Classified Balance Sheet Master Reference Sheet

Current vs. Non-Current Assets, Liabilities, Working Capital & US GAAP Presentation Hierarchy

1. BALANCE SHEET CLASSIFICATIONS & ORDER OF LIQUIDITY

Classification	Order / Typical Account Order	GAAP Definition & Valuation Rule
Current Assets	1. Cash & Equivalents • 2. Short-Term Investments 3. Accounts Receivable (net) • 4. Inventory 5. Prepaid Expenses	Assets reasonably expected to be realized in cash, sold, or consumed within **1 year or operating cycle**. Listed in order of decreasing liquidity.
Long-Term Investments	Notes receivable > 1 yr, stock/bond holdings of other firms, land held for speculation, sinking funds.	Not used in primary operating activities; held for long-term yields or corporate control.
Property, Plant & Equipment (PP&E)	Land (not depreciated), Buildings, Machinery, Office Equipment, less: **Accumulated Depreciation**.	Tangible, long-lived operating assets recorded at historical cost minus contra-asset accumulated depreciation.
Intangible Assets	Patents, Copyrights, Trademarks, Licenses, Goodwill (business combinations).	Non-physical legal rights. Finite-lived amortized straight-line; indefinite-lived (goodwill) tested for impairment.
Current Liabilities	Accounts Payable, Short-Term Notes, Accrued Wages, Unearned Revenue, Current Portion of Long-Term Debt.	Debts expected to be satisfied within 1 year or operating cycle using existing current assets.
Long-Term Liabilities	Bonds Payable (net of discount/premium), Long-Term Notes, Lease Liabilities (ASC 842), Pensions.	Obligations due past one year. Reported at present value of future cash outflows.
Stockholders' Equity	Common Stock, Preferred Stock, APIC, Retained Earnings, AOCI, less: **Treasury Stock**.	Residual interest in assets after deducting liabilities. Contributed capital + cumulative retained profits.

2. KEY BALANCE SHEET LIQUIDITY & SOLVENCY METRICS

Metric	Formula	Significance & Safe Target
Working Capital	Current Assets – Current Liabilities	> $0. Measures immediate short-term buffer.
Current Ratio	Current Assets / Current Liabilities	Standard benchmark: 1.5 – 2.0x.
Quick (Acid-Test) Ratio	(Cash + Mkt Securities + AR) / Current Liabilities	Excludes inventory and prepaids. Benchmark ≥ 1.0x.
Debt-to-Equity	Total Liabilities / Total Stockholders' Equity	Measures solvency leverage. Lower = safer.

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