

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)	878,192.95	0.50%	4,390.96
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	107,195.42	15.00%	16,079.31
TOTAL	985,388.37		20,470.28

Label	Amount
Allowance per General Ledger (1150)	20,470.28

Historical write-off experience on balances aged over 180 days

Year	Pct_of_Over180_Written_Off
2023	55%
2024	55%
3–yr average	55%