

Management Memo – Allowance for Doubtful Accounts

Allowance for Doubtful Accounts – Management's Calculation (12/31/2025)

Aging_Bucket	Balance	Loss_Rate	Required_Allowance
Current (0–30 days)	1,141,016.95	0.50%	5,705.08
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	1,250,647.39		22,149.65

Label	Amount
Allowance per General Ledger (1150)	22,149.65

Historical write-off experience on balances aged over 180 days

Year	Pct_of_Over180_Written_Off
2023	63%
2024	71%
3–yr average	67%