

FINANCIAL STATEMENTS



Commission on Accreditation
of Healthcare Management Education

**FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2022**

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Commission on Accreditation of Healthcare Management Education
Spring House, Pennsylvania

Opinion

We have audited the accompanying financial statements of the Commission on Accreditation of Healthcare Management Education (CAHME), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CAHME as of June 30, 2023, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CAHME and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CAHME's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CAHME's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CAHME's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited CAHME's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



October 10, 2023

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 230,164	\$ 182,642
Investments	1,762,772	1,520,027
Account receivable	21,136	15,458
Contribution receivable	68,750	101,000
Prepaid expenses	<u>31,130</u>	<u>60,515</u>
Total current assets	<u>2,113,952</u>	<u>1,879,642</u>
FIXED ASSETS		
Equipment	7,578	7,578
Less: Accumulated depreciation	<u>(7,282)</u>	<u>(6,888)</u>
Net fixed assets	<u>296</u>	<u>690</u>
TOTAL ASSETS	<u>\$ 2,114,248</u>	<u>\$ 1,880,332</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 24,741	\$ 37,869
Accrued payroll and related liabilities	206,188	187,362
Deferred revenue	<u>514,893</u>	<u>460,164</u>
Total liabilities	<u>745,822</u>	<u>685,395</u>
NET ASSETS		
Without donor restrictions	1,171,009	1,003,409
With donor restrictions	<u>197,417</u>	<u>191,528</u>
Total net assets	<u>1,368,426</u>	<u>1,194,937</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,114,248</u>	<u>\$ 1,880,332</u>

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	<u>2023</u>			<u>2022</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
REVENUE AND SUPPORT				
Program fees	\$ 804,276	\$ -	\$ 804,276	\$ 690,181
Corporate membership dues	-	206,250	206,250	202,000
Contributed services	216,320	-	216,320	181,822
Site visit fees	135,271	-	135,271	126,126
Contributions of cash and other financial assets	91,432	-	91,432	98,820
Candidacy fees	71,875	-	71,875	45,500
Foundation grants	47,547	12,300	59,847	53,915
Investment income (loss)	67,750	-	67,750	(63,323)
Other	3,042	-	3,042	1,003
Net assets released from donor restrictions	<u>212,661</u>	<u>(212,661)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>1,650,174</u>	<u>5,889</u>	<u>1,656,063</u>	<u>1,336,044</u>
EXPENSES				
Program Services	<u>1,042,662</u>	<u>-</u>	<u>1,042,662</u>	<u>960,253</u>
Supporting Services:				
Management and General	319,340	-	319,340	251,869
Fundraising	<u>120,572</u>	<u>-</u>	<u>120,572</u>	<u>132,676</u>
Total supporting services	<u>439,912</u>	<u>-</u>	<u>439,912</u>	<u>384,545</u>
Total expenses	<u>1,482,574</u>	<u>-</u>	<u>1,482,574</u>	<u>1,344,798</u>
Change in net assets	167,600	5,889	173,489	(8,754)
Net assets at beginning of year	<u>1,003,409</u>	<u>191,528</u>	<u>1,194,937</u>	<u>1,203,691</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,171,009</u>	<u>\$ 197,417</u>	<u>\$ 1,368,426</u>	<u>\$ 1,194,937</u>

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023				2022	
	Program Services	Supporting Services			Total Expenses	Total Expenses
		Management and General	Fundraising	Total Supporting Services		
Salaries and related expenses	\$ 608,977	\$ 211,450	\$ 25,374	\$ 236,824	\$ 845,801	\$ 778,342
In-kind accreditation expenses	216,320	-	-	-	216,320	181,822
Professional fees	24,564	53,481	19,929	73,410	97,974	105,114
Site visits	92,543	-	-	-	92,543	40,239
Awards	-	-	64,035	64,035	64,035	61,635
Website costs	28,797	8,228	4,114	12,342	41,139	25,727
Office expense	11,881	13,713	1,590	15,303	27,184	24,493
eAccreditation annual license	26,936	-	-	-	26,936	66,500
Travel and lodging	13,381	3,505	5,530	9,035	22,416	14,303
Meetings	8,546	12,059	-	12,059	20,605	12,943
Dues and subscriptions	10,717	4,593	-	4,593	15,310	24,826
Directors' and officers' insurance	-	7,118	-	7,118	7,118	5,778
Other expenses	-	4,799	-	4,799	4,799	2,682
Depreciation	-	394	-	394	394	394
TOTAL	\$ 1,042,662	\$ 319,340	\$ 120,572	\$ 439,912	\$ 1,482,574	\$ 1,344,798

See accompanying notes to financial statements.

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 173,489	\$ (8,754)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	394	394
Net (appreciation) depreciation of investments	(13,887)	74,856
(Increase) decrease in:		
Account receivable	(5,678)	(4,408)
Prepaid expenses	29,385	(21,533)
Contribution receivable	32,250	(37,875)
(Decrease) increase in:		
Accounts payable and accrued expenses	(13,128)	14,430
Accrued payroll and related liabilities	18,826	6,432
Deferred revenue	<u>54,729</u>	<u>60,712</u>
Net cash provided by operating activities	<u>276,380</u>	<u>84,254</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(588,858)	(483,527)
Sale of investments	<u>360,000</u>	<u>505,000</u>
Net cash (used) provided by investing activities	<u>(228,858)</u>	<u>21,473</u>
Net increase in cash and cash equivalents	47,522	105,727
Cash and cash equivalents at beginning of year	<u>182,642</u>	<u>76,915</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 230,164</u></u>	<u><u>\$ 182,642</u></u>

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Commission on Accreditation of Healthcare Management Education (CAHME) was organized under the laws of the State of Illinois and incorporated in 1968 as the Accrediting Commission on Education for Health Services Administration (ACEHSA).

On July 1, 2004, ACEHSA changed its name to become Commission on Accreditation of Healthcare Management Education. CAHME, which has been granted formal recognition by the Council for Higher Education Accreditation and the United States Department of Education, offers accreditation to individual academic programs offering a professional master's degree in healthcare management education, planning and policy.

CAHME serves universities and programs in a voluntary peer review process designed to continuously improve academic education. CAHME is the resource for the healthcare field in setting, measuring, and authoritatively attesting to the quality of academic education in healthcare management.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with CAHME's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Cash and cash equivalents -

CAHME considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, excluding money market funds held in the investment portfolio.

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Cash and cash equivalents (continued) -

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, CAHME maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment income (loss) in the accompanying Statement of Activities and Change in Net Assets.

Contribution and account receivable -

Contribution and account receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets with a cost greater than \$5,000 are stated at cost and are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses as incurred. Depreciation expense for the year ended June 30, 2023 totaled \$394.

Revenue -

Corporate membership dues -

Corporate membership dues are considered to be contributions and recorded as net assets with donor restrictions in the year received.

Program fees -

Program fees include annual program candidacy, accreditation, and core learning center. The annual program candidacy and accreditation fees are recognized pro-rata over the course of the fiscal year. If revenue is received before year-end, it is recognized as deferred revenue until the new fiscal year. Annual program candidacy allows the programs to receive ongoing support from CAHME as they work to become accredited. Accreditation allows programs that meet certain requirements, to be recognized as programs that provide quality education. The core learning center is subscription based that offers trainings and other materials to help prepare for accreditation. It will be recognized pro-rata over the course of the fiscal year. Any payments received before year-end, will be recognized as deferred revenue. Deferred revenue from program fees consists of \$514,893 and \$460,164 as of June 30, 2023 and 2022, respectively.

Site visit fees and candidacy fees -

Site visit fees are for visits to various university programs. Once a program has been deemed to be credible, revenue is recognized. Candidacy fees consist of applications from programs applying to be accredited. The transaction price is determined based on sales price and revenue is recognized when applications are completed.

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Revenue (continued) -

Contributions and grants -

CAHME receives contributions, including unconditional promises to give, from many sources as well as grants from organizations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. CAHME performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions*.

For contributions and grants qualifying under the contribution rule, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions qualifying as conditional contributions contain a right of return from obligation provision that limits CAHME on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. CAHME recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. As of June 30, 2023, CAHME did not have any unrecognized conditional contributions.

Grants and contracts classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers*, and record revenue when the performance obligations are met. CAHME has elected to opt out of all (or certain) disclosures not required for nonpublic entities. The revenue is recorded directly to without donor restrictions and the transaction price is based on expenses incurred in compliance with the criteria stipulated in the grant or contract agreements. Grants and contracts receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant and contract agreements. Funding received in advance of incurring the related expenses is recorded as deferred revenue.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Contributed services -

CAHME received contributions services of \$216,320 for the year ended June 30, 2023. Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated.

Contributed services from Fellows are valued at the estimated fair value based on their current rates for similar services. Contributed accreditation services received by CAHME are recorded as in-kind accreditation services in the accompanying Statement of Functional Expenses. All donated services were utilized by CAHME's programs and supporting services. There were no donor-imposed restrictions associated with the contributed services.

Income taxes -

CAHME is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. CAHME is not a private foundation.

Uncertain tax positions -

For the year ended June 30, 2023, CAHME has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of CAHME are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of actual time and effort or other reasonable basis.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

Risks and uncertainties -

CAHME invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Fair value measurement -

CAHME adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. CAHME accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

New accounting pronouncement (not yet adopted) -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for CAHME for the year ending June 30, 2024. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

CAHME plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. INVESTMENTS

Investments consisted of the following at June 30, 2023:

Money Market Funds	\$ 1,062,479
Mutual Funds	<u>700,293</u>
TOTAL INVESTMENTS	<u>\$ 1,762,772</u>

Included in investment income are the following:

Interest and dividends	\$ 53,863
Net appreciation of investments	<u>13,887</u>
TOTAL INVESTMENT INCOME	<u>\$ 67,750</u>

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2023:

Fawn Lopez Scholarship	\$ 8,092
Tim Campbell Scholarship Award	10,575
Time Restricted	<u>178,750</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 197,417</u>

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

4. NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through passage of time), which satisfied the restricted purposes specified by the donors:

Tim Campbell Scholarship Award & CAHME Scholarship Fund	\$ 4,054
Fawn Lopez Scholarship	4,357
Passage of Time	<u>204,250</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 212,661</u>

5. LIQUIDITY AND AVAILABILITY

CAHME has a policy to structure its financial assets to be available and liquid as its obligations become due. Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 230,164
Investments	1,762,772
Account receivable	21,136
Contribution receivable	<u>68,750</u>
Subtotal financial assets available within one year	2,082,822
Less: Donor restricted funds	<u>(18,667)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 2,064,155</u>

6. RETIREMENT PLAN

CAHME maintains a retirement plan for employees meeting minimum service requirements set forth in the Plan. The Plan is a defined contribution plan and is managed by The Vanguard Group. CAHME may match a portion of the employees' contributions to the Plan. The amounts of the employer match for the year ended June 30, 2023 totaled \$40,074 and are included in salaries and related expenses in the accompanying Statement of Functional Expenses.

7. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, CAHME has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market CAHME has the ability to access.

COMMISSION ON ACCREDITATION OF HEALTHCARE MANAGEMENT EDUCATION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

7. FAIR VALUE MEASUREMENT (Continued)

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended June 30, 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - Valued at the daily closing price as reported by the fund. The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC). This fund is required to publish its daily net asset value (NAV) and to transact at that price. The money market fund is deemed to be actively traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by CAHME are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by CAHME are deemed to be actively traded.

The table below summarizes, by level within the fair value hierarchy, CAHME's investments as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Money Market Funds	\$ 1,062,479	\$ -	\$ -	\$ 1,062,479
Mutual Funds	<u>700,293</u>	<u>-</u>	<u>-</u>	<u>700,293</u>
TOTAL	<u>\$ 1,762,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,762,772</u>

There were no transfers between levels in the fair value hierarchy during the year ended June 30, 2023.

8. SUBSEQUENT EVENTS

In preparing these financial statements, CAHME has evaluated events and transactions for potential recognition or disclosure through October 10, 2023, the date the financial statements were issued.