The Long-Term Approach – Examples of Assets & Liabilities Recognized

Examples of assets that would be recognized under the Long-Term Approach include:

- Cash and investments
- Accounts receivable
- Property taxes receivables
- Long-term receivables
- Prepaid items and inventory

An example of items that would not be recognized as assets under the Long-Term Approach are capital assets, including intangible assets.

Examples of liabilities that would be recognized include:

- Accounts payable and accrued payroll
- Accrued interest payable
- Compensated absences
- Principal amounts of long-term operating debt and tax anticipation notes or revenue anticipation notes
- Pension and other post-employment benefit liabilities and asset retirement obligations

An example of a liabilities that would not be recognized under the Long-Term Approach are principal amounts of long-term capital-related debt.