

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2011**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>2</b>
<b>STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS</b>	<b>3</b>
<b>STATEMENT OF FUNCTIONAL EXPENSES</b>	<b>4</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>5</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>6</b>



CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
CornerHouse-Interagency  
Child Abuse Evaluation Center  
Minneapolis, Minnesota

We have audited the accompanying statement of financial position of CornerHouse-Interagency Child Abuse Evaluation Center (CornerHouse) as of December 31, 2011, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the CornerHouse's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the 2010 financial statements of CornerHouse and, in our report, dated May 20, 2011, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CornerHouse as of December 31, 2011, and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads 'CliftonLarsonAllen LLP'.

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
May 11, 2012

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2011  
(WITH SUMMARIZED TOTALS AS OF DECEMBER 31, 2010)**

	2011	2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 463,332	\$ 391,050
Certificates of Deposit	25,787	50,463
Accounts Receivable	78,116	60,156
Contributions Receivable	11,700	-
Prepaid Expenses	12,428	8,021
Total Current Assets	591,363	509,690
Land Lease, Net	18,000	19,200
Property and Equipment, Net	619,296	667,838
Total Assets	\$ 1,228,659	\$ 1,196,728
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 4,859	\$ 11,097
Accrued Payroll and Related Costs	72,298	62,509
Refundable Advances	28,657	29,853
Total Current Liabilities	105,814	103,459
<b>NET ASSETS</b>		
Unrestricted:		
Board Designated - Facility Replacement Reserve	225,000	225,000
Invested in Property and Equipment	619,296	667,838
Other	259,049	181,231
Total Unrestricted	1,103,345	1,074,069
Temporarily Restricted	19,500	19,200
Total Net Assets	1,122,845	1,093,269
Total Liabilities and Net Assets	\$ 1,228,659	\$ 1,196,728

See accompanying Notes to Financial Statements.

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2011  
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2010)**

	2011			2010
	Unrestricted	Temporarily Restricted	Total	
<b>SUPPORT AND REVENUE</b>				
Foundations and Corporations	\$ 31,000	\$ 1,500	\$ 32,500	\$ 26,000
Contributions - Cash	37,596	-	37,596	35,291
Contributions - In-Kind	131,001	-	131,001	200,262
Special Fundraising Events	209,939	-	209,939	204,920
Less: Costs of Direct Benefits to Donors	(42,384)	-	(42,384)	(33,050)
Contracts	664,650	-	664,650	637,985
Fees	204,791	-	204,791	199,164
Government Grants	83,184	-	83,184	77,759
Investment Income	2,277	-	2,277	2,179
Other	1,659	-	1,659	4,463
Net Assets Released from Restrictions Upon Expiration of Time and Purpose Restrictions	1,200	(1,200)	-	-
Total Support and Revenue	<u>1,324,913</u>	<u>300</u>	<u>1,325,213</u>	<u>1,354,973</u>
<b>EXPENSES</b>				
Program Services	1,015,903	-	1,015,903	976,510
Management and General	161,357	-	161,357	164,415
Fundraising	118,377	-	118,377	149,598
Total Expenses	<u>1,295,637</u>	<u>-</u>	<u>1,295,637</u>	<u>1,290,523</u>
<b>CHANGE IN NET ASSETS</b>	29,276	300	29,576	64,450
Net Assets - Beginning of Year	<u>1,074,069</u>	<u>19,200</u>	<u>1,093,269</u>	<u>1,028,819</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 1,103,345</u></u>	<u><u>\$ 19,500</u></u>	<u><u>\$ 1,122,845</u></u>	<u><u>\$ 1,093,269</u></u>

See accompanying Notes to Financial Statements.

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2011  
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2010)**

	2011						2010
	Program Services			Management and General	Fundraising	Total	
	Forensic	Training	Total				
Salaries	\$ 395,387	\$ 227,994	\$ 623,381	\$ 84,354	\$ 46,652	\$ 754,387	\$ 710,295
Payroll Taxes	34,806	20,071	54,877	7,413	4,107	66,397	66,343
Employee Benefits	48,838	28,164	77,002	16,127	5,763	98,892	104,524
Total Personnel Expense	<u>479,031</u>	<u>276,229</u>	<u>755,260</u>	<u>107,894</u>	<u>56,522</u>	<u>919,676</u>	<u>881,162</u>
Postage	1,173	2,578	3,751	250	138	4,139	2,081
Printing Design	6,503	5,939	12,442	308	1,004	13,754	17,607
Special Events Expense	-	-	-	-	35,830	35,830	34,378
Office Supplies	7,756	8,115	15,871	998	553	17,422	13,071
In-Kind Radio Outreach and Advertising	11,450	-	11,450	-	11,450	22,900	135,500
Consultants	24,652	23,455	48,107	1,001	3,326	52,434	37,703
Staff Development	1,894	8,496	10,390	3,084	-	13,474	8,084
Food	1,587	2,885	4,472	2,868	1,249	8,589	5,827
Accounting, Audit and Other Fees	-	-	-	22,801	-	22,801	19,934
In-Kind Legal Fees	38,680	1,333	40,013	5,186	-	45,199	4,964
Insurance	3,150	1,817	4,967	2,646	372	7,985	8,128
Building and Grounds Maintenance	11,269	6,499	17,768	2,400	1,330	21,498	21,825
Equipment Repairs and Maintenance	4,898	4,581	9,479	852	472	10,803	6,523
Rent	1,200	-	1,200	-	-	1,200	1,200
Utilities	19,523	11,258	30,781	4,159	2,303	37,243	36,091
Total Expenses and Other Than Depreciation and Direct Donor Benefits	<u>612,766</u>	<u>353,185</u>	<u>965,951</u>	<u>154,447</u>	<u>114,549</u>	<u>1,234,947</u>	<u>1,234,078</u>
Depreciation	<u>31,243</u>	<u>18,709</u>	<u>49,952</u>	<u>6,910</u>	<u>3,828</u>	<u>60,690</u>	<u>56,445</u>
Total Expenses	<u>\$ 644,009</u>	<u>\$ 371,894</u>	<u>\$ 1,015,903</u>	<u>\$ 161,357</u>	<u>\$ 118,377</u>	<u>1,295,637</u>	<u>1,290,523</u>
Direct Donor Benefits:							
Twins Event						29,884	22,350
Gala Event						<u>12,500</u>	<u>10,700</u>
Total Expenses						<u>\$ 1,338,021</u>	<u>\$ 1,323,573</u>

See accompanying Notes to Financial Statements.

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2011  
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2010)**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 29,576	\$ 64,450
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	60,690	56,445
Amortization of Land Lease	1,200	1,200
Changes in Certain Assets and Liabilities:		
Accounts Receivable	(17,960)	(17,908)
Contributions Receivable	(11,700)	-
Prepaid Expenses	(4,407)	1,505
Accounts Payable	(6,238)	3,588
Accrued Payroll and Related Costs	9,789	(5,719)
Refundable Advances	(1,196)	(135,683)
Net Cash Provided (Used) by Operating Activities	<u>59,754</u>	<u>(32,122)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(12,148)	(47,247)
Redemption of Certificates of Deposit	24,676	-
Net Cash Provided (Used) by Investing Activities	<u>12,528</u>	<u>(47,247)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	72,282	(79,369)
Cash and Cash Equivalents - Beginning of Year	<u>391,050</u>	<u>470,419</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 463,332</u></u>	<u><u>\$ 391,050</u></u>

See accompanying Notes to Financial Statements.

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

For the past 22 years, CornerHouse-Interagency Child Abuse Evaluation Center (CornerHouse), located on the corner of 25<sup>th</sup> Street and 10<sup>th</sup> Avenue in Minneapolis, Minnesota, has been meeting the needs of children, adolescence and vulnerable adults referred by law enforcement and child protection community partners. It is the goal of CornerHouse to begin the healing process by assuring that an objective, non-duplicative forensic interview is conducted in a child centered environment with family support services offered to decrease the trauma and the likelihood of further victimization. Services are offered in a neutral approach which also protects the rights of the accused.

The mission of CornerHouse is to assure that the voices of children are heard and understood in cases of alleged abuse. Part of a national movement and accredited by the National Children's Alliance, CornerHouse is a 501(c)3 child advocacy center established as the result of a collaborative effort of county attorneys, law enforcement, child protection and concerned citizens during the late 1980s when concern about how children alleged to have been abused were interviewed and supported emerged. Working as a multi-disciplinary team with these partners, CornerHouse developed an internationally recognized protocol for interviewing children.

The core philosophy of the CornerHouse work is that of "child first". The interview process, the décor and physical layout of the house and the support services offered incorporate the commitment that children's needs are above the priorities of the criminal justice system. This philosophy assures that a child's development and special needs such as language, mental health and physical challenges are all considered as a part of the interview process. Forensic interviewers are specially trained professionals and the interview is non-duplicative so as to minimize trauma to the child. Multi-disciplinary team members attend the interview sessions to assure that concerns and planning occur in real time. Planning with respect to future needs, follow up by team members and medical and psychological support services are all included. Support services are designed based on research, which reflects that children are more likely to be kept safe if their family/caregivers feel supported.

Because of its leadership in the development of the forensic interviewing protocol, CornerHouse has become an international leader by training prosecutors, law enforcement and child protection workers in forensic interviewing. Utilizing the experienced forensic interviewers on staff as trainers in the program, CornerHouse conducts training for both basic and advanced levels of learning. To date, CornerHouse has trained child abuse professionals from 49 states and fourteen foreign countries including American Samoa, Canada, Colombia, Ireland, Jamaica, Japan, Kosovo, Nigeria, Uruguay, and The International Criminal Court at The Hague. As CornerHouse continues to research its practice modalities, it has and will continue to develop new training programs.



**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Organization (Continued)**

In 2011, CornerHouse served over 500 children and adolescents who were alleged to have been abused either sexually or physically as well as witnesses to violent crimes. Over 80% of the family members who came to CornerHouse were provided with counseling and support, referrals for counseling and consultation on strategies for keeping their children safe in the future.

**Financial Statement Presentation**

Net assets and revenues, gains, and losses are classified based on donor imposed restrictions. Accordingly, net assets of CornerHouse and changes therein are classified and reported as follows:

Unrestricted – Resources over which the board of directors has discretionary control. Designated amounts represent those revenues which the board has set aside for a particular purpose.

Temporarily Restricted – Those resources subject to donor imposed restrictions which will be satisfied by actions of CornerHouse or passage of time.

**Cash Equivalents**

For purposes of preparing the statement of cash flows, investments with an original maturity of three months or less are considered cash equivalents. Investments with an original maturity date of greater than three months are considered temporary cash investments. The temporary cash investments consist of bank certificates of deposit.

**Contributed Materials**

Contributed materials are recorded at their fair value.

**Contributions**

Contributions are recognized when the donor makes a commitment to give to CornerHouse that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily restricted net assets and transferred to unrestricted net assets when restrictions expire or the condition is met. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

**Accounts Receivable**

Receivables are stated at net realizable value. CornerHouse provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Accounts for which no payments have been received are individually assessed for collectibility and are written off when deemed uncollectible. At December 31, 2011 and 2010, all amounts were deemed collectible, so no allowance was necessary.

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government Grants, Contracts and Fees**

Government grants, contracts and fees are generally considered exchange transactions and are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are incurred, or when services are provided. Funds received but not yet earned are recorded as refundable advances.

**Contributed Services**

Contributed services are recorded as contributions, at their fair value, when the service creates or enhances a non-financial asset or the service requires specialized skills that would need to be purchased if not provided by donation.

**Property and Equipment**

CornerHouse capitalizes additions to property and equipment over \$500. Purchased items are capitalized at cost. Donated property and equipment are capitalized at the estimated fair market value at the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to expense as incurred; renewals or betterments over \$500 are capitalized.

**Concentration of Credit Risk**

CornerHouse places its cash with two banking institutions. At times the amount on deposit exceeds the insured limit of the institutions which exposes CornerHouse to a collection risk. CornerHouse has not experienced any losses on its cash deposits. Management believes it is not exposed to any significant credit risk on these accounts.

**Functional Allocation of Expense**

Expenses incurred have been summarized on a functional basis. Expenses which relate to a specific program or to a supporting service are charged directly to the function while other expenses are allocated primarily based on management estimates of how employees spend their time.

**Summarized Financial Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with CornerHouse's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of asset and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Income Taxes**

CornerHouse is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes, except to the extent if it has taxable income from businesses that are not related to its tax exempt purpose. Unrelated business income tax is taxed at the corporate income tax rate. CornerHouse did not have any unrelated business income in 2011 and 2010.

CornerHouse follows the provisions of FASB Accounting Standards Codification (ASC) 740 relating to uncertainty in income taxes. These provisions do not impact the financial statements as management believes CornerHouse does not have any uncertain tax positions.

CornerHouse is not currently under examination by any taxing jurisdiction. Federal and state tax authorities no longer have the right to examine tax years prior to 2008. Any interest and penalties associated with tax positions are reported as such within the management and general expenses category. For years ended December 31, 2011 and 2010, there were no such interest or penalties recorded in the accompanying financial statements.

**Reclassifications**

Certain amounts for the year ended December 31, 2010, have been reclassified to conform with the presentation of the December 31, 2011 amounts. The reclassifications have no effect on net assets for the year ended December 31, 2010.

**NOTE 2 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2011</u>	<u>2010</u>	<u>Estimated Useful Life</u>
Building	\$ 1,159,919	\$ 1,157,173	20 - 29 Years
Furniture and Equipment	336,068	326,665	2 - 7 Years
Artwork	10,929	10,929	10 Years
	<u>1,506,916</u>	<u>1,494,767</u>	
Accumulated Depreciation	<u>(887,620)</u>	<u>(826,929)</u>	
Total	<u>\$ 619,296</u>	<u>\$ 667,838</u>	

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 3 NET ASSETS**

Board designated net assets have been set aside by the board as a contingency for possible relocation if the existing land lease is terminated, or for renovation and expansion of the existing facility.

Temporarily restricted net assets are for the following purposes:

	2011	2010
Programs, Usage Restricted	\$ 1,500	\$ -
Land Lease	18,000	19,200
Total	\$ 19,500	\$ 19,200

**NOTE 4 RETIREMENT PLAN**

CornerHouse has a 401(k) retirement plan. Generally, all employees of CornerHouse who are over 21 years of age and have worked one month are eligible to participate in this plan. CornerHouse contributes a minimum of 1.5% of each employee's salary. Employees may contribute to the plan through a salary reduction agreement. CornerHouse matches employee contributions up to 4% of salary. Contributions charged to expense were \$22,053 and \$24,828 for the years ended December 31, 2011 and 2010, respectively.

**NOTE 5 RELATED PARTY TRANSACTIONS**

**Children's Hospitals and Clinics of Minnesota (CHC)**

CornerHouse has an agreement to purchase certain services and supplies through CHC. Total services and supplies purchased from CHC were \$26,497 and \$12,641 for the years ended December 31, 2011 and 2010, respectively. There were no amounts owed to CHC at December 31, 2011 and 2010. CHC provided telephone and technology services which are reported as in-kind contributions included in utilities expense in the amount of \$27,600 for the years ended December 31, 2011 and 2010.

CHC also owns the land on which CornerHouse's building is located. During 1996, CornerHouse entered into a ground lease agreement with CHC. The lease expires December 31, 2027. The lease requires CornerHouse to pay \$1 per year plus its share of real estate taxes. The lease allows CHC to terminate the agreement with twelve months notice in the fifth, tenth and fifteenth through twenty-ninth years of the agreement. CornerHouse may terminate the lease at any time with twelve months notice. In 1999 an appraisal was done for the land subject to the ground lease. The land was valued at \$36,000. This asset was recorded and rent is expensed on a straight-line basis over the term of the lease. Rent expense was \$1,200 for the years ended December 31, 2011 and 2010.

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 5 RELATED PARTY TRANSACTIONS (CONTINUED)**

**Hennepin County**

CornerHouse has entered into a contract for interview services with the Hennepin County Attorney's Office. Fees received under this contract were \$174,636 for the years ended December 31, 2011 and 2010. A key employee of Hennepin County Attorney's Office is a board member of CornerHouse.

**City of Minneapolis**

CornerHouse has entered into a contract with the City of Minneapolis to provide interviewing and evaluation services. Amounts received were \$136,290 and \$131,048 for the years ended December 31, 2011 and 2010, respectively. Two key employees of the City of Minneapolis are board members of CornerHouse.

**Hubbard Radio**

During 2011 and 2010, Hubbard Radio donated airtime to CornerHouse to air various announcements. The estimated value of this airtime was recorded as an in-kind contribution and in-kind radio outreach and advertising expense in the amount of \$22,900 and \$135,500, respectively. Of that total, \$11,450 and \$96,428 has been reported as program services expense, and \$11,450 and \$39,072 as fundraising expense based on the purpose of the various announcements aired for the years ended December 31, 2011 and 2010, respectively. A key employee of Hubbard Radio is a board member of CornerHouse.

**Dorsey & Whitney, LLP**

During the years ended December 31, 2011 and 2010, CornerHouse received contributed legal services from Dorsey & Whitney, LLP of \$45,199 and \$4,964, respectively, that are reported as in-kind contributions. Of these totals, \$40,013 and \$2,911, respectively, are reported as program services expense in 2011 and 2010, and the balance is in management and general expense. A partner at the firm is a board member of CornerHouse.

**NOTE 6 IN-KIND CONTRIBUTIONS**

In-kind contributions consist of the following for the years ended December 31:

	<u>2011</u>	<u>2010</u>
Legal Services	\$ 45,199	\$ 4,965
Telephone and Technology Services	27,600	27,600
Radio Outreach and Advertising	22,900	135,500
Auction Items and Food - Twins Event	24,802	27,287
Venue and Food - Let's Dance Event	10,500	4,910
Total	<u>\$ 131,001</u>	<u>\$ 200,262</u>

**CORNERHOUSE-INTERAGENCY  
CHILD ABUSE EVALUATION CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 7 ECONOMIC DEPENDENCE**

CornerHouse received 44% of its 2011 revenue and support from governmental contracts with Hennepin County (23%), the City of Minneapolis (10%), and the State of Minnesota (11%).

CornerHouse received 43% of its 2010 revenue and support from governmental contracts with Hennepin County (22%), the City of Minneapolis (10%), and the State of Minnesota (11%).

**NOTE 8 CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies. Such audits could result in claims against CornerHouse for disallowed costs of noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

**NOTE 9 SUBSEQUENT EVENTS**

In preparing these financial statements, CornerHouse has evaluated events and transactions for potential recognition or disclosure through May 11, 2012, the date the financial statements were available to be issued.