eCommerce controller review

LumenTrail Commerce Demo LLC | Year ended December 31 2024

The reports balance. The inventory still needs an explanation.

The fictional business reports $695,209.95 in revenue and a $19,025.43 net loss. Its Shopify inventory account closes at negative $114,325.83. That balance needs investigation before the reported margin can support pricing or purchasing decisions.

This sample shows how GreenTarget connects the financial statements to the ledger, documents accounting questions, and defines the evidence and completion checks for the next stage.

Reported financial position

Measure	Reported amount
Revenue	$695,209.95
Reported gross profit	$166,179.75
Reported gross margin	23.90%
Net loss	($19,025.43)
Total inventory control	($30,012.20)
Total bank accounts	($3,641.57)

Reported figures are unadjusted. Negative bank balances are book balances requiring statement reconciliation; they do not establish an actual overdraft.

Three priorities before relying on the close

1. Establish inventory quantities and valuation. Reconcile the inventory records to the ledger, including opening balances, receipts, costs released and cutoff.

2. Support the clearing balances. Separate documented settlement timing and reserves from transactions that need correction.

3. Investigate the discrepancy expense. Trace the recorded amount to its source and original offset before deciding whether it should change.

Fictional demonstration, not a completed client engagement. No source invoices, bank statements, settlement exports or inventory subledger were supplied for this sample. No correction or financial improvement is claimed.

Inventory and margin review

The ledger shows costs leaving an inventory account without additions recorded to that same account. That is a specific investigation starting point, not proof that purchases were omitted from the books.

Shopify inventory ledger movement

Component	2024 amount
Opening debit balance	($3,779.61)
Debits recorded during the year	$0.00
Credits recorded during the year	($110,546.22)
Closing debit balance	($114,325.83)

Control: opening balance + debits - credits = closing balance. The difference is $0.00. A successful roll-forward proves the arithmetic, not the inventory valuation.

What the records show

The opening balance is already negative. The year adds $110,546.22 of credits and no debits in Inventory - Online Store. Purchases could be in another inventory account, expensed directly, missing from this account, or affected by mapping and timing. The ledger alone does not select the explanation.

A separate COGS account, Product COGS - Partner Channel, records net credits of $47,612.54. Those entries reduce total reported costs. They may reflect a valid reversal or another accounting treatment; the integration detail and underlying transactions are needed before concluding.

Evidence and completion checks

Work to perform	Completion test
Reconcile opening stock and receipts to the inventory system and purchase records.	Opening values and receipts are supported; differences are listed individually.
Trace inventory credits and COGS credits to order, return and integration detail.	Each material difference has an explanation and proposed treatment.
Rebuild the quantity and value roll-forward, including FIFO and landed costs where applicable.	Supported closing valuation agrees to the corrected ledger, or remaining exceptions are disclosed.

Status: Source needed. No journal entry is supported yet. The profit effect is undetermined; the inventory balance and COGS credits must not be added together as an estimated error.

Source references: Master > Account Summary, rows 33 and 108; Balance Sheet, row 39; Profit and Loss, row 40. All references concern the fictional dataset.

Clearing and discrepancy review

A bank deposit can match while the clearing account still contains old or unexplained activity. The question is what supports the remaining balance at the reporting date.

Selected clearing movement

Account	Opening	Net movement	Closing
Amazon Settlement Clearing - USD	$2,029.56	($9,660.06)	($7,630.50)
Shopify PayPal Clearing	($1,360.07)	$0.00	($1,360.07)

Amounts use the debit balance convention. Negative amounts represent credit balances. These two accounts are selected examples, not the total marketplace exposure.

Amazon clearing changes by negative $9,660.06 in January and February and has no further recorded movement. The negative $7,630.50 closing balance needs settlement and mapping support. Shopify PayPal clearing retains its negative $1,360.07 opening balance with no recorded activity during the year.

Required work: match settlement IDs and dates to sales, refunds, fees, reserves and deposits. Identify transfers between clearing accounts, cutoff items and any duplicate or missing posting. Retain valid timing balances with supporting schedules.

Completion test: each closing balance agrees to identified source items or a documented exception. A zero balance alone is not the completion test.

A recorded expense that needs its own explanation

Ledger reference	Recorded amount	Current status
December 22 2024 DEMO-J20241222 Reconciliation Differences - Pending Review	$12,183.78	Source needed; no correction recorded

This is one expense line within a regrouped fictional daily journal batch. The batch reference does not identify a source transaction or establish the original offset.

Obtain the account reconciliation history and source entry. Determine whether the amount reflects a valid expense, a balance adjustment, or another treatment. Check the original offset, reconciliation status and period before any edit. Reversing the expense without that evidence could introduce another error.

Completion test: the original source and both sides of the entry are documented; any correction is supported and the affected reconciliation is rechecked. Confirmed profit adjustment: none established.

Source references: Master > Account Summary, rows 25, 28 and 146; General Ledger, row 7402; Profit and Loss, row 88.

From findings to a dependable close

The review has established where the numbers need support. The next engagement would resolve those questions against the business records and document the effect of supported corrections.

What this demonstration establishes

Check performed	Result	Limit
Inventory account roll-forward	Difference $0.00	Quantity, valuation and cutoff remain unverified.
Selected clearing roll-forwards	Differences $0.00	Settlement support remains outstanding.
Balance Sheet equation at December 31	Difference $0.00	A balanced statement can contain incorrect entries.
Annual net income across statements	($19,025.43)	Agreement does not establish completeness or accuracy.

How the work would be scoped

Diagnostic: reviewed statements and ledger, selected account schedules, findings, source requests and priorities. This sample demonstrates that stage.

Correction project: a separate fixed scope covering agreed periods and accounts, source reconciliation, supported adjustments, the correction register and refreshed financial statements. Historical opening-balance reconstruction is identified separately.

Monthly accounting and controller support: bookkeeping where included, recurring reconciliations, close adjustments, review of significant balances, executive reporting and issue follow-up. Required records, deadlines, reporting and meetings are agreed before starting.

What the owner receives after correction work

A traceable record of each finding, the evidence obtained, the treatment selected, the change made, the financial effect and the final completion check. Unresolved items stay visible with their effect on the reports explained.

Controller conclusion

The reported gross margin of 23.90% remains provisional because inventory and cost questions are unresolved. The negative book cash position also requires reconciliation before it can support a liquidity conclusion. The useful next decision is to obtain the missing source records and resolve the material exceptions before treating these reports as decision-ready.

No adjustments were posted in this demonstration. No corrected profit, recovered funds or savings are presented. This sample demonstrates accounting review and investigation design, rather than a completed cleanup result.

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