

Financial Plan Example

Business Name: Sweet Haven Cupcakes

Period: First Year

1. Start-Up Costs

These are the expenses needed to start the business.

Item	Estimated Cost
Equipment	\$2,000
Inventory	\$1,500
Rent Deposit	\$1,200
Marketing	\$800
Licenses & Permits	\$500
Miscellaneous	\$500
Total	\$6,500

2. Sales Forecast

Month	Estimated Sales Revenue
Month 1	\$3,000
Month 2	\$4,000
Month 3	\$5,000
Month 4	\$6,000
Month 5	\$7,000
Month 6	\$8,000
Total Year	\$66,000

3. Expense Budget

Expense	Monthly Cost
Rent	\$1,000
Salaries	\$2,500
Utilities	\$300
Supplies	\$400
Marketing	\$500
Miscellaneous	\$200
Total	\$4,900

4. Projected Cash Flow Statement (First 6 Months)

Month	Cash Inflows	Cash Outflows	Net Cash Flow	Cumulative Cash Balance
Month 1	\$3,000	\$4,900	-\$1,900	-\$1,900
Month 2	\$4,000	\$4,900	-\$900	-\$2,800
Month 3	\$5,000	\$4,900	\$100	-\$2,700
Month 4	\$6,000	\$4,900	\$1,100	-\$1,600
Month 5	\$7,000	\$4,900	\$2,100	\$500
Month 6	\$8,000	\$4,900	\$3,100	\$3,600

5. Profit & Loss Statement (Year 1)

- **Revenue:** \$66,000
- **Expenses:** \$58,800 (monthly \$4,900 × 12)
- **Net Profit:** \$7,200

Key Takeaways:

- **Start-up costs** are covered before revenue begins.
- The business initially operates at a **negative cash flow** but becomes positive by Month 5.
- **Projected net profit** at the end of Year 1 is \$7,200.