

Part C: The Balance Sheet

Remember when we talked about *assets* and *liabilities* in Lesson 1?

A balance sheet gives a snapshot of:

- what the organization owns (*assets*),
- what it owes (*liabilities*),
- and the difference (*net assets* = assets - liabilities)

The balance sheet breaks down how much cash is on hand, money about to come in or go out, long-term debts, and the organization's net worth.

All this helps your team see the big picture.

Snapshot in Time

A balance sheet shows how the organization is doing from its **birth until now**, a single moment in time.

The balance sheet answers the questions, "Over the lifetime of this organization, what have we saved up? And what do we owe?"