

Ernst and young llp. the annual reports of atandt and verizon



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Running Head: WEEK 2 DATA Week 2 Data in APA Style by What accounting firm audited its financial ments

Being two of the most prominent business organizations in the world operating in the telecommunications industry, both AT&T and Verizon ensures the accurate reporting of its financial transactions during a certain fiscal year. This necessitates the employment of an auditing firm which is reputed in giving a thorough evaluation of financial figures. Coincidentally, both of the companies under consideration utilize the service of a single auditing firm Ernst and Young LLP.

Ernst and Young LLP prides itself in being a " global leader in assurance, tax, transaction, and advisory services (Ernst and Young 2008)" having the overall aim of extending a " positive impact on businesses and markets, as well as on society as a whole" (Ernst and Young 2008). With this commitment for excellence, it currently employs a pool of 130, 000 professionals with diverse background and specialties each contributing to the success of the business organization. As an auditing firm, it maintains high standard in its undertaking and promotes overall transparency in financial reporting (Ernst and Young 2008). With the growth of financial fiascos and controversies involving huge corporations like Enron, Ernst and Young upholds its integrity in the market through its dedication to high ethical standards in its operations (Ernst and Young 2008).

Describe the financial data found in the company's financial statements, including footnotes. Be sure to include a description of all four basic financial statements.

The annual reports of AT&T and Verizon both comprise four important

financial statements each highlighting different aspects which give users of <https://assignbuster.com/ernst-and-young-llp-the-annual-reports-of-att-and-verizon/>

these information a thorough knowledge on their financial standing.

The income statement of AT&T and Verizon both lists down the source and the amount of revenue earned from the companies' operations together with special income like interest, investment, and sale from discontinued operations (Keown 2005). Together with these, the different expenditures are also broken down specifically giving the user knowledge of the cost management in the organization.

The balance sheets show the companies' resources and how these are financed (Keown 2005). It should be noted that since most assets are lumped into one category, footnotes and further explanations are provided as supplements.

The statement of cash flow shows the movement of cash from different activities (Keown 2005). This shows whether companies have adequate cash at hand in order to cover immediate financial obligations or finance possible investments.

Lastly, the statement of retained earnings shows the portion of income which is retained and is kept for further use (Keown 2005). This also shows the portion of their income which is attributed to their stockholders.

References

Ernst and Young LLP. (2008). About Us. Retrieved 7 March 2008, from

http://www.ey.com/global/content.nsf/International/About_EY_-_Values

Keown, A. J., Martin, J. D., Petty, J. W., and Scott Jr., D. F. (2005). Financial Management principles and applications, Pearson/Prentice Hall International Edition, 10th Edition.