



Accounts Receivable Aging Analysis Memo

Client	Meridian Capital Group, LLC
Period	FY 2025 (January 1 – December 31, 2025)
Source Document	Accounts Receivable Aging Schedule — FY2025
Source File	meridian_ar_fy2025.csv
Source Context	Exported from Meridian ERP (QuickBooks Enterprise) on Jan 15, 2026
Reference	ARA-2026-0302-143
Prepared	2nd March 2026

I. Scope

Period Tested ... FY 2025 (January 1 – December 31, 2025)
TB Accounts Analyzed 0
Analysis Mode TB-Only (Structural)
Tests Applied 11
Data Quality Score 94%

The automated accounts receivable aging analysis procedures documented in this workpaper were performed on the accounts receivable aging detail provided by management for the period under examination. These procedures are designed to identify potential data anomalies that may warrant further investigation by the engagement team. The analysis was performed with reference to the FASB Accounting Standards Codification and applicable professional auditing standards.

Proof Summary

Metric	Value
Data Completeness	94%
Column Confidence	92%
Tests Executed	11
Tests Clear	3
Items for Review	17

II. Methodology

The following automated tests were applied to the accounts receivable trial balance and sub-ledger data in accordance with professional auditing standards (ISA 500: Audit Evidence, ISA 540: Auditing Accounting Estimates — receivables valuation and expected credit loss estimation, PCAOB AS 2501: Auditing Accounting Estimates). Results represent receivables anomaly indicators, not allowance sufficiency conclusions:

Test	Tier	Description
Sign Anomalies	Structural	
Missing Allowance	Structural	Checks for the existence of an Allowance for Doubtful Accounts (contra-AR), required under IFRS 9 / ASC 326.
Negative Aging Buckets	Structural	
Unreconciled Detail	Structural	Compares the AR sub-ledger total to the TB AR balance to identify unreconciled differences.
Aging Bucket Concentration	Statistical	
Past-Due Concentration	Statistical	Flags elevated past-due receivables as a proportion of total AR, an indicator of collection risk.

Test	Tier	Description
Allowance Adequacy Ratio	Statistical	
Customer Concentration	Statistical	Flags single customers representing a disproportionate share of total receivables (credit concentration risk).
DSO Trend Variance	Statistical	
Roll-Forward Reconciliation	Advanced	
Credit Limit Breaches	Advanced	Flags customers whose outstanding balance exceeds their approved credit limit.

Interpretive Context: The results presented herein reflect automated data analytics and are intended to support, not replace, professional judgment. Identified anomalies may indicate areas requiring additional inquiry but do not, in themselves, constitute evidence of error, fraud, or material misstatement. The engagement team should evaluate each flagged item in the context of the overall engagement risk assessment and perform corroborating procedures as deemed necessary under applicable professional standards.

III. Results Summary

Composite Risk Score 19.8 / 100
Risk Tier ELEVATED
Total AR Items Flagged 17
Overall Flag Rate 4.5%
High Severity Flags 5
Medium Severity Flags 12
Low Severity Flags 0

Test	Flagged	Rate	Severity
Past-Due Concentration	4	1.1%	MEDIUM
Sign Anomalies	3	0.8%	MEDIUM
Credit Limit Breaches	3	0.8%	HIGH
Negative Aging Buckets	2	0.5%	MEDIUM
Customer Concentration	2	0.5%	MEDIUM
Unreconciled Detail	1	0.3%	HIGH
Allowance Adequacy Ratio	1	0.3%	HIGH
DSO Trend Variance	1	0.3%	MEDIUM
Missing Allowance	0	0.0%	LOW
Aging Bucket Concentration	0	0.0%	LOW
Roll-Forward Reconciliation	0	0.0%	LOW

IV. Key Findings

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1. Allowance-to-receivable ratio of 2.1% — below industry benchmark of 3-5%
 2. 3 customers exceeding credit limits (totaling \$142,000 over-limit)
 3. TB-to-sub-ledger reconciling difference of \$8,450
 4. 4 past-due accounts representing 28% of receivables balance

V. Authoritative References

Body	Reference	Topic	Status
FASB	ASC 310-10	Receivables — Overall	Current
FASB	ASC 326-20	Financial Instruments — Credit Losses (CECL)	Current

VI. Conclusion

Based on the automated AR aging analysis procedures applied, the accounts receivable data exhibits an ELEVATED risk profile. Select flagged items should be reviewed for proper receivables valuation treatment and supporting documentation.

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This memo documents automated accounts receivable aging analysis testing procedures per ISA 500 (Audit Evidence) and ISA 540 (Auditing Accounting Estimates). Results represent data anomalies identified through analytics and are not conclusions regarding internal control effectiveness, fraud, or material misstatement risk. The auditor must evaluate each flagged item in the context of the engagement and perform additional procedures as necessary per professional standards. This memo does not constitute audit evidence sufficient to support an opinion without corroborating procedures. Generated by Paciolus — Zero-Storage Audit Intelligence.