Where did $100 go?

Where did $100 go? is a free 50-minute high school lesson on where a company's money goes. Students guess, then reveal, how much of each $100 Nike, Costco, Apple and McDonald's took in went to costs, taxes and profit.

5-minute prep

- Print: one worksheet per student (2 pages, black and white, on two separate sheets). Page 2 shows real amounts, so hand out page 1 at the hook and page 2 after the reveal. Print one set of receipt cards per group (pages 5–6) and cut them apart. Print the answer key for yourself.
- Project: the slides (15 slides). The reveal starts on slide 7.
- Read: "Teacher background in 2 minutes" below, then the discussion questions.
- Plan groups: 4 to 8 groups. Give each company to one or two groups.

Grade	High school, grades 9–12
Time	50 minutes (splits into two 25-minute blocks)
Edition	2026–27 first edition v1.0
Lesson page	cityfort.co/teachers/how-companies-make-money/where-did-100-dollars-go

Objective

Students can explain that revenue is the money a company takes in. They can list where it goes (costs, taxes) and what is kept (net income). They can convert a company's annual figures to "per $100."

Standards the lesson supports

- Investing 8-4 (Jump$tart / CEE National Standards)
- 7.RP.A.3 (Common Core states)
- HSN.Q.A.1 (Common Core states)

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Timing

Minutes	Step	What happens
0–5	**Hook**	Hook: "Out of every $100 Nike took in during its FY2026 year, how much do you think it kept?" Students write a guess.
5–12	**How a receipt works**	The teacher walks through a made-up lemonade-stand receipt: money in, costs, taxes, kept.
12–30	**Estimate a receipt**	Groups get one company's receipt lines without the amounts. They estimate each line so the total is $100.
30–40	**Reveal and score**	Reveal the real receipts. Groups work out how far each estimate was from the real amount.
40–47	**Compare**	Whole-class compare: why does Costco keep about $3 of each $100 and Apple about $27.5?
47–50	**Exit ticket**	Exit ticket (3 questions).

Materials

- The slides (projected) or the printed worksheet.
- One worksheet per student. It prints in black and white on two separate pages; page 2 is handed out after the reveal.
- One set of receipt cards per group, printed from the teacher guide and cut apart.
- A calculator for the "per $100" questions.
- No accounts, no logins and no internet access are required. The student page is optional.

The numbers

Where each $100 went: Nike, FY2026

Line	Per $100 that came in
Products sold (cost of sales)	$57.0
Advertising and athlete deals (demand creation)	$10.2
Wages, rent and other overhead	$24.4
Income tax	$1.7
Kept as net income	$6.7
Total	$100.0

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Source: Nike's FY2026 Form 10-K, filed Jul 15, 2026; Item 8, Consolidated Statements of Income, p. 55; Cityfort calculation: each line ÷ the total money that came in × 100.

Where each $100 went: Costco, FY2026

Line	Per $100 that came in
Merchandise costs	$87.0
Running costs	$8.9
Interest and tax	$1.0
Kept as net income	$3.0
Total	$99.9

Source: Costco's FY2026 Form 10-K, filed Oct 7, 2026; Item 8, Consolidated Statements of Income, p. 37; Cityfort calculation: each line ÷ the total money that came in × 100. Lines are rounded to the nearest 10 cents, so the total may differ from $100 by a few cents.

Where each $100 went: McDonald's, FY2025

Line	Per $100 that came in
Company-run restaurants (food, paper, pay, occupancy)	$30.7
Selling, general and admin	$11.3
Franchised restaurants' occupancy	$9.7
Other restaurant and operating costs	$2.1
Interest	$5.9
Income tax	$8.7
Kept as net income	$31.7
Total	$100.1

Source: McDonald's FY2025 Form 10-K, filed Feb 24, 2026; Item 8, Consolidated Statement of Income, p. 39; Cityfort calculation: each line ÷ the total money that came in × 100. Lines are rounded to the nearest 10 cents, so the total may differ from $100 by a few cents.

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Where each $100 went: Apple, FY2026

Line	Per $100 that came in
Cost of products	$45.0
Cost of services	$6.1
Research and development	$9.5
Selling, general and administrative	$6.2
Income tax	$5.6
Kept as net income	$27.5
Total	$99.9

Source: Apple's FY2026 Form 10-K, filed Nov 3, 2026; Item 8, Consolidated Statements of Operations, p. 32; Cityfort calculation: each line ÷ the total money that came in × 100. Lines are rounded to the nearest 10 cents, so the total may differ from $100 by a few cents.

Discussion questions

1. Which line surprised you most, and why?
2. What does Nike's "advertising and athlete deals" line tell you about how it sells shoes?
3. Costco keeps less per $100 than Nike but takes in far more dollars. What's the difference between "per $100" and "in total"?
4. Where would you find these numbers yourself?

Adapting the lesson

English language learners: ELL: a word bank, a picture icon for each receipt line and the sentence frame "Out of every $100, ___ spent $___ on ___ because ___."

IEP and 504 plans: IEP: two lines of the group's receipt already filled in, an enlarged copy of the worksheet and a calculator.

Advanced students: Advanced: students work out a company's "per $100" amounts from its 10-K figures, using a given formula. Full details are in the teacher guide.

Extension: Students choose a second company from Unit 1's list and build its receipt from its Cityfort page. Examples: Chipotle, Coca-Cola, PepsiCo, Netflix or Walmart. They compare it with one of this lesson's four receipts. Describe the differences. Do not rank the companies. Read Cityfort's Learn entry What a margin means: dollars kept per $100.

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Teacher background

Revenue and net income

Revenue is the money a company earns from customers in a year. **Net income** (profit) is what is left after all costs, interest and taxes recorded for that year.

A "per $100" receipt

A **"per $100" receipt** divides each line by the total money that came in, then multiplies by 100. It shows the share of each dollar, not the dollar total.

Why the hook says "took in," not "sold you a $100 pair of shoes"

In FY2026, stores and distributors that buy Nike products to resell paid 60.5% of Nike's revenue. Nike's revenue from them is what they paid Nike, not what shoppers later paid them. So the hook asks about the money Nike itself took in.

Why the receipts differ

Each one reflects a different business. **Nike** designs products and has outside factories make them. It spends to build demand: advertising and athlete deals took $10.2 of each $100. **Costco** earns thin margins on a high volume of sales, and members pay a yearly fee ($65 in the US). Merchandise costs took $87.0 of each $100. **McDonald's** is mostly a landlord and brand owner. Franchisees run about 95% of its restaurants and pay it rent and royalties. **Apple** sells devices and the services used on them. In FY2026, Services kept $76.2 of gross margin per $100 of sales, and products kept $39.3.

One thing to know about Nike's FY2026 numbers

Its cost of sales is after a one-time $986 million tariff benefit, before tax. Nike's Cityfort page says that equals $2.13 per $100 of revenue.

Fiscal years differ

Fiscal years differ: Nike's ended May 31, Costco's Aug 30 and Apple's Sep 26. McDonald's follows the calendar year.

If your class runs a stock-market simulation, these lessons can come before it: they explain what a company does and how it reports results. They do not suggest which companies to choose, and Cityfort does not run, rank or judge simulation picks.

Standards supported

This lesson supports these outcomes. It does not claim full alignment with any standard.

Common Core codes apply in Common Core states only.

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- National Standards for Personal Financial Education (2021), Investing 8-4 (grade 8, used as review): investors in corporate stock "become part-owners of a business" (shortened). Supports this part of the standard. Students see what the business behind a share does with its money. The lesson does not discuss share prices or dividends.
- Common Core Math 7.RP.A.3 (grade 7, used as review): "Use proportional relationships to solve multistep ratio and percent problems." Students convert yearly dollar figures to "per $100."
- Common Core Math HSN.Q.A.1: "Use units as a way to understand problems and to guide the solution of multi-step problems…" Students keep billions of dollars and "per $100" amounts straight.

Teacher background in 2 minutes

- Revenue is money earned from customers in the year. It is the "top line" of the income statement.
- Net income (profit) is what is left after all costs, interest and taxes. It is the "bottom line."
- A "per $100" receipt divides each line by the total money that came in, then multiplies by 100. Cityfort's pages call this total "money in." For Nike, Costco and McDonald's, it is revenue plus a small amount of interest and other income. For Apple, it is net sales of $478.8 billion plus $1.2 billion of net other income.
- The hook wording matters. In FY2026, stores and distributors that buy Nike products to resell paid 60.5% of Nike's revenue. Nike's revenue from them is what they paid Nike, not what shoppers later paid them. That is why the hook says "out of every $100 Nike took in."
- Nike's FY2026 cost line is after a one-time $986 million tariff benefit, before tax. Nike's Cityfort page says that equals $2.13 per $100 of revenue.
- Rounding: each line is rounded to the nearest 10 cents. Costco's and Apple's receipts add up to $99.90 and McDonald's to $100.10. Costco's page also gives its net income to the cent: $3.04 of every $100.

What each receipt says about the business

- Nike designs products and pays outside factories to make them. Advertising and athlete deals build demand for the brand: $10.2 of each $100 in FY2026.
- Costco earns thin margins on a high volume of sales, and members pay a yearly fee ($65 in the US). A margin is the amount kept from each sale. Its 10-K says, "We often sell inventory before we are required to pay for it."
- McDonald's is mostly a landlord and brand owner. Franchisees run about 95% of its 45,356 restaurants. In FY2025, they paid 61.6% of its revenue as rent, royalties and initial fees.
- McDonald's "franchised restaurants' occupancy" line: under a conventional franchise, McDonald's generally owns or leases the land and building long term. The franchisee pays it rent. In FY2025,

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franchised revenues were $16.5 billion and occupancy costs on those restaurants were $2.6 billion.
- Apple sells devices and the services used on them. In FY2026, Services kept $76.2 of gross margin per $100 of sales, and products kept $39.3. Research and development took $9.5 of each $100.

Materials

- Slides (PowerPoint, 15 slides). Every receipt is a real table, not a picture.
- Student worksheet with exit ticket (2 pages).
- Receipt cards: one set per group (pages 5–6 of this guide).
- Answer key.
- Calculators.
- Optional: the student page link, for classes with devices.

0–5 minutes: Hook (slides 1–2)

- Show slide 2: "Out of every $100 Nike took in during its FY2026 year, how much do you think it kept?"
- Hand out page 1 of the worksheet only. Students write a guess in Part A. No talking yet.
- Take three or four guesses. Write the highest and lowest on the board. Do not reveal the answer.

5–12 minutes: How a receipt works (slides 3–5)

- Define revenue, cost, tax and net income (slide 3). Students copy them into Part B.
- Show the lemonade stand on slide 4. Say clearly that these numbers are made up.
- Show the "per $100" formula on slide 5: line ÷ total money in × 100. Work the made-up bike shop example together: $4,000 ÷ $50,000 × 100 = $8. Keep the hook answer for the reveal. Before slide 7, groups see no real receipt amounts: slides 1–6, page 1 of the worksheet, the cards and the student page outside its closed receipts show none. The one exception is the IEP option, whose cards have two lines filled in.

12–30 minutes: Estimate a receipt (slide 6)

- Hand each group one company's receipt cards. Read the line names aloud if needed.
- Groups estimate each line in dollars. The lines must add up to $100.
- Allow totals within $0.20 of $100, because the real receipts are rounded.
- Groups write their estimates in the "Our estimate" column of Part C.
- Walk around. If a group is stuck, ask: "Which line do you think is biggest? Why?"

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30–40 minutes: Reveal and score (slides 7–10)

- Show each real receipt (slides 7–10). Groups copy their company's real amounts into Part C.
- On slide 7, answer the hook with the formula: Nike's $3.1 billion kept ÷ $46.5 billion taken in × 100 = $6.7. Ask: "Was your guess higher or lower than $6.7?"
- For each line, groups subtract the smaller number from the bigger one. That is the gap.
- Groups add up their gaps. The smallest total gap is the closest estimate.
- Say: "This score is about how well you guessed the company's costs. It says nothing about the company's stock."
- Point out the rounding note on slide 10: Costco and Apple add up to $99.90 and McDonald's to $100.10.
- Now hand out page 2 of the worksheet (Parts D, E and the exit ticket, with the Advanced half-page on the back).

40–47 minutes: Compare (slides 11–12)

- Ask: "Why does Costco keep about $3 of each $100 and Apple about $27.5?"
- Steer the talk to the business model, and keep ranking words out of it. Costco earns thin margins on a high volume of sales. Apple sells devices and services, and in FY2026 its Services kept $76.2 of gross margin per $100 of sales.
- Then use slide 12: Costco kept less per $100 than Nike but more dollars in total.

47–50 minutes: Exit ticket (slide 14)

Slide 13 ("Where do these numbers come from?") can close the compare section or open Lesson 2.

- Students answer the three exit-ticket questions on page 2 of the worksheet.
- Collect them. Question 3 is the quickest check of whether students can read a receipt line.

Splitting into two 25-minute blocks

Block 1 covers minutes 0–25: hook, lemonade stand and the estimates. Collect page 1 of the worksheets so estimates are not lost. Block 2 opens with a 3-minute recap of the receipt idea, then the reveal, gap score, page 2 of the worksheet, compare and exit ticket.

Sentence frames

- "Out of every $100, ___ spent $___ on ___ because ___."
- "I was surprised that ___, because I thought ___."
- "Per $100, ___ kept more. In total dollars, ___ kept more, because ___."

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Guidance for the discussion questions

Guidance for question 2. Nike spent $10.2 of each $100 on advertising and athlete deals in FY2026. Its page says these deals build demand for the brand. Most of Nike's revenue (60.5% in FY2026) came from stores and distributors that buy Nike products to resell.

Guidance for question 3. In FY2026, Costco kept $3.0 of each $100 but $9.2 billion in total. Nike kept $6.7 of each $100 but $3.1 billion in total. Costco took in $303.9 billion; Nike took in $46.5 billion. The two fiscal years end on different dates (Aug 30 and May 31, 2026).

Guidance for question 4. In each company's Form 10-K. Companies file it with the SEC every year, and anyone can read it free on the SEC's EDGAR site. The income statement is in Item 8. Lesson 4 is a full scavenger hunt in a 10-K.

Keep it neutral. If a student starts ranking the companies, ask: "What does the receipt show?" Lesson 3 explores why two businesses in one industry can have very different receipts.

Differentiation: ELL

- Word bank: revenue, cost, tax, profit, net income, per, fiscal year, franchise, wholesale, 10-K.
- Picture icons for each receipt line: a box for products, a megaphone for advertising, a building for rent, a government building for tax, a piggy bank for "kept." The cards carry the same icons.
- Sentence frame: "Out of every $100, ___ spent $___ on ___ because ___."
- Pair ELL students with a partner for Part C.

Differentiation: IEP

- Give the group's cards with two lines already filled in. Use these lines: Nike: income tax and kept. Costco: interest and tax, and kept. McDonald's: interest and income tax. Apple: cost of services and income tax.
- Large print: enlarge the worksheet when printing (tabloid paper works well).
- Calculator allowed.
- Shorter exit ticket: questions 1 and 2 only.

Differentiation: Advanced

- Students work out "per $100" amounts from a company's 10-K figures. Formula: line ÷ total money in × 100.
- Costco's figures are on the back of page 2 of the worksheet, handed out after the reveal. If a student's group had Costco, give Nike's figures instead (below).
- Nike, FY2026, in US$ million (Nike Form 10-K FY2026): total money in 46,501 (revenues 46,398 plus net interest and other income 103); cost of sales 26,487; demand creation 4,754; operating

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overhead 11,360; income tax 792; net income 3,108.

- Students compare their answers with the receipt and explain any difference. (Rounding is the answer.)

Receipt cards (print one set per group and cut apart)

Each set's amounts must add up to $100 (within $0.20).

student page

Scan the code or type: **cityfort.co/class/receipt**

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Cards to print and cut out

Nike · FY2026 (year ended May 31, 2026)

- Products sold (cost of sales) · $____
- Advertising and athlete deals (demand creation) · $____
- Wages, rent and other overhead · $____
- Income tax · $____
- Kept as net income · $____

Costco · FY2026 (year ended Aug 30, 2026)

- Merchandise costs · $____
- Running costs · $____
- Interest and tax · $____
- Kept as net income · $____

McDonald's · FY2025 (year ended Dec 31, 2025)

- Company-run restaurants (food, paper, pay, occupancy) · $____
- Selling, general and admin · $____
- Franchised restaurants' occupancy · $____
- Other restaurant and operating costs · $____
- Interest · $____
- Income tax · $____
- Kept as net income · $____

Apple · FY2026 (year ended Sep 26, 2026)

- Cost of products · $____
- Cost of services · $____
- Research and development · $____
- Selling, general and administrative · $____
- Income tax · $____
- Kept as net income · $____

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Sources

1. S1: Nike: Form 10-K for fiscal 2026 (year ended May 31, 2026), NIKE, Inc. (SEC EDGAR), Jul 15, 2026. https://www.sec.gov/Archives/edgar/data/320187/000032018726000088/nke-20260531.htm
2. S2: Costco: Form 10-K for fiscal year 2026 (ended Aug 30, 2026), Costco Wholesale Corporation (SEC EDGAR), Oct 7, 2026. https://www.sec.gov/Archives/edgar/data/909832/000090983226000093/cost-20260830.htm
3. S3: Apple: Form 10-K for fiscal year 2026 (year ended Sep 26, 2026), Apple Inc. (SEC EDGAR), Nov 3, 2026. https://www.sec.gov/Archives/edgar/data/320193/000032019326000026/aapl-20260926.htm
4. S4: McDonald's: Form 10-K, fiscal year 2025 (ended Dec 31, 2025), McDonald's Corporation (SEC EDGAR), Feb 24, 2026. https://www.sec.gov/Archives/edgar/data/63908/000006390826000035/mcd-20251231.htm

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