

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)	1,194,002.28	0.50%	5,970.01
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	62,664.20	15.00%	9,399.63
TOTAL	1,256,666.48		15,369.64

Label	Amount
Allowance per General Ledger (1150)	15,369.64

Historical write-off experience on balances aged over 180 days

Year	Pct_of_Over180_Written_Off
2022	52%
2023	58%
3–yr average	55%