**AREC 213**

**Fall 2014**

**Balance Sheet Definitions**

**Current Assets**

Your cash, inventory and any other assets that can be converted to cash to fund your business operations (usually, within one year).

**Fixed Assets**

Long-term assets your business holds such as land, facilities, or equipment. Fixed assets are usually not expected to be converted to cash.

**Other Assets**

Any other tangible or intangible assets your business holds that your business plan's readers should know about.

**CURRENT LIABILITIES**

This refers to your company's debts that are due in the short term — typically, within one year.

**LONG TERM DEBT**

This refers to debts that can be paid off over the longer term — typically, over one year.

**Owner's Equity**

The difference between your total assets and liabilities. This can also be called net assets.