Why companies borrow

For the teacher. Every number comes from the filing named next to it.

Part A (made-up numbers)

A1. Accept two of: save cash for more than a year ($20,000 a year against a $30,000 oven), borrow, or sell part of the bakery to a partner. A2. Interest.

Part B

Build: buildings and equipment. Buy: another business or a license. General purposes: for example buybacks and dividends. Lend: loans to customers.

Part C

Oracle: build. Evidence: capital spending $55,663 million in FY2026, above cash from operations of $31,977 million.

Where: Oracle Form 10-K for FY2026, cash flow statement

AT&T: buy. Evidence: $22,650 million for EchoStar spectrum and $5,756 million for Lumen's fiber in the first nine months of 2026.

Where: AT&T Form 10-Q for Q3 FY2026

Apple: general purposes. Evidence: its November 2026 offering lists general corporate purposes, which may include share repurchases, dividends, working capital, capital expenditures, acquisitions and repaying debt. Accept any listed use.

Where: Apple Form 424B2 prospectus supplement and Form 8-K, November 2026

Ford Credit: lend. Evidence: $141,417 million of debt and $146.3 billion of loans and leases to collect on Dec 31, 2025.

Where: Ford Form 10-K for FY2025

Accept a second reason for a card when the student gives a fact for it, for example AT&T's $7,472 million of buybacks.

Part D (Cityfort calculations)

D1. $55,663 million − $31,977 million = $23,686 million.

D2. $35,870 million − $10,172 million = $25,698 million.

D3. Larger: $146.3 billion of loans and leases to collect against $141,417 million of debt.

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D4. Accept any accurate sentence from a card. Not accepted: "wasteful," "smart," "risky" or any other verdict.

Advanced

Accept descriptions that use the card: first notes in August 2022, $83.7 billion of notes on Sep 30, 2026, plus the capital spending figures from Meta's page.

Exit ticket

1. Any two of: to build, to buy, for general purposes such as paying shareholders, to lend.

2. The cash flow statement, in the financing activities section.

3. Accept any card's reason with its fact, for example Oracle's capital spending or AT&T's spectrum purchase.

Notes

- Data checked Nov 15, 2026. Figures are copied from each filing as stored on the company's Cityfort page. Part D's results are Cityfort calculations by subtraction.

Sources

1. S1: Oracle: Form 10-K, fiscal year 2026 (ended May 31, 2026), Oracle Corporation (SEC EDGAR), Jun 22, 2026. https://www.sec.gov/Archives/edgar/data/1341439/000119312526277521/orcl-20260531.htm
2. S2: Oracle: Form 10-Q, Q1 fiscal 2027 (quarter ended Aug 31, 2026), Oracle Corporation (SEC EDGAR), Sep 11, 2026. https://www.sec.gov/Archives/edgar/data/1341439/000119312526389274/orcl-20260831.htm
3. S3: Oracle: Form 8-K, Items 1.01 and 8.01 ($20 billion at-the-market agreement and senior notes), Oracle Corporation (SEC EDGAR), Feb 4, 2026. https://www.sec.gov/Archives/edgar/data/1341439/000119312526037840/d23732d8k.htm
4. S4: AT&T: Form 10-Q, Q3 FY2026 (quarter ended Sep 30, 2026), AT&T Inc. (SEC EDGAR), Oct 21, 2026. https://www.sec.gov/Archives/edgar/data/732717/000073271726000372/t-20260930.htm
5. S5: AT&T: Form 10-K, fiscal year 2025 (ended Dec 31, 2025), AT&T Inc. (SEC EDGAR), Feb 9, 2026. https://www.sec.gov/Archives/edgar/data/732717/000073271726000120/t-20251231.htm
6. S6: 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
7. S7: Apple: Form 8-K, Item 8.01 ($7.5 billion notes issued Nov 9, 2026), Apple Inc. (SEC EDGAR), Nov 9, 2026. https://www.sec.gov/Archives/edgar/data/320193/000114036126042798/ef20085077_8k.htm
8. S8: Apple: final pricing term sheet for the November 2026 notes (free writing prospectus, dated Nov 5, 2026), Apple Inc. (SEC EDGAR), Nov 6, 2026. https://www.sec.gov/Archives/edgar/data/320193/000114036126042173/ny20084621x3_fwp.htm
9. S9: Apple: Form 424B2 preliminary prospectus supplement for the November 2026 notes, Apple Inc. (SEC EDGAR), Nov 5, 2026. https://www.sec.gov/Archives/edgar/data/320193/000114036126042046/ny20084621x1_424b2.htm
10. S10: Ford: Form 10-K, fiscal year 2025 (ended Dec 31, 2025), Ford Motor Company (SEC EDGAR), Feb 11, 2026. https://www.sec.gov/Archives/edgar/data/37996/000003799626000015/f-20251231.htm

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11. S11: Ford: Form 10-Q, third quarter 2026 (ended Sep 30, 2026), Ford Motor Company (SEC EDGAR), Oct 29, 2026. https://www.sec.gov/Archives/edgar/data/37996/000003799626000191/f-20260930.htm
12. S12: Meta: Form 10-K for fiscal year 2025, Meta Platforms, Inc. (SEC EDGAR), Jan 29, 2026. https://www.sec.gov/Archives/edgar/data/1326801/000162828026003942/meta-20251231.htm
13. S13: Meta: Form 10-Q for the quarter ended Sep 30, 2026, Meta Platforms, Inc. (SEC EDGAR), Oct 22, 2026. https://www.sec.gov/Archives/edgar/data/1326801/000162828026066773/meta-20260930.htm

Credit and license

"Debt, cash and staying power: Lesson 2 – Why companies borrow" by Cityfort (cityfort.co/teachers/debt-cash-and-staying-power/why-companies-borrow), CC BY-NC 4.0. Data from Oracle's FY2026 Form 10-K, filed Jun 22, 2026; Oracle's Q1 FY2027 Form 10-Q, filed Sep 11, 2026; AT&T's Q3 FY2026 Form 10-Q, filed Oct 21, 2026; Apple's FY2026 Form 10-K, filed Nov 3, 2026; Apple's November 2026 notes Form 8-K, filed Nov 9, 2026; Ford's FY2025 Form 10-K, filed Feb 11, 2026; Ford's Q3 FY2026 Form 10-Q, filed Oct 29, 2026; Meta's FY2025 Form 10-K, filed Jan 29, 2026; and Meta's Q3 FY2026 Form 10-Q, filed Oct 22, 2026.

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