

# FINANCIAL OVERVIEW 2023-2024

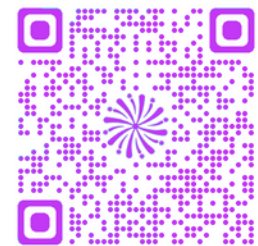


Illuminating Today, Protecting Tomorrow

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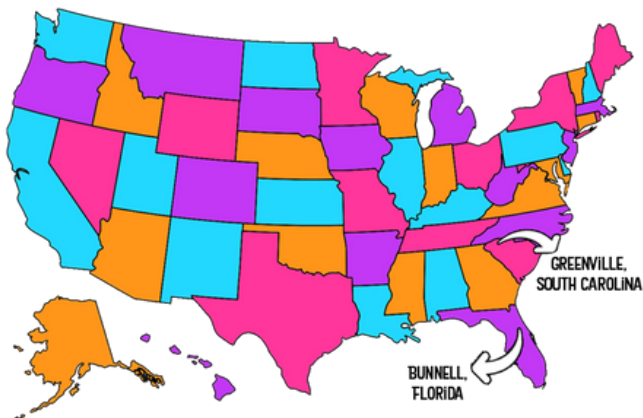
## ABOUT THE BUSINESS

Modern day fireworks release toxins when launched. On major holidays, air quality depreciates substantially. Fireworks also cause water pollution, emitting toxic chemicals into ecosystems. Our products change the traditional composition of fireworks, using cleaner chemicals. These substitutes cut carbon emissions in half and emit less smoke, creating a sustainable and more vibrant experience.



Fusion has redefined the fireworks market by developing a line of eco-friendly firework products that can be enjoyed without individuals feeling responsible for harm done to the environment and health of those around them. Traditional fireworks cause pollution, leaving behind harmful smoke that makes the experience less satisfactory. Fusion's fireworks are meant to be enjoyed and appreciated by all; therefore, they are made with materials that reduce smoke emissions while providing a more luminous experience.

We manufacture our products in a factory in Bunnell, Florida, which has the capacity to produce fireworks with reduced smoke. By partnering with Odyssey Logistics, our fireworks are then delivered to our warehouse in Greenville, SC, where they are stored and shipped out to consumers.



Here at **Fusion**, our mission is to create moments, spark memories, sustain the environment, and light the fuse to a brighter future through the sale of our eco-friendly fireworks.



# FINANCIAL HIGHLIGHTS

## TURNOVER

Inventory Turnover Ratio: 6.3

## PRICE PER EARNINGS

22.05

## LIQUIDITY

Our current ratio is 2.95

Our quick ratio is 2.42

## PROFITABILITY

Gross profit ratio: 60%

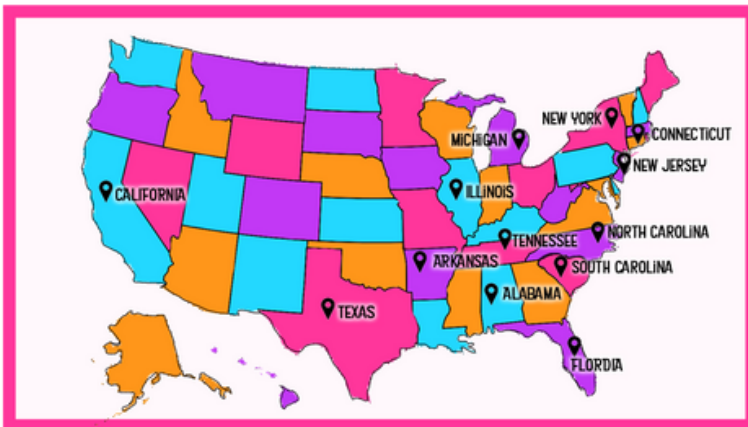
Net Profit ratio and Return On Assets: 23%

Return On Equity: 78%

## NET INCOME

\$222,874

## SALES BY STATE

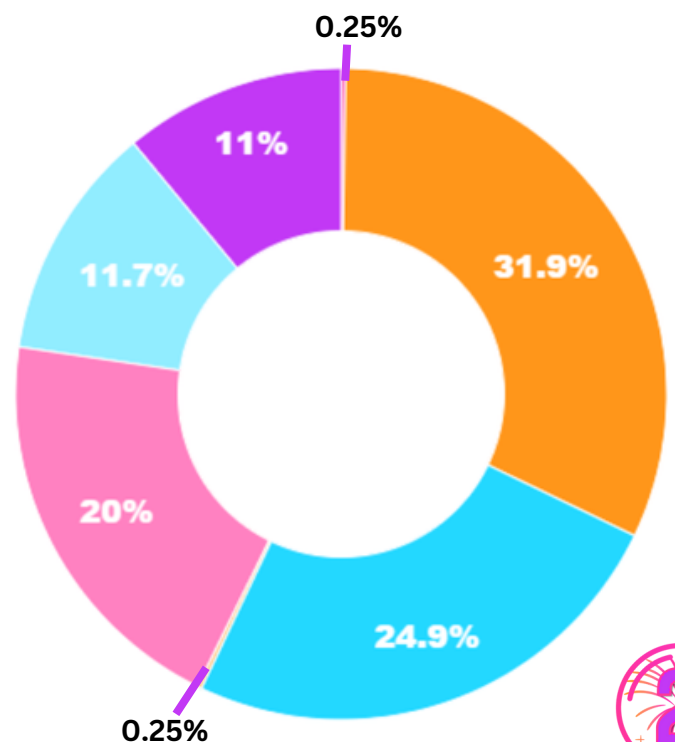


One of Fusion’s short term goals is to be able to sell products across all states. A long term goal is to eventually expand our brand around the globe. One of our current priorities is to begin promoting our fireworks on the West Coast, specifically California, as an abundance of VE firms are located there. Currently, we have had the most transactions from Illinois, with 29 individual purchases.

## SALES BY PRODUCT

Sparklers (20 Pack)	1
New Years	145
Main Event	113
Fountains (5 Pack)	1
Adult Birthday	91
Fourth of July	53
Romantics	50

The New Years bundle was our highest selling individual product reaching 145 units sold as of October 31, 2023. Coming in close second was our Main Event bundle, selling over 110 units. Out-of-network contracts were our primary source of sales.



# BREAK-EVEN ANALYSIS

## KEY FINANCIAL METRICS

With a selling price per unit standing strong at \$333 and an average cost of goods sold calculated at \$206, our gross profit margin of 60% speaks volumes about our operational efficiency; this being the profit engine driving our business.

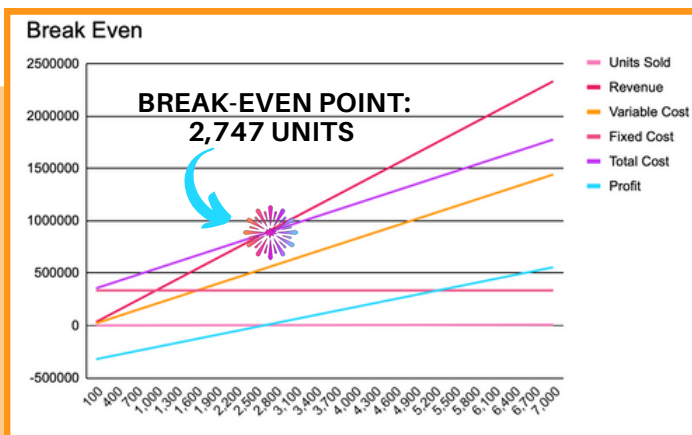
Units Sold	Revenue	Variable Cost	Fixed Cost	Total Cost	Profit
100	\$33,300	\$20,583	\$349,247	\$369,830	-\$336,530
400	\$133,200	\$82,332	\$349,247	\$431,579	-\$298,379
700	\$233,100	\$144,081	\$349,247	\$493,328	-\$260,228
1,000	\$333,000	\$205,830	\$349,247	\$555,077	-\$222,077
1,300	\$432,900	\$267,579	\$349,247	\$616,826	-\$183,926
1,600	\$532,800	\$329,328	\$349,247	\$678,575	-\$145,775
1,900	\$632,700	\$391,077	\$349,247	\$740,324	-\$107,624
2,200	\$732,600	\$452,826	\$349,247	\$802,073	-\$69,473
2,500	\$832,500	\$514,575	\$349,247	\$863,822	-\$31,322
2,800	\$932,400	\$576,324	\$349,247	\$925,571	\$6,829
3,100	\$1,032,300	\$638,073	\$349,247	\$987,320	\$44,980
3,400	\$1,132,200	\$699,822	\$349,247	\$1,049,069	\$83,131
3,700	\$1,232,100	\$761,571	\$349,247	\$1,110,818	\$121,282
4,000	\$1,332,000	\$823,320	\$349,247	\$1,172,567	\$159,433
4,300	\$1,431,900	\$885,069	\$349,247	\$1,234,316	\$197,584



## FIXED COSTS, CONTRIBUTION MARGIN AND BREAK-EVEN POINT

Our fixed costs stand at \$349,247 annually. Simultaneously, the contribution margin, equaling to \$127 per unit, portrays our ability to cover these fixed costs and advance our bottom line.

Approaching financial equilibrium, our break-even point reveals itself. At **2,747** units sold, generating total sales of **\$914,751**, our break-even point represents where our revenue aligns with variable and fixed costs.



Looking forward, the anticipated date to break even is **April 2024**. These are Fusion's initial projections and thus far, our monthly sales are almost double of what we projected, meaning that our break even could happen sooner than projected.



## BALANCE SHEET

### ASSETS

As of October 31, 2023, we had \$195,435 in our firm's bank account. This number included investor proceeds, which came from our angel investors and VE seed money. In addition, Fusion held \$42,621 worth of inventory. After all this was taken into account, current assets totaled \$238,056.

### LIABILITIES AND STOCKHOLDERS EQUITY

On October 31, 2023, sales tax payable amounted to \$800, and salaries payable came out to \$51,280. Our payroll taxes totaled \$25,520. The 401(k) payable amounted to \$3,200 and total liabilities equaled \$80,800.

Assets		Liabilities and Stockholders' Equity	
Current Assets		Current Liabilities	
Cash	\$ 195,435	Sales tax payable	\$ 800
Investor proceeds (Amount included in cash)	\$ 150,000	Salaries Payable	\$ 51,280
Inventory	\$ 42,621	Payroll tax payable	\$ 25,520
<b>Total Current Assets</b>	<b>\$ 238,056</b>	401(k) payable	\$ 3,200
Fixed Assets		<b>Total Current Liabilities</b>	<b>\$ 80,800</b>
Computers	\$ 6,000	Long Term Liabilities	
Less: accumulated depreciation	\$ (240)	<b>Total Liabilities</b>	<b>\$ 80,800</b>
Furniture and fixtures	\$ 3,881	Stockholders' Equity	
Less: accumulated depreciation	\$ (155)	Common stock	\$ 150,000
Equipment	\$ 13,600	Retained earnings	\$ 29,798
Less: accumulated depreciation	\$ (544)	<b>Total Stockholders' Equity</b>	<b>\$ 179,798</b>
<b>Total Fixed Assets</b>	<b>\$ 22,542</b>	<b>Total Liabilities and Stockholders Equity</b>	<b>\$ 260,598</b>
<b>Total Assets</b>	<b>\$ 260,598</b>		

### FIXED ASSETS

Our fixed assets include all of our fundamental office supplies and equipment necessary to operate. Our "equipment" costs totaled \$13,600. This includes our forklift and pallets for the warehouse. The remaining assets total to \$8,942. All of our fixed assets combined are worth \$22,542.

### LONG TERM LIABILITIES

Currently, Fusion has two shareholders, each holding 5,000 shares of stock at a \$10 par value. With \$50,000 of seed money from VE, we report \$150,000 of common stock on our October 2023 balance sheet. After this was taken into account, retained earnings equaled \$29,798. Our total stockholder's equity amounts to \$179,798.

As of October 31, 2023, Fusion balances out at \$260,598, showing strong financial strength.



# PROFIT & LOSS

Fusion									
Profit and Loss Statement									
Month	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Initial Projected
	September	October	November	December	January	February	March	April	
<b>Gross Revenues</b>									
Online Sales	\$ -	\$ 11,433	\$ 5,150	\$ 12,410	\$ 11,340	\$ 15,135	\$ 8,450	\$ 7,010	\$ 63,535
Trade Show Revenues	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 70,000	\$ -	\$ 120,000	\$ 290,000
Contractual Sales to non-VE entities	\$ -	\$ 116,304	\$ 120,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 30,000	\$ 600,000
<b>Total Gross Revenues</b>	\$ -	\$ 127,737	\$ 225,150	\$ 92,410	\$ 91,340	\$ 165,135	\$ 88,450	\$ 157,010	\$ 953,535
<b>Cost of Goods Sold</b>									
Cost of Goods Sold	\$ -	\$ 51,095	\$ 90,060	\$ 36,964	\$ 36,536	\$ 66,054	\$ 35,380	\$ 62,804	\$ 381,414
<b>Gross Profit</b>	\$ -	\$ 76,642	\$ 135,090	\$ 55,446	\$ 54,804	\$ 99,081	\$ 53,070	\$ 94,206	\$ 572,121
<b>Gross Profit Margin %</b>						60%			
<b>Operating Expenses</b>									
Salaries	\$ 25,640	\$ 25,640	\$ 25,640	\$ 25,640	\$ 25,640	\$ 25,640	\$ 25,640	\$ 25,640	\$ 205,120
Payroll Tax	\$ 6,068	\$ 6,068	\$ 6,068	\$ 6,068	\$ 6,068	\$ 6,068	\$ 6,068	\$ 6,068	\$ 48,544
Depreciation	\$ 201	\$ 201	\$ 201	\$ 201	\$ 201	\$ 201	\$ 201	\$ 201	\$ 1,608
Rent	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 15,000
Advertising & Promotion	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 128
Insurance	\$ 2,244	\$ 2,244	\$ 2,244	\$ 2,244	\$ 2,244	\$ 2,244	\$ 2,244	\$ 2,244	\$ 17,951
Utilities	\$ -	\$ -	\$ 476	\$ 476	\$ 476	\$ 476	\$ 476	\$ 476	\$ 3,808
Supplies	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,000
Other Payments	\$ 5,136	\$ 5,136	\$ 5,136	\$ 5,136	\$ 5,136	\$ 5,136	\$ 5,136	\$ 5,136	\$ 41,088
<b>Total Operating Expenses</b>	\$ 55,305	\$ 39,305	\$ 39,781	\$ 42,781	\$ 42,781	\$ 42,781	\$ 42,781	\$ 42,781	\$ 349,247
<b>Income from Operations</b>	\$ (55,305)	\$ 37,337	\$ 95,309	\$ 12,665	\$ 12,023	\$ 56,300	\$ 10,289	\$ 51,425	\$ 222,874
Other revenues/gains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net income before taxes</b>	\$ (55,305)	\$ 37,337	\$ 95,309	\$ 12,665	\$ 12,023	\$ 56,300	\$ 10,289	\$ 51,425	\$ 222,874
Corporate Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net income after taxes</b>	\$ (55,305)	\$ 37,337	\$ 95,309	\$ 12,665	\$ 12,023	\$ 56,300	\$ 10,289	\$ 51,425	\$ 222,874

## TOTAL GROSS REVENUE

\$953,535

## TOTAL COGS

\$381,414

## GROSS PROFIT MARGIN

60%

## TOTAL OPERATING EXPENSES

\$349,247

## NET PROFIT MARGIN

23%

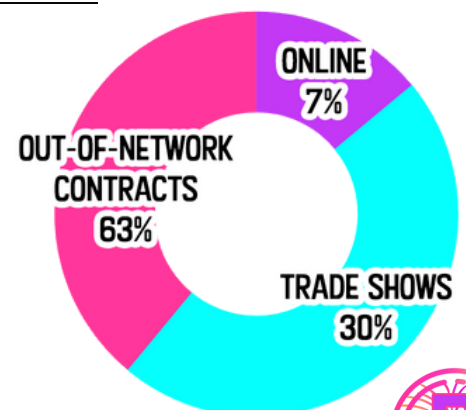
## NET INCOME

\$222,874

Our predicted operating expenses for the year amount to **\$349,247**. These expenses encompass the fixed costs incurred in the day-to-day operations of our business. Our gross profit margin is 60%. This signifies our ability to generate profit after covering the variable costs associated with production. Through October 2023, gross revenue stands at \$127,737. This figure represents total income generated before deducting costs. Total cost of goods sold in October equaled \$51,095, while gross profit totaled \$76,642. Ultimately, at the end of the fiscal year (April 30, 2024), Fusion is set to retain \$222,874 of net income, validating our decision to start a fireworks business.

## SALES TOTALS

93% of our revenue comes from building relationships with other firms at trade shows and negotiating out-of-network contracts with real-world businesses. The other 7% derives from our online sales.



# CASH BUDGET

Fiscal Year Cash Budget									
2023-2024									
Description	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected
	August	September	October	November	December	January	February	March	April
Cash balance at beginning of period:	\$0	\$50,000	\$98,445	\$195,435	\$100,329	\$124,589	\$154,582	\$213,972	\$235,689
Receipts of cash: Money In									
Internet Sales	\$0	\$0	\$11,433	\$5,150	\$12,410	\$11,340	\$15,135	\$8,450	\$7,010
POS Sales	\$0	\$0	\$0	\$100,000	\$0	\$0	\$70,000	\$0	\$120,000
Contract Sales	\$0	\$0	\$116,304	\$120,000	\$80,000	\$90,000	\$80,000	\$80,000	\$30,000
Shipping Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales tax received-7%	\$0	\$0	\$0	\$15,761	\$6,469	\$7,094	\$11,559	\$6,192	\$10,991
Investor proceeds	\$50,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total receipts	\$0	\$100,000	\$127,737	\$240,911	\$98,879	\$108,434	\$165,135	\$94,642	\$157,010
Beginning balance + cash receipts	\$0	\$150,000	\$226,182	\$436,345	\$199,208	\$233,023	\$319,717	\$308,614	\$392,699
Payments:									
Cost of Goods Sold (CGS)	\$0	\$0	\$0	\$141,155	\$36,964	\$36,536	\$66,054	\$35,380	\$67,804
Gross Salaries	\$0	\$25,640	\$25,595	\$25,685	\$25,640	\$25,640	\$25,640	\$25,640	\$25,640
ER Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan Payable:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax Payable									
Rent	\$0	\$0	\$0	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Advertising/Promotion	\$0	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16
Insurance	\$0	\$0	\$0	\$800	\$800	\$800	\$800	\$800	\$800
Accounting and Legal Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$476	\$476	\$476	\$476	\$476	\$476
Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Freight out	\$0	\$5,136	\$5,136	\$5,136	\$5,136	\$5,136	\$5,136	\$5,136	\$5,136
Sales tax-7%	\$0	\$0	\$0	\$9,881	\$2,587	\$2,558	\$4,624	\$2,477	\$4,746
Other or miscellaneous	\$0	\$20,763	-	-	-	-	-	-	\$62,207
Corporate tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total payments	\$0	\$51,555	\$30,747	\$183,148	\$74,619	\$74,161	\$105,745	\$72,924	\$169,825
Cash balance at end of period:	\$50,000	\$98,445	\$195,435	\$253,197	\$124,589	\$158,862	\$213,972	\$235,689	\$222,874

**FISCAL YEAR ENDING APRIL 2024**

**NET INCOME FOR THE FISCAL YEAR**

As seen in the graph above, Fusion started the month of October 2023 with a cash balance of \$98,445, yet finished the month with a cash balance valued of \$195,435. Thanks to our cash budget, we can project our total receipts, total expenses, and our ending cash balance by the end of the fiscal year. With all of this taken into account, Fusion is projected to reach an ending cash balance (or net income) of \$222,874.

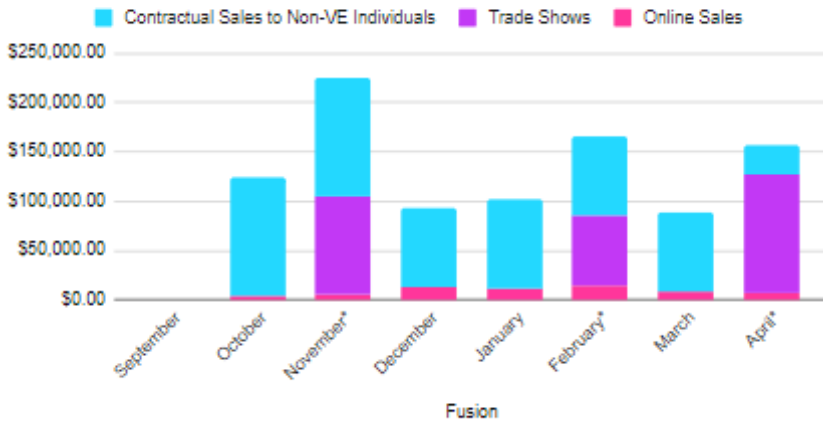
The cash flow also allows us to view how we spend our money, such as payroll, payroll tax and cost of goods sold. The cash budget is crucial to keeping track of our cash flow, tracking receipts and payments. This budget also tracks our cash balance on a monthly basis.





# SALES PROJECTIONS AND BANK BALANCE

Online Sales, Trade Shows and Contractual Sales to Non-VE Individuals



The adjacent chart displays are our projected sales from September 2023 to April 2024. During the months of November, February and April, we expect to make more sales due to in-person trade shows.

Fusion	September	October	November*	December	January	February*	March	April*	Total	Percent total
Online Sales	\$0	\$4,040	\$5,150	\$12,410	\$11,340	\$15,135	\$8,450	\$7,010	\$63,535	7%
Trade Shows	\$0	\$0	\$100,000	\$0	\$0	\$70,000	\$0	\$120,000	\$290,000	30%
Contractual Sales to Non-VE Individuals	\$0	\$120,000	\$120,000	\$80,000	\$90,000	\$80,000	\$80,000	\$30,000	\$600,000	63%
<b>Total Revenue</b>	<b>\$0</b>	<b>\$124,040</b>	<b>\$225,150</b>	<b>\$92,410</b>	<b>\$101,340</b>	<b>\$165,135</b>	<b>\$88,450</b>	<b>\$157,010</b>	<b>\$953,535</b>	<b>100%</b>

By the end of October 2023, Fusion was projected to earn approximately \$124,040. Due to our strong sales team, we finished the month with \$195,435 in sales.

We have recently found that our cash inflow is higher than our original projections, which leads us to think that we can reach \$1,000,000 in sales revenue in just our first fiscal year of operations.

## AS OF OCTOBER 31ST

Oct. 31, 2023	Pierre Rouvery (US015218), Greer, SC Pay period 10/10-10/24 Acct #631158448	7004074	-\$1,187.00	<b>\$195,434.62</b>
Oct. 31, 2023	Nicole Ruschel (US015218), Greer, SC Pay period 10/10-10/24 Acct #631160000	7004070	-\$1,187.00	\$196,621.62
Oct. 31, 2023	Matthew Wise (US015218), Greer, SC Pay period 10/10-10/24 Acct #631159975	7004068	-\$1,040.25	\$197,808.62
Oct. 31, 2023	Makayla Otey (US015218), Greer, SC Pay period 10/10-10/24 Acct #631159924	7004066	-\$866.88	\$198,848.87

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