<https://smallbusiness.chron.com/formula-calculating-earnings-available-common-stockholders-58179.html>

Common Stock Earnings Formula

Earnings available for common stockholders equals net income minus preferred dividends. Net income, or profit, equals total revenue minus total expenses. Revenue is the money you earn selling products and services. Expenses are the costs you incur in the same period, such as rent, payroll, interest and income taxes. Preferred dividends represent the portion of profits you distribute to preferred stockholders. Although preferred stockholders receive dividends before common stockholders, they do not share in the rest of the profits; only common stockholders do.

<https://www.accountingcoach.com/blog/preferred-stocks-on-pl>

Where do preferred stocks go on the P&L?

The amount received from issuing preferred stock is reported on the balance sheet within the stockholders' equity section.

Only the annual preferred dividend is reported on the income statement. The annual preferred dividend requirement is subtracted from a corporation's net income and the remainder is described as the Income Available for Common Stock.

<https://www.accountingcoach.com/blog/dividends-financial-statements-2>

*Where do dividends appear on the financial statements?*

Definition of Dividends -Cash dividends are a distribution of a company's profits.

*Where Dividends Appear on the Financial Statements*

The dividends declared and paid by a corporation in the most recent year will be reported on these financial statements for the recent year:

* statement of cash flows as a use of cash under the heading financing activities
* statement of stockholders' equity as a subtraction from retained earnings

Dividends that were declared but not yet paid are reported on the balance sheet under the heading current liabilities.

Dividends on common stock are not reported on the income statement since they are not expenses. However, dividends on preferred stock will appear on the income statement as a subtraction from net income in order to report the earnings available for common stock.