Fixed Asset Register Analysis Memo

Client	Meridian Capital Group, LLC
Period	FY 2025 (January 1 – December 31, 2025)
Source Document	Fixed Asset Register — FY2025 Export
Source File	meridian_fixed_assets_fy2025.csv
Source Context	Exported from Meridian ERP (QuickBooks Enterprise) on Jan 15, 2026
Reference	FAT-2026-0224-434
Prepared	24th February 2026

I. Scope

```
Source ... Fixed Asset Register — FY2025 Export (meridian_fixed_assets_fy2025.csv)
Period Tested ... FY 2025 (January 1 – December 31, 2025)
Total Fixed Assets Tested ....................... 250
Tests Applied ................................... 9
Data Quality Score .............................. 94%
```

The automated fixed asset register analysis procedures documented in this workpaper were performed on the fixed asset register 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	9
Tests Clear	1
Items for Review	32

II. Methodology

The following automated tests were applied to the fixed asset register in accordance with professional auditing standards (IAS 16: Property, Plant and Equipment, ISA 500: Audit Evidence, ISA 540: Auditing Accounting Estimates — depreciation methods, useful life, and residual value estimation, PCAOB AS 2501: Auditing Accounting Estimates). Results represent fixed asset anomaly indicators, not depreciation adequacy conclusions:

Test	Tier	Description
Fully Depreciated Still in Use	Structural	Flags assets where accumulated depreciation equals or exceeds cost (NBV zero or negative), indicating potential ghost assets or items requiring disposal review.
Missing Required Fields	Structural	Flags fixed asset entries missing critical register fields (cost, identifier, acquisition date), a data completeness anomaly indicator.
Negative Cost/Accum. Depr.	Structural	Flags assets with negative cost or negative accumulated depreciation, indicating data entry errors or improper adjustments.
Depreciation Exceeds Cost	Structural	Flags assets where accumulated depreciation exceeds original cost by more than 1%, indicating possible calculation errors or improper depreciation entries.
Useful Life Outliers	Statistical	Flags assets with useful life estimates outside reasonable bounds (below 0.5 years or above 50 years), an estimation anomaly indicator per ISA 540.
Cost Z-Score Outliers	Statistical	

Test	Tier	Description
Asset Age Concentration	Statistical	Flags disproportionate concentration of total asset cost in a single acquisition year, indicating potential bulk capitalization anomalies.
Duplicate Assets	Advanced	Flags assets with identical cost, description, and acquisition date — potential duplicate capitalization or double-counting.
Residual Value Anomalies	Advanced	

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 ...................... 21.5 / 100
Risk Tier ................................. ELEVATED
Total Fixed Assets Flagged ....................... 32
Overall Flag Rate ............................. 12.8%
High Severity Flags ............................... 5
Medium Severity Flags ............................ 27
Low Severity Flags ................................ 0
```

Test	Flagged	Rate	Severity
Fully Depreciated Still in Use	12	4.8%	MEDIUM
Useful Life Outliers	5	2.0%	MEDIUM
Residual Value Anomalies	4	1.6%	MEDIUM
Missing Required Fields	3	1.2%	MEDIUM
Cost Z-Score Outliers	3	1.2%	MEDIUM
Depreciation Exceeds Cost	2	0.8%	HIGH
Duplicate Assets	2	0.8%	HIGH
Negative Cost/Accum. Depr.	1	0.4%	HIGH
Asset Age Concentration	0	0.0%	LOW

IV. Key Findings

1. 2 assets with accumulated depreciation exceeding original cost

2. 12 fully depreciated assets still in use — potential impairment indicator

3. 2 potential duplicate assets ('Dell Latitude 5540' — same cost, same date)

4. 1 asset with negative cost value (data entry error suspected)

V. Authoritative References

Body	Reference	Topic	Status
FASB	ASC 360-10	Property, Plant, and Equipment — Overall	Current
FASB	ASC 842-20	Leases — Lessee	Current

VI. Conclusion

Based on the automated fixed asset register analysis procedures applied, the PP&E; data exhibits an ELEVATED risk profile. Select flagged assets should be reviewed for proper capitalization treatment and supporting documentation.