The Apostrophe

In English, the function of the apostrophe is two-fold: to indicate possession and to indicate omissions in contractions or numbers.

Possession
Possessives indicate ownership. We use an apostrophe to show that a noun or a pronoun is possessive – in other words, the noun or the pronoun owns something.

Examples:
Sally's books (the books belong to Sally)
David's bicycle (the bicycle belongs to David)

However, ownership can also be loosely applied, as in:
The school's cafeteria
The building's roof

Hint: if you are unsure whether a word is possessive, place an of into the phrase: the cafeteria of the school, the roof of the building.

When to add an -'s:
We add an apostrophe and an s (-'s) when the noun does not end in an s, when the noun is singular and ends in an -s or an s sound:

Thank you for returning David's books.

Carmen's presentation discussed the effects of global warming in Hawaii.

Lois's brother is backpacking around Europe.

Christine’s discussion includes an overview of Marx's labor theory.

Exception: if the pronunciation would sound awkward with an apostrophe and an s, or if the name ends in an ‘iz’ sound, it is acceptable to use only the apostrophe:

Sophocles' play Antigone is about Oedipus' daughter.

Mrs. Bridges' fresh baked bread is now on sale.

Note: another exception is always made for Jesus:

Jesus' disciples.

If the noun ends in an 's', add only an apostrophe:

The diplomats' briefcases were thoroughly searched by the security guards.
Joint Possession
To show joint possession, add -'s (or –s') to the last noun only.

Have you seen David and Carmen's new car?

To show individual possession, make all nouns possessive.

Greg’s and Mandy's ideas were exactly the same.

Compound Nouns
When using a compound noun, use -'s (or –s’) with the last element:

Her mother-in-law's cake won first place.

My brother-in-law's car is for sale.

Indefinite Pronouns (e.g. someone, anyone, everyone, no one, etc.):
To show an indefinite pronoun is possessive, use –'s

Someone's book was left in the classroom.

Vegetables are good for everyone's health.

Contractions
When using contractions, an apostrophe is used to show the omission of letters:

It's a shame we can't go to the beach today.

(It's replaces it is, can't replaces cannot).

We also use an apostrophe to show the omission of the first two digits of a year or years:

The class reunion of ‘10 will be held at the Ala Moana hotel

The '50s generation are commonly referred to as “the baby boomers.”

Plural Numbers and Abbreviations
Do not use an apostrophe to make numbers (including decades) plural or when abbreviating words:

Sally scored perfect 10s in her discipline.

We owe multiple IOUs on our car.