Corporation ("FDIC"). The Company has not historically experienced any losses due to such concentration of risk.

Investments are generally recorded at fair value. The fair values of all debt and equity securities with readily determinable fair values are based on quoted market prices. The equity method of accounting is used to account for certain equity investments where the Biotechnology Center's ownership is considered to be more than minor, but less than 50%. Private equity investments include equity investments in private biotechnology/bioscience companies and venture capital funds. In the case of certain less marketable investments, principally private equity investments that are not accounted for on the equity method, investments are carried at the lower of cost or fair value. For these less marketable securities, the determination of fair value requires the use of estimates, which are based on information provided by the fund managers or general partners and knowledge of events or changes in circumstances that would have a significant impact on the value of the investment. Because of the inherent uncertainty in the use of estimates, fair values that are based on estimates may differ from the fair values that would have been used had a ready market for the investments existed.

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 and such changes could materially affect the amounts reported in the consolidated statements of financial position and activities and changes in net assets.

Under a profit sharing agreement with the State of North Carolina, the Biotechnology Center and the State will share equally the net profits in excess of $150,000 on any individual investment made with State funds by the Biotechnology Center after July 1, 1997. The Biotechnology Center received net profits of $205,688 and $138,531 in excess of the $150,000 threshold in 2011 and 2010, respectively. This resulted in a profit sharing of $102,844 and $69,265 to the State of North Carolina in 2011 and 2010, respectively.

Receivables

Through its Economic Development Finance Program, the Biotechnology Center supports research and development projects of young and growing biotechnology/bioscience companies that may not yet qualify for conventional forms of financial assistance. Since 1988, most awards to such companies have been in the form of notes, and all amounts, including interest, are to be repaid in full within one to seven years of the date of each underlying note. Under certain circumstances, the maturity date of these notes may be extended. Management has considered each company's ability to repay the notes, loan and accrued interest, including the financial condition of the company and the repayment terms of the note, and has recorded an allowance for uncollectible receivables. The allowance for uncollectible accrued interest, loan, and notes receivable totaled $5,795,794 and $4,642,299 at June 30, 2011 and 2010, respectively. The Biotechnology Center's other receivables are considered to be fully collectible.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of three to eight years for furniture, fixtures, and equipment and thirty years for the Biotechnology Center's permanent headquarters.

Recognition of Grant Awards and Grants Payable

Grant awards and the corresponding grants payable are recognized at the time the grant award is approved by the Executive Committee of the board of directors.