

Management Memo – Allowance for Doubtful Accounts

Allowance for Doubtful Accounts – Management's Calculation (12/31/2024)

Aging_Bucket	Balance	Loss_Rate	Required_Allowance
Current (0–30 days)	1,061,875.81	0.50%	5,309.38
31–60 days	0.00	2.00%	0.00
61–90 days	0.00	5.00%	0.00
91–180 days	0.00	10.00%	0.00
Over 180 days	109,630.44	15.00%	16,444.57
TOTAL	1,171,506.25		21,753.95

Label	Amount
Allowance per General Ledger (1150)	21,753.95

Historical write-off experience on balances aged over 180 days

Year	Pct_of_Over180_Written_Off
2022	64%
2023	70%
3–yr average	67%