



Shareholder's Equity Statement

Statement of Owner's Equity (sole proprietorships and partnerships)

The statement of owner's equity is associated with companies organized as either a sole proprietorship or a partnership. It ties both the balance sheet and the income statement together and starts with the beginning balance of equity at the beginning of the reporting period. From there, net income (or loss) from the income statement is added, followed by any owner's contribution and/or owner's distributions that was occurred during the reporting period. Many sole proprietorships and partnerships have simple equity accounts and do not typically prepare a statement of shareholders' equity.

XYZ Clothing Company, LLC
Statement of Owner's Equity
Year Ending December 31, 20XX

Beginning Equity Balance	\$	261,000
Net Income/(Loss)	\$	111,000
Owner's Contribution	\$	10,000
Owner's Distribution	\$	(5,000)
		\$ 377,000

Ending Equity Balance

Statement of Shareholder's Equity (corporations)

The statement of shareholder's equity is associated with companies that are organized as a corporation and ties both the balance sheet and the income statement together. It starts with the beginning balance of equity at the beginning of the reporting period. From there, it adds in cash received from shareholders through the purchase of the company's common and/or preferred stock. If the company decides to purchase stock back from shareholders, it is held as "treasury stock" and appears on the shareholder's equity statement as a reduction in company equity. Net income (or loss) from the income statement for that reporting period is then added. Cash or stock dividends are then added if they were paid out or issued to shareholders during the reporting period.

XYZ Clothing Company, Inc.
Statement of Shareholder's Equity
Year Ending December 31, 20XX

Beginning Equity Balance	\$	261,000
Issued Common Stock	\$	25,000
Issued Preferred Stock	\$	75,000
Purchase of Treasury Stock	\$	(25,000)
Net Income/(Loss)	\$	111,000
Cash Dividends	\$	(25,000)
Stock Dividends	\$	(5,000)
		\$ 417,000