

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)	740,285.29	0.50%	3,701.43
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	783,158.71		10,132.44

Label	Amount
Allowance per General Ledger (1150)	10,132.44

Historical write-off experience on balances aged over 180 days

Year	Pct_of_Over180_Written_Off
2023	49%
2024	57%
3–yr average	53%