BOOKKEEPING / MONTH-END CASE

Harbor Desk Studio

From transactions to a reconciled monthly close

A constructed service-business exercise showing double-entry posting, month-end adjustments, bank reconciliation, and linked financial reports. Prepared as a portfolio demonstration for Al Karim Usman.

Entirely fictional portfolio demonstration. No client records, live software exports, or statutory filings.

September 2026 results	USD
Service revenue	$8,600.00
Net profit	$6,945.00
Reconciled cash	$11,515.00
Bank reconciliation difference	$0.00

Scope and assumptions

- First month of a fictional sole-proprietor service business; all opening balances are zero.

- Accrual basis, USD, and a single bank account. Taxes, VAT, payroll, inventory, and loans are outside this exercise.

- Insurance covers 12 months from September 1. Equipment is in use from September 1, with a 60-month life and no residual value.

- A full month of straight-line depreciation is used. Closing supplies count is $420.

- Document references and the bank statement are constructed inputs, not copies of real documents.

How to inspect the work

Page 2: trace the journal to the synthetic source references. Page 3: reconcile the bank and inspect open balances. Page 4: compare the adjusted trial balance and profit and loss. Page 5: check the balance sheet, cash flow, and review notes.

This is a spreadsheet-style accounting demonstration. It is not represented as a QuickBooks or Xero export, a real client engagement, or evidence of a historical client outcome.

01 / Journal and source trail

Each row is a balanced debit/credit pair. J entries record activity; A entries record month-end adjustments. Every source reference is synthetic.

Entry / date	Reference / description	Debit	Credit	USD
J01 / 09-01	CAP-01 Owner funding	Cash	Owner capital	$12,000.00
J02 / 09-02	EQ-01 Equipment purchased for cash	Equipment	Cash	$2,400.00
J03 / 09-03	RENT-09 September rent paid	Rent expense	Cash	$900.00
J04 / 09-04	INS-01 Annual insurance paid; coverage starts September	Prepaid insurance	Cash	$1,200.00
J05 / 09-05	BILL-01 Supplies purchased on account	Supplies	Accounts payable	$600.00
J06 / 09-10	INV-101 Services invoiced to Customer A	Accounts receivable	Service revenue	$4,800.00
J07 / 09-15	REC-101 Part-payment received from Customer A	Cash	Accounts receivable	$3,000.00
J08 / 09-22	CASH-01 Cash services; deposit cleared	Cash	Service revenue	$1,500.00
J09 / 09-23	UTIL-01 September utilities paid	Utilities expense	Cash	$250.00
J10 / 09-25	CHQ-1001 Supplier payment; cheque not yet cleared	Accounts payable	Cash	$400.00
J11 / 09-26	DRAW-01 Owner withdrawal	Owner draws	Cash	$500.00
J12 / 09-28	INV-102 Services invoiced to Customer B	Accounts receivable	Service revenue	$1,600.00
J13 / 09-30	DEP-0930 Cash services; deposit in transit	Cash	Service revenue	$700.00
A01 / 09-30	BANK-09 Bank fee identified on statement	Bank fee expense	Cash	$35.00
A02 / 09-30	ADJ-INS One month of insurance used: 1200 / 12	Insurance expense	Prepaid insurance	$100.00
A03 / 09-30	COUNT-09 Supplies used: 600 less closing count of 420	Supplies expense	Supplies	$180.00
A04 / 09-30	ADJ-DEP Monthly depreciation: 2400 / 60 months	Depreciation expense	Accumulated depreciation	$40.00
A05 / 09-30	UTIL-02 Unpaid September utilities accrued	Utilities expense	Accrued utilities	$150.00

Controls: owner funding is equity; drawings reduce equity. Equipment and annual insurance are initially assets. Supplier payments reduce AP; customer collections reduce AR. No duplicate revenue or expense is recorded on settlement.

02 / Bank reconciliation

Constructed September statement. Opening balance: $0.00. A deposit of $700 and cheque CHQ-1001 for $400 are recorded in the books but have not cleared the statement.

Date / reference	Movement	USD +/-	Balance
09-01 / CAP-01	Owner funding	$12,000.00	$12,000.00
09-02 / EQ-01	Equipment purchased for cash	-$2,400.00	$9,600.00
09-03 / RENT-09	September rent paid	-$900.00	$8,700.00
09-04 / INS-01	Annual insurance paid; coverage starts September	-$1,200.00	$7,500.00
09-15 / REC-101	Part-payment received from Customer A	$3,000.00	$10,500.00
09-22 / CASH-01	Cash services; deposit cleared	$1,500.00	$12,000.00
09-23 / UTIL-01	September utilities paid	-$250.00	$11,750.00
09-26 / DRAW-01	Owner withdrawal	-$500.00	$11,250.00
09-30 / BANK-09	Bank fee identified on statement	-$35.00	$11,215.00

Reconciliation bridge	USD
Statement closing balance	$11,215.00
Add deposit in transit: DEP-0930	$700.00
Less outstanding cheque: CHQ-1001	($400.00)
Adjusted bank balance	$11,515.00
Book cash before bank fee	$11,550.00
Less fee posted as A01	($35.00)
Adjusted book cash	$11,515.00
Unexplained difference	$0.00

Open balances and next actions

AR: Customer A $1,800 plus Customer B $1,600 = $3,400, both current at September 30. AP: BILL-01 $600 less CHQ-1001 $400 = $200. Accrued utilities: $150, shown separately from AP. Follow up the $700 deposit and $400 cheque in October; do not repost either timing item.

03 / Trial balance and profit

Adjusted trial balance before closing revenue, expense, and drawings accounts. Debit and credit columns total equally.

Account	Debit USD	Credit USD
Cash	$11,515.00	-
Accounts receivable	$3,400.00	-
Supplies	$420.00	-
Prepaid insurance	$1,100.00	-
Equipment	$2,400.00	-
Accumulated depreciation	-	$40.00
Accounts payable	-	$200.00
Accrued utilities	-	$150.00
Owner capital	-	$12,000.00
Owner draws	$500.00	-
Service revenue	-	$8,600.00
Rent expense	$900.00	-
Utilities expense	$400.00	-
Insurance expense	$100.00	-
Supplies expense	$180.00	-
Depreciation expense	$40.00	-
Bank fee expense	$35.00	-
TOTAL	$20,990.00	$20,990.00

Profit and loss | September 2026

Item	USD
Service revenue	$8,600.00
Rent expense	$900.00
Utilities expense	$400.00
Insurance expense	$100.00
Supplies expense	$180.00
Depreciation expense	$40.00
Bank fee expense	$35.00
Total expenses	$1,655.00
Net profit	$6,945.00

04 / Financial position and handoff

Balance sheet | September 30, 2026

Assets	USD
Cash	$11,515.00
Accounts receivable	$3,400.00
Supplies on hand	$420.00
Prepaid insurance	$1,100.00
Equipment, net ($2,400 less $40)	$2,360.00
Total assets	$18,795.00
Liabilities and owner equity	USD
Accounts payable	$200.00
Accrued utilities	$150.00
Total liabilities	$350.00
Owner capital less draws plus profit	$18,445.00
Total liabilities and equity	$18,795.00

Cash movement | September 2026

Movement	USD
Customer receipts	$5,200.00
Operating payments	($2,785.00)
Net operating cash flow	$2,415.00
Equipment purchase	($2,400.00)
Owner contribution less draws	$11,500.00
Net change / closing cash	$11,515.00

Review notes and limits

- The adjusted trial balance balances; bank/book cash agree; assets equal liabilities plus equity; and closing cash agrees to the cash movement schedule.

- These checks establish arithmetic consistency, not independent assurance. Completeness, business purpose, classification, and source validity still require review.

- Verify timing items against the following statement, settle the $200 supplier balance, follow up $3,400 receivables, and reverse or settle the $150 accrual when the bill is recorded.

- The exercise excludes tax and statutory compliance. No real client information or actual software screenshots are included.