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

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

- Cash and investments
- Accounts receivable that normally are due within the near term
- Property taxes receivable that normally are due within the near term
- Long-term receivables with delayed payment terms that have matured.

Examples of **assets** that would **not** be recognized under the Near-Term Approach include:

- Prepaid items
- Inventory
- Long-term receivables that have not matured
- Capital assets, including intangible assets

Examples of **liabilities** that would be recognized under the Near-Term Approach include:

- Accounts payable and accrued payroll
- Accrued interest payable that normally is due within the near term
- Compensated absences payable that normally are due within the near term
- Any unpaid balances due on long-term operating debt or capital-related debt and tax anticipation notes or revenue anticipation notes that matured during the period
- Net pension and other post-employment benefit liabilities that normally are due within the near term

Examples of **liabilities** that would **not** be recognized under the Near-Term Approach include:

- Portions of compensated absences liabilities that normally are not due within the near term
- Long-term operating debt or capital-related debt and tax anticipation notes or revenue anticipation notes that have not matured
- Net pension and other post-employment benefit liabilities that normally are not due within the near term
- Asset retirement obligations that normally are not due within the near term