HIL CONSULTANTS Hurd Isenhour Lopes LLC

Gaston County Schools
Executive Summary
April 28, 2026

HIL Consultants met with finance staff on April 28 to continue to reconcile the 2025-2026 Budget. Furthermore, a virtual meeting was held with Cherry Road and finance staff to discuss payroll summary reporting and related matters. The following are observations based on our work through April 28, 2026.

- The monthly reports developed by CherryRoad/Oracle continue to be a challenge to analyze. We suggest looking into other available EPR software platforms as we have an ongoing concern with the existing software. Staff must contact CherryRoad weekly for corrections. In addition, staff indicated each time Oracle performs a software update new errors occur which require CherryRoad to correct. The district incurs charges for the corrections necessitated by Oracle updates, which also results in additional work for staff members.

- Since our last onsite visit earlier in April, HIL Consultants have continued to review financial reports to project more accurately the GCS cash balance as of June 30, 2026. During the analysis of the reports, we determined the employer matching insurance premiums were missing a payment. By the end of March there should have been 10 payments from State, Federal, Child Nutrition and Local funds for the employer matching portion. HIL found in reviewing the Oracle reports only 9 payments had been made.

- The State requires school districts to make two payments in July each year because prepayments are not allowed in June by the State. As a result, school districts must pay the June premium during the first week of July for July coverage and then make a second payment at the end of July for August coverage.
  In our analysis of the employer premium payments, we found no evidence in Oracle that two payments were made in July.

- The health insurance provider Aetna automatically withdrawals the monthly premiums from the GCS local checking account each month and district personnel should be reconciling the monthly statements. Reconciliation of the health insurance billings usually occurs a month behind. Because only one payment was made in July, the local checking account is due payments from the other funds.

- During our onsite visit this week, we advised the finance team to initiate the collection of more than $1 million from the State fund in order to reimburse the local checking account. HIL Consultants will continue to review prior years' reports to determine how Oracle is reporting the employer and employee health insurance payments.

- In order to meet year-end deadlines, we strongly recommend that GCS reschedule the June pay date to June 23, or at the latest, June 24. This will allow time for corrections to be made by staff.

- The finance department's Budget Analyst and Accounting Manager must manually adjust payroll reports after each payroll run to prevent salary audit exceptions, which has been an ongoing issue for staff to correct.

- Per our conversation with DPI personnel earlier this month, software errors last year were overlooked but stated this year all corrections must be made by June 30 or GCS will risk paying the state for potential salary audit exceptions.

HIL Consultants are available 24/7 to answer questions and be will be onsite throughout May and June to assist the district through the fiscal year-end.