



NORTH CAROLINA
State Board of Education
Department of Public Instruction

Report to the North Carolina General Assembly

Operating Balance Restrictions for School
Nutrition Programs

G.S. 115C-450(d), S.L. 2021-180, sec. 7.31

Date Due: May 15, 2025
DPI Chronological Schedule, 2024-2025

STATE BOARD OF EDUCATION

STATE BOARD OF EDUCATION VISION

Every public school student in North Carolina will be empowered to accept academic challenges, prepared to pursue their chosen path after graduating high school, and encouraged to become lifelong learners with the capacity to engage in a globally-collaborative society.

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§ 115C-450. School food services

(a) School nutrition services shall be included in the budget of each public school unit that provides school nutrition services, and the State Board of Education shall provide for school nutrition services in the uniform budget format required by G.S. 115C-426.

(b) No public school unit that provides school nutrition services shall assess indirect costs to a school nutrition program unless the program has an operating balance of at least two months. The Department of Public Instruction shall calculate the operating balance of a school nutrition program of a public school unit that provides school nutrition services. If complete and final financial reports for a given year are not yet available for a school nutrition program, the Department of Public Instruction may use projected figures, but shall update the published average month's operating balance once complete and final financial reports become available. As used in this subsection, the term "indirect costs" is as defined in 2 C.F.R. § 200.414.

(c) No public school unit that provides school nutrition services shall assess an unrestricted indirect costs rate to a school nutrition program that is more than eight percent (8%).

(d) No later than May 15, 2022, and every six months thereafter, the Department of Public Instruction shall report all the following information to the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal Research Division:

- (1) The number of months of the operating balance held by the school nutrition program for each public school unit.
- (2) The amount and percentage of indirect costs charged to the school nutrition program by the public school unit, if any. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 2013-235, s. 1; 2021-180, s. 7.31.)

REPORT TO THE NC GENERAL ASSEMBLY

OPERATING BALANCE FOR SCHOOL NUTRITION PROGRAMS

Pursuant to G.S. 115C - 450, no later than May 15, 2022, and every six months thereafter, the Department of Public Instruction shall report all the following information to the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal Research Division:

- (1) The number of months of the operating balance held by the school nutrition program for each public school unit.
- (2) The amount and percentage of indirect cost charged to the school nutrition program by the public school unit, if any.

This report includes information pertaining to the assessment of indirect cost by public school units (PSUs) of their federally assisted school nutrition programs. Data are collected from the School Nutrition Financial Report (FC1-A) generated semi-annually by School Food Authorities (SFAs) that participate in the National School Lunch, Breakfast and After School Snack Programs. The reporting period reflects indirect cost data collected from the FC1-A for the period of July 1, 2024, through December 31, 2024.

In accordance with G.S. 115 C – 450 (b), no public school unit that provides school nutrition services shall assess an unrestricted indirect cost rate to a school nutrition program unless the program has an operating balance of at least two (2) months. In the column labeled “Indirect Cost Paid to District”, the presence of a (-) indicates the PSU was unable to assess the indirect cost to the school nutrition program as the program did not meet the threshold of two months operating balance.

SFA	SFA Name	Number of Month's Operating Balance	Indirect Cost Rate (%)	Indirect Cost Maximum Allowed (\$)	Indirect Cost Paid to District (\$)	Spent of Maximum Allowed (%)
010	Alamance-Burlington Schools	3.34	6.655%	240,484.93	240,484.93	100.00%
020	Alexander County Schools	0.42	8%	68,548.49	-	0.00%
030	Alleghany County Schools	1.06	8%	18,340.81	-	0.00%
040	Anson County Schools	(1.14)	8%	65,278.76	-	0.00%
050	Ashe County Schools	4.79	8%	46,193.25	-	0.00%
060	Avery County Schools	(0.10)	8%	27,206.06	-	0.00%
070	Beaufort County Schools	3.52	8%	87,503.12	-	0.00%
080	Bertie County Schools	0.09	8%	31,725.37	-	0.00%
090	Bladen County Schools	1.40	8%	79,090.67	0.05	0.00%
100	Brunswick County Schools	7.86	8%	123,481.96	123,481.96	100.00%
110	Buncombe County Schools	0.39	8%	242,991.97	208,000.00	85.60%
111	Asheville City Schools	(0.34)	8%	33,871.23	-	0.00%
120	Burke County Schools	2.27	8%	86,202.75	-	0.00%
130	Cabarrus County Schools	4.74	8%	365,014.82	350,000.00	95.89%
132	Kannapolis City Schools	0.32	8%	83,263.20	-	0.00%
140	Caldwell County Schools	9.77	8%	135,755.76	-	0.00%
150	Camden County Schools	(1.26)	8%	16,816.75	-	0.00%
160	Carteret County Public Schools	(1.69)	8%	93,305.06	-	0.00%
170	Caswell County Schools	1.46	8%	29,769.48	-	0.00%
180	Catawba County Schools	7.45	8%	177,680.26	177,469.83	99.88%
181	Hickory City Schools	3.65	8%	54,376.22	43,438.17	79.88%
182	Newton Conover City Schools	3.76	8%	45,895.06	-	0.00%
190	Chatham County Schools	2.08	8%	100,641.79	60,393.97	60.01%

200	Cherokee County Schools	0.85	8%	63,530.67	-	0.00%
210	Edenton/Chowan Schools	0.13	8%	32,808.64	-	0.00%
220	Clay County Schools	2.09	8%	17,035.57	-	0.00%
230	Cleveland County Schools	5.60	8%	173,618.00	168,711.93	97.17%
240	Columbus County Schools	4.52	8%	99,900.42	-	0.00%
241	Whiteville City Schools	7.36	8%	39,648.77	39,648.77	100.00%
250	Craven County Schools	4.82	8%	179,037.62	179,037.62	100.00%
260	Cumberland County Schools	3.78	8%	554,067.32	-	0.00%
270	Currituck County Schools	0.04	8%	36,910.39	-	0.00%
280	Dare County Schools	(2.07)	8%	49,997.89	-	0.00%
290	Davidson County Schools	3.58	8%	150,998.15	150,998.15	100.00%
291	Lexington City Schools	9.29	8%	40,719.25	-	0.00%
292	Thomasville City Schools	20.39	8%	80,056.13	80,056.13	100.00%
300	Davie County Schools	8.10	8%	72,907.60	72,907.60	100.00%
310	Duplin County Schools	12.48	8%	121,444.36	-	0.00%
320	Durham Public Schools	(10.18)	8%	457,931.50	-	0.00%
330	Edgecombe County Schools	6.31	8%	94,555.03	-	0.00%
340	Forsyth County Schools	3.32	8%	716,745.88	697,031.79	97.25%
350	Franklin County Schools	3.99	8%	98,718.95	-	0.00%
360	Gaston County Schools	0.36	8%	462,194.32	-	0.00%
370	Gates County Schools	0.71	8%	18,924.00	-	0.00%
380	Graham County Schools	(0.71)	8%	25,512.65	-	0.00%
390	Granville County Schools	(0.89)	8%	118,663.77	-	0.00%
400	Greene County Schools	5.05	8%	47,609.56	-	0.00%
410	Guilford County Schools	4.19	8%	858,403.57	-	0.00%

420	Halifax County Schools	3.39	8%	42,705.09	-	0.00%
421	Roanoke Rapids City Schools	2.73	8%	29,844.32	-	0.00%
422	Weldon City Schools	2.26	8%	7,964.24	-	0.00%
430	Harnett County Schools	14.30	8%	209,008.58	-	0.00%
440	Haywood County Schools	1.24	8%	93,970.46	-	0.00%
450	Henderson County Schools	1.93	8%	168,672.70	110,523.07	65.53%
460	Hertford County Schools	6.28	8%	34,094.25	33,620.99	98.61%
470	Hoke County Schools	7.33	8%	130,298.12	-	0.00%
480	Hyde County Schools	1.66	8%	8,153.89	-	0.00%
490	Iredell-Statesville Schools	3.80	8%	206,333.43	-	0.00%
491	Mooresville Graded School District	8.80	8%	72,589.34	36,294.67	50.00%
500	Jackson County Schools	(0.48)	8%	46,251.98	-	0.00%
510	Johnston County Schools	8.28	8%	304,107.73	-	0.00%
520	Jones County Schools	2.69	8%	19,432.83	-	0.00%
530	Lee County Schools	8.75	8%	76,847.97	-	0.00%
540	Lenoir County Public Schools	2.23	8%	170,108.49	-	0.00%
550	Lincoln County Schools	3.92	8%	145,564.69	145,564.69	100.00%
560	Macon County Schools	0.43	8%	57,163.87	-	0.00%
570	Madison County Schools	(1.01)	8%	22,922.46	-	0.00%
580	Martin County Schools	6.12	8%	50,359.04	-	0.00%
590	McDowell County Schools	2.83	8%	79,448.65	27,029.41	34.02%
600	Charlotte-Mecklenburg Schools	7.32	8%	1,276,382.56	1,130,573.17	88.58%
610	Mitchell County Schools	0.00	8%	17,287.70	-	0.00%
620	Montgomery County Schools	2.72	8%	62,948.58	152.16	0.24%
630	Moore County Schools	0.27	8%	129,769.91	-	0.00%

640	Nash County Public Schools	1.94	8%	197,730.60	-	0.00%
650	New Hanover County Schools	8.12	8%	193,847.67	-	0.00%
660	Northampton County Schools	(0.15)	8%	29,147.68	-	0.00%
670	Onslow County Schools	8.47	8%	197,264.05	197,264.05	100.00%
680	Orange County Schools	5.86	8%	68,365.02	-	0.00%
681	Chapel Hill-Carrboro Schools	3.70	8%	20,267.28	-	0.00%
690	Pamlico County Schools	4.00	8%	16,636.70	-	0.00%
700	Pasquotank County Schools	18.07	8%	65,196.50	-	0.00%
710	Pender County Schools	12.23	8%	13,716.99	-	0.00%
720	Perquimans County Schools	(0.59)	8%	24,566.53	-	0.00%
730	Person County Schools	4.71	8%	23,397.93	23,397.93	100.00%
740	Pitt County Schools	(0.56)	8%	239,740.14	-	0.00%
750	Polk County Schools	(0.29)	8%	33,300.16	-	0.00%
760	Randolph County Schools	6.46	8%	179,482.52	179,482.52	100.00%
761	Asheboro City Schools	8.31	8%	44,442.09	39,294.86	88.42%
770	Richmond County Schools	0.95	8%	119,690.20	-	0.00%
780	Robeson County Schools	0.01	8%	358,245.29	-	0.00%
790	Rockingham County Schools	6.22	8%	127,284.42	-	0.00%
800	Rowan-Salisbury Schools	2.40	8%	219,418.96	-	0.00%
810	Rutherford County Schools	2.93	8%	51,329.22	-	0.00%
820	Sampson County Schools	2.64	8%	148,014.03	-	0.00%
821	Clinton City Schools	19.25	8%	17,709.08	-	0.00%
830	Scotland County Schools	1.94	8%	80,112.96	79,574.01	99.33%
840	Stanly County Schools	0.80	8%	106,422.90	1,696.54	1.59%
850	Stokes County Schools	(3.88)	8%	75,100.80	(1,004.24)	-1.34%

860	Surry County Schools	2.04	8%	133,664.74	-	0.00%
861	Elkin City Schools	7.21	8%	12,013.16	12,013.16	100.00%
862	Mount Airy City Schools	(3.57)	8%	30,835.25	-	0.00%
870	Swain County Schools	2.61	8%	35,529.70	-	0.00%
880	Transylvania County Schools	2.76	8%	42,375.05	-	0.00%
890	Tyrrell County Schools	3.76	8%	11,696.27	-	0.00%
900	Union County Public Schools	2.23	8%	444,858.66	444,858.66	100.00%
910	Vance County Schools	2.81	8%	82,884.77	-	0.00%
920	Wake County Schools	1.18	8%	1,571,972.90	-	0.00%
930	Warren County Schools	4.38	8%	40,321.23	-	0.00%
940	Washington County Schools	0.51	8%	18,357.99	-	0.00%
950	Watauga County Schools	3.74	8%	44,579.86	-	0.00%
960	Wayne County Public Schools	9.93	8%	209,523.06	76,587.46	36.55%
970	Wilkes County Schools	0.09	8%	164,852.68	-	0.00%
980	Wilson County Schools	5.89	8%	138,975.03	-	0.00%
990	Yadkin County Schools	5.82	8%	68,859.98	66,704.17	96.87%
995	Yancey County Schools	2.70	8%	20,936.22	-	0.00%

Notes and data sources:

1. Data is from the School Nutrition Technology System (SNTS) as of 3/17/2025

2. Data from 12 districts were received with one or more errors in the submission (errors were related to debits <> credits, and/or

indirect cost exceeded the maximum threshold allowed)

3. Indirect Cost Paid to District is calculated as a difference between Indirect Cost Expenditures in Object Code 392 and Indirect Cost allocated to Revenue Function 4880