The items below provide a summary are taken from the accountant's Financial Report for the year ending December 31, 2022. Comments are added in italics. Daryl Ackerman

Accountant's Conclusion
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting
We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Report on Summarized Comparative Information
The summarized comparative information presented herein, as of and for the year ended December 31, 2021, was derived from the 2021 financial statements which was reviewed by us and our report dated August 9, 2022, stated that based on our procedures, we are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with the modified cash basis of accounting.

Page 4. **Support and Revenue**. *This is the accounting view of revenue. In order to dertermine the ongoing operating revenue, several adjustments should be made. The reported revenue is adjusted for the capital campaign, pre-school tuition receipts, gain (loss) on investments and beneficial trust, and PPP loan forgiveness. The reported and adjusted revenue is shown below:*

	Total	
	2022	2021
Total support and revenue	$ 1,527,628	$ 2,123,391
Total Adjusted revenue	*$ 1,575,414*	*$ 1,470,781*

Page 6. **Income Taxes**: The Church is exempt from Federal income tax as provided by Code Section 501(c)(3) of the Internal Revenue Code. Donors are entitled to deductions for tax purposes for contributions made to the Church in accordance with the Internal Revenue Code. Accordingly, no income tax is incurred unless the Church earns income considered to be unrelated business income. The Church conducted no activities which were subject to income taxes.
Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Church. Management evaluated the tax positions taken and concluded that the Church had taken no uncertain tax positions that require recognition or disclosure in the financial statements. No provision or benefit for income taxes has been included in these financial statements.

Page 8. **Note 3. Liquidity and Availability**
Financial assets available to meet general expenditures over the next 12 months $ (64,643)
The Church relies on weekly contributions, which are not donor restricted, to pay for the operating expenses of the church. The Church operates a balanced budget and anticipates receiving revenue to cover general expenditures not covered by donor-restricted resources. The Church's Board designated net assets, see Note 9, consist of an operating reserve fund and a Board designated endowment fund which are to be maintained and used as determined necessary by the Board of directors of the Church. Although the Church does not intend to spend these Board designated funds, these amounts could be made available if necessary. *The current projection, barring a year-end congregation appeal, is a operating deficit of about $ (60,000) to (75,000).*

Page 11. **Note 5. Endowment Funds**
Endowment Net Asset Composition as of December 31, 2022:

	Without donor restrictions	With donor restrictions	Total
ELCA Endowment Funds	$ 701,962	$ 275,348	$ 977,310

Because 71.8% of the Endowment Fund is considered "without donor restrictions," income distributions to the Fund should be considered in the same way. Year-end distributions from the Fund are normally considered for use in Trinity's mission and ministry. The amount considered for such use should be limited to 71.8% of the total distribution, with the remainder of the total distribution (with donor restrictions) remaining in the Fund.

Page 13. **Note 8. Long-Term Debt** *Trinity's long-term debt was paid off by a loan from the Quasi-Endowment Fund in 2023. The balance of that Quasi-Endowment loan was $234 as of November 30, 2023. This loan is expected to be completely paid back by the end of 2023.*

Page 16. **Note 13. Related Party Transactions** During the year ended December 31, 2022, the Church made mission and benevolence payments totaling $94,045 to the Lower Susquehanna Synod of the Evangelical Lutheran Church in America*. It should be noted that Trinity's operating budget made payments to the Synod of $63,300 of this total during 2022.*

Page 17. **Note 15. Functional Expenses**

Program Management	Services and General	Fundraising	Total
$ 1,336,687	$ 324,725	$ 69,915	$ 1,731,327

The following is taken from Charity Navigator (with comments in italics):
The **program expense ratio** measures the percentage of expenses that a nonprofit organization is spending on its core mission. This nonprofit ratio is key in the eyes of donors. Charity Navigator updated its rating system in 2023 and now generally gives full credit to those organizations whose ratio of program expenses is 70% or more of their total expenses. *Trinity's program expense ratio was 77.2% for 2022 and 83.9% for 2021.*

The **administrative expense ratio** measures the percentage of an organization's expenses that are being allocated to administrative costs. This nonprofit ratio is often misunderstood. There is an "overhead myth" that organizations shouldn't spend money on administrative expenses, but this simply would be unsustainable. In order to stay competitive and to keep up with technology and infrastructure, organizations need to spend money on overhead. This misconception has been recognized by agencies such as Charity Navigator, and in 2023, the administrative expense ratio was removed from Charity Navigator's rating system. However, other agencies and donors may still look to this ratio. As a general guide, this ratio should be less than 35%. *Trinity's administrative expense ration was 18.8% for 2022 and 13.6% for 2021*.

The **personnel expense ratio** simply measures the personnel costs of producing revenue. The benchmark for this nonprofit ratio may look different for each organization, depending on how service-based the organization is. For example, an organization that provides counseling services may have a higher ratio than an organization that provides information and advocacy. Organizations should look for trends in this ratio. If it costs more to generate the same level of revenue, this could be a sign that there are inefficiencies in operations. *Using the adjusted revenue (discussed under page 4 above), Trinity's personnel expense ratio for 2022 was 56.1% and for 2021 was 53.0%.*

The **fundraising efficiency ratio** measures the efficiency of an organization's fundraising activities. Simply put, it measures how much it costs to generate one dollar of charitable contributions. A lower ratio is considered better, and Charity Navigator gives full credit to those organizations that spend less than $.20 for every dollar raised. This equates to a ratio of .20 to 1.0. *Trinity's fundraising efficiency ratio was 0.046 for 2022 and 0.040 for 2021.*