administrative Requirements
- Zone Alternative
- Close Out
- Servicer Eligibility and Contracts

described in Chapter 3 of the 2023 edition of the U.S. Department of Education’s *Guide For Financial Statement Audits of Proprietary Schools and For Compliance Attestation Examination Engagements of Proprietary Schools and Third-Party Servicers Administering Title IV Programs* (Guide) relative to GEMCOR, Inc.’s participation in the Title IV programs, for the year ended December 31, 2025. GEMCOR, Inc.’s management is responsible for its assertions. Our responsibility is to express an opinion on management’s assertions about GEMCOR, Inc.’s compliance with the compliance requirements referred to above, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the examination to obtain reasonable assurance about whether management’s assertions about compliance with the compliance requirements referred to above are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management’s assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management’s assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on GEMCOR, Inc.'s compliance with the specified requirements.

In our opinion, management's assertions that GEMCOR, Inc. complied with the compliance requirements referred to above for the year ended December 31, 2025, are fairly stated, in all material respects.

In accordance with *Government Auditing Standards* and this Guide, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control over compliance and noncompliance with provisions of laws, regulations, contracts or grant agreements and instances of fraud that are material to management's assertions about GEMCOR, Inc.'s compliance with the compliance requirements referred to above. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether management's assertions about compliance with the compliance requirements referred to above are fairly stated, in all material respects, and not for the purpose of expressing an opinion on the internal control over compliance or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and this Guide, and those findings, along with the views of responsible officials, are described in the attached Schedule of Findings and Questioned Costs.

The purpose of this report is to examine management's assertions about compliance with the compliance requirements referred to above relative to GEMCOR, Inc.'s participation in the Title IV programs, for the year ended December 31, 2025. The report is not suitable for any other purpose.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement applicable to SFA programs on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement applicable to SFA programs will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of applicable SFA programs that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our examination we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal controls over compliance may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

*Sikich CPA LLC*

Naperville, Illinois

June 12, 2026

**GEMCOR, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2025

**Part B - Examination Findings**

**Finding 2025-001- Early Pell Grant Disbursement**

*Criteria:* An institution may not make second and subsequent disbursements of Pell grants until the student completes the prior payment period (34 CFR 668.164). Further, the Secretary considers that the Institution may make a disbursement on the 10th day before the first day of classes of a payment period.

*Condition:* We tested sixty files and one student received a Pell Grant disbursement greater than ten days prior to the first date of the subsequent payment period within the academic year.

*Cause:* The condition was caused by disbursing the Pell disbursement twelve days prior to the term start date.

*Effect or Potential Effect:* The result is a student received a Pell Grant disbursement before becoming eligible. The student did go on to earn the disbursement.

*Questioned Costs:* \$0

	<b>Students</b>	<b>Pell</b>	<b>Direct Loan</b>	<b>FSEOG</b>	<b>Total</b>
Sample	60	\$ 269,157	\$ 362,937	\$ 3,527	\$ 635,621
Finding	1	2,465	-	-	2,465

The IPA's definition of material noncompliance is as follows for each attribute:

* Student Eligibility / Disbursements -	Findings in the sample resulting in a dollar value in excess of 10% of the total awards for the sample would be considered material instances of noncompliance.
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*Recommendation:* As the Serivcer confirmed with Genesis Career College - Cookville the student went on to earn the disbursement, no corrective action is required. We recommend that the Institution increase controls over disbursement of grants.

*Views of Responsible Officials:* Management agrees with the finding.

Part C has not been submitted for this finding as it does not apply.

**GEMCOR, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2025

**Part B - Examination Findings (Continued)**

**Finding 2025-002 - Incorrect Refund Calculation**

*Criteria:* An institution must use the Return to Title IV refund calculation (34 CFR 668.22).

*Condition:* We tested sixty drop students and found one incorrect refund calculation.

*Cause:* The condition was caused by an error in listed midpoint which led to excluding an eligible 2024-2025 eligible Pell disbursement listed in the could have been disbursed column in Step 1 of the R2T4 calculation.

*Effect or Potential Effect:* The result is the Institution returned funds to the Department of Education that should have been retained by the Institution.

*Questioned Costs:* \$0

	<b>Students</b>	<b>Pell</b>	<b>Direct Loan</b>	<b>FSEOG</b>	<b>Total</b>
Drop Sample Dollars Refunded	60	\$ 31,595	\$ 89,995	\$ -	\$ 121,590
Drop Sample Dollars Received	60	121,892	126,774	562	249,228
Finding	1	-	(1,758)	-	(1,758)

The IPA's definition of material noncompliance is as follows for each attribute:

* <b>Return of Title IV Funds -</b>	Findings in the drop sample resulting in a dollar value in excess of 10% of the total awards for the drop sample would be considered material instances of noncompliance.
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*Recommendation:* We recommend the Servicer work with the First Institute to correct the R2T4 calculation and increase controls over the Return to Title IV calculations. There is no liability associated with this finding, as this was due to over-refunding loans.

*Views of Responsible Officials:* Management agrees with the finding.

**GEMCOR, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2025

**Part B - Examination Findings (Continued)**

**Finding 2025-003 - Reporting Requirements**

*Criteria:* The institution must establish and maintain the financial records that reflect each Title IV program transaction on a current basis (34 CFR 668.24).

*Condition:* We tested thirty-five schools and noted the Servicer reported an incorrect total of Federal Pell Grant expenditures for the 2024-2025 award year in Part II, Section E of the Fiscal Operations Report and Application to Participate (FISAP) for one school.

*Cause:* The condition was caused by the Institution not verifying the accuracy of its Part II data prior to submitting its application of campus based funds for the 2024-2025 award year.

*Effect or Potential Effect:* The result is the Secretary may be unable to properly determine the Institution's allocation and reallocation of funds for the subsequent award year.

*Questioned Costs:* \$0

	<u>Per FISAP</u>	<u>Per COD</u>	<u>Per G5</u>
Pell Universe	\$ 825,933	\$ 1,244,587	\$ 1,244,587

The IPA's definition of material noncompliance is as follows for each attribute:

* Reporting -	Findings in the sample resulting in greater than 10% error rate and greater than one would be considered material noncompliance.
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*Recommendation:* We recommend the Servicer work with the National Career Institute to correct and resubmit its FISAP for the 2024-2025 award year with the correct total of Federal Pell Grant expenditures.

*Views of Responsible Officials:* Management agrees with the finding.

Part C has not been submitted for this finding as it does not apply.

GEMCOR, INC.

PART C

For the Period January 1, 2025 through December 31, 2025

**Part C - Returns of Title IV Funds Finding Student Detail**

	A	B	C	D	E	F	G	H	I
	Unique Student Number	If Known, Last Day of Attendance	Date the School Determined the Student Withdrew or Never Attended	School Return Amount	Accountant Return Amount	Return Amount Due (D-C)	Return Due Date (B+45 Days or B+30 Days if Student Never Began Attendance)	As Applicable	
Date Return Deposited or Transferred to School Federal Funds Account or EFT Initiated								Date of Payee's First Endorsement on Canceled Check	
B1	5/7/25	5/21/25	1,948	190	(1,758)	7/5/25	6/19/25	N/A	0
Total			1,948	190	(1,758)				0



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#### **Summary Schedule of Prior Findings**

There were no findings in the prior examination period. The Institution was notified via EZ-Audit that no action was required.



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#### Corrective Action Plan

**Finding 2025-001: Early Pell Grant Disbursement**

Sikich tested sixty files and one student received a Pell Grant disbursement greater than ten days prior to the first date of the subsequent payment period within the academic year. As the Servicer confirmed with Genesis Career College - Cookville the student went on to earn the disbursement, no corrective action is required. It is recommended that the Institution increase controls over disbursement of grants.

**Comments on Finding and Recommendation:** The organization agrees with the examiner's determination. The July 4<sup>th</sup> holiday spanned the 10-day early disbursement limitation, and the disbursement was erroneously made prior to the holiday rather than after it.

**Actions Taken or Planned:** Policies and procedures are in place to ensure compliance. Additional training will be provided to relevant staff.

**Finding 2025-002: Incorrect Refund Calculation**

Sikich tested sixty drop students and found one incorrect refund calculation. It is recommended that the Servicer work with the First Institute to correct the R2T4 calculation and increase controls over the Return to Title IV calculations. There is no liability associated with this finding, as this was due to over-refunding loans.

**Comments on Finding and Recommendation:** The organization agrees with the auditor's determination. Eligible aid that could have been disbursed was inadvertently omitted from the R2T4 calculation resulting in an excessive refund.

**Actions Taken or Planned:** Additional training will be provided to the client and to relevant staff involved with this area of program administration.

**Finding 2025-003: Reporting Requirements** - Sikich tested thirty-five schools and noted the Servicer reported an incorrect total of Federal Pell Grant expenditures for the 2024-2025 award year in Part II, Section E of the Fiscal Operations Report and Application to Participate (FISAP) for one school. It is recommended that the Servicer work with the National Career Institute to correct and resubmit its FISAP for the 2024-2025 award year with the correct total of Federal Pell Grant expenditures.

**Comments on Finding and Recommendation:** We concur that the Pell amount was inadvertently reported incorrectly on the FISAP report.

**Actions Taken or Planned:** The FISAP will be corrected as soon as possible.



June 8, 2026

Donald Grybas  
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