

Accounting cycle:

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1. Business Overview

Business Name: GreenLeaf Landscapes

Owner: Sarah Green

Industry: Landscaping services

Accounting Period: Monthly (January 2025)

2. Transactions and Journal Entries (January 2025)

Date	Transaction	Debit	Credit
Jan 1	Sarah invested \$20,000 cash into the business	Cash \$20,000	Owner, Capital \$20,000
Jan 2	Purchased landscaping equipment for \$8,000 cash	Equipment \$8,000	Cash \$8,000
Jan 5	Bought supplies on account, \$2,500	Supplies \$2,500	Accounts Payable \$2,500
Jan 10	Provided services for cash, \$4,000	Cash \$4,000	Service Revenue \$4,000
Jan 15	Provided services on account, \$3,000	Accounts Receivable \$3,000	Service Revenue \$3,000
Jan 20	Paid wages, \$1,500	Wages Expense \$1,500	Cash \$1,500
Jan 22	Paid \$1,000 on account (supplies)	Accounts Payable \$1,000	Cash \$1,000
Jan 25	Received \$2,000 from clients for services previously billed	Cash \$2,000	Accounts Receivable \$2,000
Jan 28	Paid \$200 for utilities	Utilities Expense \$200	Cash \$200
Jan 30	Sarah withdrew \$500 for personal use	Owner, Drawing \$500	Cash \$500

3. Posting to Ledger (Sample: Cash and Service Revenue)

Cash Ledger

Date	Description	Debit	Credit	Balance
Jan 1	Owner investment	20,000	–	20,000
Jan 2	Equipment	–	8,000	12,000
Jan 10	Revenue	4,000	–	16,000
Jan 20	Wages	–	1,500	14,500
Jan 22	Pay A/P	–	1,000	13,500
Jan 25	A/R collected	2,000	–	15,500
Jan 28	Utilities	–	200	15,300
Jan 30	Drawing	–	500	14,800

Service Revenue Ledger

Date	Description	Debit	Credit	Balance
Jan 10	Cash service	–	4,000	4,000
Jan 15	On account	–	3,000	7,000

4. Unadjusted Trial Balance (as of Jan 31, 2025)

Account	Debit	Credit
Cash	14,800	
Accounts Receivable	1,000	
Supplies	2,500	
Equipment	8,000	
Accounts Payable		1,500
Owner, Capital		20,000
Owner, Drawing	500	
Service Revenue		7,000
Wages Expense	1,500	
Utilities Expense	200	
Totals	28,500	28,500

5. Adjusting Entries (Jan 31, 2025)

1. Supplies used: \$1,500
2. Depreciation on equipment: \$200
3. Accrued wages: \$500

Date	Adjustment	Debit	Credit
Jan 31	Supplies Expense	1,500	Supplies
Jan 31	Depreciation Expense	200	Accumulated Depreciation
Jan 31	Wages Expense	500	Wages Payable

6. Adjusted Trial Balance (Jan 31, 2025)

Account	Debit	Credit
Cash	14,800	
Accounts Receivable	1,000	
Supplies	1,000	
Equipment	8,000	
Accumulated Depreciation		200
Accounts Payable		1,500
Wages Payable		500
Owner, Capital		20,000
Owner, Drawing	500	
Service Revenue		7,000
Wages Expense	2,000	
Utilities Expense	200	
Supplies Expense	1,500	
Depreciation Expense	200	
Totals	29,200	29,200

7. Financial Statements

Income Statement

GreenLeaf Landscapes

Income Statement for January 2025

Revenues	
Service Revenue	\$7,000
Total Revenue	\$7,000
Expenses	
Wages Expense	\$2,000
Utilities Expense	\$200
Supplies Expense	\$1,500
Depreciation Expense	\$200
Total Expenses	\$3,900
Net Income	\$3,100

Statement of Owner's Equity

GreenLeaf Landscapes

Statement of Owner's Equity – January 2025

Beginning Capital (Jan 1)	\$0
+ Owner Investment	\$20,000
+ Net Income	\$3,100
– Withdrawals	(\$500)
Ending Capital (Jan 31)	\$22,600

Balance Sheet

GreenLeaf Landscapes

Balance Sheet as of January 31, 2025

Assets	
Cash	\$14,800
Accounts Receivable	\$1,000
Supplies	\$1,000
Equipment	\$8,000
Less: Accumulated Depreciation	(200)
Total Assets	\$24,600
Liabilities & Owner's Equity	
Accounts Payable	\$1,500
Wages Payable	\$500
Total Liabilities	\$2,000
Owner's Equity	\$22,600
Total Liabilities + Equity	\$24,600

8. Closing Entries (Jan 31, 2025)

Account	Debit	Credit
Service Revenue	7,000	Income Summary
Income Summary	3,900	Expenses
Income Summary	3,100	Owner, Capital
Owner, Capital	500	Owner, Drawing

9. Post-Closing Trial Balance (Feb 1, 2025)

Account	Debit	Credit
Cash	14,800	
Accounts Receivable	1,000	
Supplies	1,000	
Equipment	8,000	
Accumulated Depreciation		200
Accounts Payable		1,500
Wages Payable		500
Owner, Capital		22,600
Totals	24,800	24,800