



COMPLIANCE REPORT

GEMCOR, INC.
WOODRIDGE, ILLINOIS

TIN NUMBER: [REDACTED]

COMPLIANCE ATTESTATION EXAMINATION
OF THE TITLE IV PROGRAMS

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)

For the Fiscal Year Ended December 31, 2023

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GEMCOR, INC,
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Servicer Information Sheet

Fiscal Period Start Date: January 1, 2023
 Fiscal Period End Date: December 31, 2023

Part I: School Information

School Name (including aka or dba name):	GEMCOR, Inc.
School Address:	1005 Internationale Parkway, Suite 204, Woodridge, Illinois 60517
Location of accounting and administrative records for Title IV programs administered:	1005 Internationale Parkway, Suite 204, Woodridge, Illinois 60517
Contact Person Name and Title:	Donald R. Grybas
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:	066-005528
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	N/A	N/A

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 services	
Collect, review, and/or maintain supporting documentation required to process Title IV funds	X
Submit updates/corrections of student or parental information reported on a student's FAFSA	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 disbursed, in data submissions to ED	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 4 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 administration in the Title IV programs, for the year ended December 31, 2023. 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, 2023, 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 administration in the Title IV programs, for the year ended December 31, 2023. 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 20, 2024

GEMCOR, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2023

Part B - Examination Findings

Finding 2023-001 - 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, from a sample of five institutions, and found one incorrect refund calculation. This is a repeat finding of prior year Finding 2022-001.

Cause: The condition was caused by using an incorrect of amount of could have been disbursed funds in Step 1 of the Return to Title IV refund calculation.

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

Questioned Costs: \$783

	Students	Pell	Direct Loan	FSEOG	Total
Drop Sample Dollars Received	60	\$ 160,606	\$ 196,099	\$ -	\$ 356,705
Finding	1	783	-	-	783

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

• Return of Title IV Funds -	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: As the Servicer worked with [the institution] to return the ineligible \$783 to the Department of Education, we recommend the Servicer tighten controls over refund calculations. Per discussion with the Servicer, the refund file was recalculated and the \$783 was refunded by the Institution.

Views of Responsible Officials: Management agrees with the finding.

GEMCOR, INC.**PART C**

For the Period January 1, 2023 through December 31, 2023

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	Number of Days Late (G-F) or (H-(B+60) or H-(B+45) if the Student Never Began Attendance)
								Date Return Deposited or Transferred to School Federal Funds Account or EFT Initiated	
B1	11/7/23	11/17/23	1,481	2,264	783	1/1/24	12/29/23	N/A	0
Total			1,481	2,264	783				0



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Summary Schedule of Prior Findings

The Servicer has yet to receive final audit determination for the December 31, 2022 compliance examination. Action taken on prior findings in report are:

Finding 2022-001: Incorrect Refund Calculation

Include a summary of the finding and recommendation: The auditor tested ten drop students and found one incorrect refund calculation. It was recommended the Servicer notify [the institution] and have them refund \$1,666 to the Department of Education and to tighten controls over refund calculations.

Status: Completed, February 2023. Refunds were returned via G5, and the student record was updated in COD to reflect the disbursement adjustments.



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Corrective Action Plan

Finding 2023-001: Incorrect Refund Calculation

Comments on Finding and Recommendation(s): We agree with the accountant's determination that one R2T4 calculation was inaccurate. The occurrence was due to an unknown loan cancellation by the student prior to the funds being considered as "eligible aid that could have been disbursed". The student elected to cancel the loan origination during the 30-day delayed disbursement window. Accordingly, when the student withdrew, those funds could NOT have been disbursed.

Actions Taken or Planned: The file was recalculated, and the additional refund was paid by the institution on 6/6/2024. The funds were returned through G5 on 6/7/2024. The issue has been fully resolved and is closed.

Donald R Grybas
President, GEMCOR INC
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June 14, 2024