

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)	694,451.83	0.50%	3,472.26
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	42,873.42	15.00%	6,431.01
TOTAL	737,325.25		9,903.27

Label	Amount
Allowance per General Ledger (1150)	9,903.27

Historical write-off experience on balances aged over 180 days

Year	Pct_of_Over180_Written_Off
2022	56%
2023	60%
3–yr average	58%