

Balance Sheet- Note Organizer (Key)

A Balance Sheet lists value of the Assets owned by a business and the value of the Liabilities that the business owes to its lenders. The Net Worth (or Owners Equity) of the business shows how much the owners have invested into the business as of that day.

A Current Asset is something that the business owns and will use up within the next 12 months. Examples include supplies that you have on hand, feed inventories, or accounts receivable.

A Non-Current Asset is something that the business owns that lasts for more than one year. Examples include machinery and equipment, buildings, and land.

A Current Liability is something that the business owes to someone and it will be paid within the next 12 months. Examples include accounts payable, loan principal that is to be paid this year, and accrued interest.

A Non-Current Liability is something that the business owes to someone over the next several years, but it will not be repaid within the next 12 months. Examples include loan principal on a tractor loan that you owe over the next 5 years.