

Adjusted Retained Earnings Statement

For the Year Ended December 31, 20XX

Retained Earnings, Beginning	\$50,000
+ Net Income (or Loss) for the period	\$12,500
- Dividends Declared	(\$3,000)
+/- Prior Period Adjustments	\$800
+/- Correction of Errors	(\$500)
Adjusted Retained Earnings, End	\$59,800

- Adjusted retained earnings reflect corrections for prior period errors and adjustments.
- Accuracy depends on properly identifying all adjustments outside of regular income and dividends.
- This statement is important for stakeholders to evaluate the true accumulated profits available to the company.
- Always reference supporting documentation for all adjustments made to retained earnings.