

Classified Retained Earnings Statement

ABC Corporation

For the Year Ended December 31, 2023

Retained Earnings

| | |
|--------------------------------------|------------|
| Retained Earnings, Beginning Balance | \$200,000 |
| Add: Net Income for the Year | \$70,000 |
| Less: Cash Dividends Declared | (\$15,000) |
| Less: Stock Dividends | (\$5,000) |

Appropriated Retained Earnings

| | |
|---|-----------------|
| Appropriation for Plant Expansion | \$25,000 |
| Appropriation for Legal Requirements | \$10,000 |
| Total Appropriated Retained Earnings | \$35,000 |

Unappropriated Retained Earnings

| | |
|--|------------------|
| Retained Earnings Available For Distribution | \$215,000 |
| Less: Appropriated Retained Earnings | (\$35,000) |
| Unappropriated Retained Earnings | \$180,000 |

Ending Balances

| Description | Amount |
|--|------------------|
| Appropriated Retained Earnings | \$35,000 |
| Unappropriated Retained Earnings | \$180,000 |
| Total Retained Earnings, Ending Balance | \$215,000 |

Important Notes

- This statement provides a classified summary of changes in retained earnings during the period.
- Appropriated retained earnings are set aside for specific purposes and are not available for dividends.
- Unappropriated retained earnings are available for distribution to shareholders as dividends.
- This document is useful for stakeholders to assess the company's dividend policy and future funding requirements.