# ANNUAL REPORT

# TESORO ENTERPRISES, INC.

# DECEMBER 31, 2014

**OTC Pink Basic Disclosure Guidelines**

**1) Name of the issuer and its predecessors (if any)**

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Tesoro Enterprises, Inc

**2) Address of the issuer's principal executive offices**

Company Headquarters
Address 1: Tesoro Enterprises, Inc
Address 2: 426 Danbury Road
Address 3: Wilton, CT 06897
Phone: (203) 763-1169
Email: hjb@tesoroenterprises.us
Website(s): www.tesoroenterprises.us

IR Contact
Address 1: Henry J. Boucher, Jr., President and CEO
Address 2: 426 Danbury Road
Address 3: Wilton, CT 06840
Phone: (203) 763-1169
Email: hjb@tesoroenterprises.us
Website(s): www.tesoroenterprises.us

**3) Security Information**

Trading Symbol: TSNP
Exact title and class of securities outstanding: Common Stock.
CUSIP: 881608 103
Par or Stated Value: $.0001
Total shares authorized: , 5,000,000,000 as of: 03/31/15
Total shares outstanding: 4,521,079,108 as of: 03/31/15
Exact title and class of securities outstanding: Preferred Stock
CUSIP: NONE
Par Value: $.0001
Total shares authorized: 25,000,000 as of: 03/31/15
Total shares outstanding: 7,000,000 as of: 03/31/15

Transfer Agent
Name: Pacific Stock Transfer Company
Address 1: 4045 South Spencer Street, Suite 403
Address 2: Las Vegas, NV 89119
Address 3:
Phone: (702) 361-3033
Is the Transfer Agent registered under the Exchange Act?* Yes: ☒ No: ☐

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

Approximately 913 million shares of the Company's outstanding common stock are not registered as of December 31, 2015. All of the Company's 7,000,000 outstanding Preferred shares are unregistered.

Describe any trading suspension orders issued by the SEC in the past 12 months.

NONE

**4) Issuance History**

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

See the Finacial Statements and Notes, attached to and filed as part of. this Report for a complete disclosure of this information

B. Any jurisdictions where the offering was registered or qualified;

See the Finacial Statements and Notes, attached to and filed as part of, this Report for a complete disclosure of this information

C. The number of shares offered;

See the Finacial Statements and Notes, attached to and filed as part of, this Report for a complete disclosure of this information

D. The number of shares sold;

See the Finacial Statements and Notes, attached to and filed as part of, this Report for a complete disclosure of this information

E. The price at which the shares were offered, and the amount actually paid to the issuer;

See the Finacial Statements and Notes, attached to and filed as part of, this Report for a complete disclosure of this information

F. The trading status of the shares; and

See the Finacial Statements and Notes, attached to and filed as part of, this Report for a complete disclosure of this information

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

Approximately 913 million shares of the Company's outstanding Common Shares are not registered as of March 31, 2015. All of the Company's 7,000,000 outstanding Preferred shares are NOT registered. The certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided*, *however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

**5) Financial Statements**

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

A. Balance sheet;
B. Statement of income;
C. Statement of cash flows;
D. Financial notes; and
E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otciq.com in the field below.

**SEE FINANCIAL STATEMENTS ATTACHED TO THIS ANNUAL REPORT-**

**A. Balance Sheets at December 31, 2014, 2013 and 2012**
**B. Statements of Income for the Y/E 12/31/2014, 12/31/2013 and 12/31/2012**
**Statements of Stockholder's Equity for the Y/E 12/31/2014, 12/31/2013 and 12/31/2012**
**C. Statements of Cash Flows for the Y/E 12/31/2014,12/31/2013 and 12/31/2012**
**D. NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS**

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

**6) Describe the Issuer's Business, Products and Services**

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

Tesoro Enterprises, Inc., an Oklahoma corporation, was incorporated November 12, 2009. Simultaneously with its incorporation and on the same day, TEI entered in a share exchange agreement with Fashion Floor Covering and Tile, Inc ("FFC&T)., whereby the sole stockholder of FFC&T received 500,000 shares of TEI restricted shares of common stock in exchange for all the outstanding shares of FFC&T. TEI has never been a shell. FFC&T is a full line (wood, carpet and tile) retail dealer and installer of floor and wall covering materials. FFC&T has been in business for over thirty years under the same ownership and management. In June of 2011, TEI formed The Fashion Floor Annex, Inc. ("FFA"), as a wholly owned subsidiary, to market and sell its products over the internet. In

January of 2012, the web site was activated and began selling product. The web address for FFA is www.stone-tile-showroom.com.
Through its wholly owned subsidiaries FFC&T and FFA, TEI markets and sells carpet, rugs, wood, ceramic and porcelain tile and natural stone materials for floor and wall covering. FFC&T sells and installs these products to retail and commercial customers, do-it –yourselfers and building contractors. Approximately 70% of FFC&T's sales include installation labor. For twenty-five years prior to its acquisition by TEI, FFC&T operated out of a single location. In November 2011, the FFC&T opened a second retail location in Wilton, CT. This location became fully operational in December 2014. On October 30, 2013, the Company closed the original Wilton, CT store and now operates out of one location. The store serves the surrounding counties of Westchester and Putnam, New York and Fairfield and Litchfield, Connecticut. Repeat customers include owners of multi-family rental homes, small apartment complexes and small commercial office buildings. The current mix of business is approximately 30% commercial and 70% residential.
The retail store web site is www.fashionfloorcoveringandtile.com. The retail web site displays a variety of room scenes that are intended to direct the customer to the store for the selection of product and installation services. The retail site has only limited e-commerce capability.

FFA operates TEI's e-commerce business. The web site, www.stone-tile-showroom.com, affords the customer the opportunity to view and purchase stone, tile and area rugs. FFA has a dealer agreement with Surya Carpets to market and sell Surya's products on the web site. Surya has provided a 3-D shopping experience that allows the customer to view over 250 different hand knotted rugs and place them in a room scene in real time. FFA also has an agreement with a wholesaler of officially licensed sports team and college spirit rugs including 77 NCAA schools and all of the MBL, NFL, NBA and NHL teams. All of the FFA marketed products are shipped directly from the distributor/manufacturer to the customer anywhere in the United States, Mexico or Canada. FFA is not required to hold any inventory. FFA plans to continue to expand its product suite during the coming years

Subject to the availability of capital, TEI intends to expand the FFC&T product line by introducing natural stone for outdoor use, fireplace and building facial finishes and stone fireplace, window and door frames. A second phase of expansion could be acquiring or starting up complementary flooring stores or ancillary businesses in the region.

On April 1, 2014, TEI acquired 100% of the Joseph M. Zarcone Company ("JZM") an electrical contractor through an exchange of shares. JZM provides residential and commercial products and services including LED lighting, electrial generators and wiring and installation for new or remodeling construction projects. JZM has been in business for over twenty years and has an established base of customers. TEI's objective for acquiring JZM was to expand horizontally into a related but not overlapping market segment in the building and remodling industries.

TEI's corporate web site, www.tesoroenterprises.us, provides shareholders with news about the company, links to the subsidiaries sites and a connection to streaming stock quotes and pricing information

B. Date and State (or Jurisdiction) of Incorporation:

Tesoro Enterprises, Inc. is an Oklahoma corporation.
It was organized on November 12, 2009.

C. the issuer's primary and secondary SIC Codes;

The company's primary SIC code is 5000

D. the issuer's fiscal year end date;

December 31.

E. principal products or services, and their markets;

SEE 6) A. in this Report

**7) Describe the Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

SEE 6) A. in this Report

**8) Officers, Directors, and Control Persons**

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Henry J. Boucher, Jr.- Chief Executive Officer and Sole Director
His business address is 426 Danbury Road, Wilton, CT 06897.
Company's Chief Executive Officer and Sole Director since November 12, 2009
~~Executive Officer, Director, Control person

Kevin J. Bartczak Chief Financial Officer
His business address is 1505 N. Hwy A1A, #203, Indialantic, FL 32903
Company's Chief Financial Officer since November 12, 2009
~~Executive Officer

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   NONE

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   NONE

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

   NONE

4.The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

NONE

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

As of march 31, 2015, the outstanding common stock of the company was 4,521,079,108 shares and the outstanding Series A Preferred Stock of the company was 7,000,000 shares.

Henry J. Boucher, Jr.-Chief Executive Officer and Sole Director
His business address is 426 Danbury Road, Wilton, CT 06897.
Company's Chief Executive Officer and Sole Director since November 12, 2009
~~Executive Officer, Director, Control person.

Mr. Boucher beneficially owns 998,941,307 shares, or 22%, of outstanding Common Stock and 7,000,000 shares, or 100%, of outstanding Series A Preferred Stock

**9) Third Party Providers**

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel
Name: Richard Sandor
Firm: Richard J. Sandor, LLC
Address 1: 27 Pine Street
Address 2: New Canaan, CT 06840
Phone: (203) 822-7403
Email: rjs@sandorlaw.com

Accountant or Auditor
Name: NONE. The company secures Accountant and Auditor advice and service as needed, on a case by case basis.
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations Consultant
Name: NONE. The company secures Investor Relations advice and service as needed, on a case by case basis.
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.
Name: NONE
Firm: _____
Address 1: _____

Address 2: _____
Phone: _____
Email: _____

**10) Issuer Certification**

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Henry J. Boucher, Jr., the Chief Executive Officer of Tesoro Enterprises, Inc., certify that:

1. I have reviewed this 2014 Annul report disclosure statement of Tesoro Enterprises, Inc.,;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 31, 2015
[Date]

/s/Henry J. Boucher, Jr.
[Signature]
(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Chief Executive Officer
[Title

I, Kevin J. Bartczak, the Chief Financial Officer of Tesoro Enterprises, Inc., certify that:

1. I have reviewed this 2014 Annual report disclosure statement of Tesoro Enterprises, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 31, 2015
[Date]

/s/ Kevin J. Bartczak
[Signature]

Chief Financial Officer
[Title]

# TESORO ENTERPRISES, INC. AND SUBSIDIARIES
# CONSOLIDATED AND CONDENSED BALANCE SHEETS
# DECEMBER 31, 2014, 2013 and 2012
# (PRELIMINARY / UNAUDITED)

| **ASSETS** | **DECEMBER 31, 2014** | **DECEMBER 31, 2013** | **DECEMBER 31, 2012** |
|---|---|---|---|
| **Current Assets:** | | | |
| **Cash** | **$ 57,922** | **$ 46,096** | **$ 10,750** |
| Accounts Receivable - trade | 104,609 | 28,407 | 35,906 |
| Inventory | 56,079 | 56,079 | 59,648 |
| Other Current Assets | 4,206 | 4,000 | 3,000 |
| **Total Current Assets** | **222,816** | **134,582** | **109,305** |
| Property, Plant and Equipment: | | | |
| Office Equipment, Furniture and Fixtures | 22,203 | 19,918 | 19,918 |
| Vehicles | 35,148 | 28,293 | 28,293 |
| | 57,351 | 48,211 | 48,211 |
| Less: Accumulated Depreciation | (36,634) | (36,634) | (36,634) |
| Total Property, Plant and Equipment - net | 20,717 | 11,577 | 11,577 |
| Other Assets | 12,638 | 3,699 | 8,180 |
| **Total Assets** | **$ 256,171** | **$ 149,858** | **$ 129,062** |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | |
| **Current Liabilities:** | | | |
| **Accounts Payable - trade** | **$ 178,335** | **$ 84,392** | **$ 131,478** |
| Due to Related Party.net | 349,280 | 317,154 | 235,683 |
| Current portion of long term debt | 10,125 | 10,125 | 8,400 |
| Other miscellaneous payable and accrued | 8,917 | 89,677 | 13,714 |
| **Total Current Liabilities:** | **546,657** | **501,348** | **389,275** |
| Convertible Debentures | 4,500 | 4,500 | 4,500 |
| Bank loans and lines | 116,479 | 60,706 | 94,258 |
| **Total liabilities** | **$ 672,636** | **$ 566,554** | **$ 488,033** |
| **Stockholders' Equity (Deficit):** | | | |
| Preferred stock, $0.0001 par value, 25,000,000 shares authorized; 7,000,000, 7,000,000 and 7,000,000 issued and outstanding, respectively | 700 | 700 | 700 |
| Common stock, $0.0001 par value,5,000,000,000 shares authorized; 4,521,079,108, 4,521,079,108 and 4,521,079,108 issued and outstanding, respectively | 452,108 | 452,108 | 452,108 |
| Additional paid in capital | 46,076 | 46,076 | 46,076 |
| Accumulated deficit | (912,464) | (912,607) | (854,882) |
| Less Treasury stock, 26,420,000, 27,300,000 and 27,300,000 shares, respectively, at cost | (2,885) | (2,973) | (2,973) |
| **Total stockholders' deficit** | **(416,465)** | **(416,696)** | **(358,971)** |
| **Total Liabilities and Stockholder's Equity** | **$ 256,171** | **$ 149,858** | **$ 129,062** |
| | - | - | |

**See notes to consolidated and condensed financial statements.**

**TESORO ENTERPRISES, INC. AND SUBSIDIARIES**
**CONSOLIDATED AND CONDENSED STATEMENT OF OPERATIONS**
**FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 and 2012**

**(PRELIMINARY / UNAUDITED)**

| | YEAR ENDED DECEMBER 31, 2014 | YEAR ENDED DECEMBER 31, 2013 | YEAR ENDED DECEMBER 31, 2012 |
|---|---|---|---|
| **Net Sales** | **$ 390,799** | **$ 319,488** | **$ 358,503** |
| Cost of Goods Sold | 293,034 | 212,570 | 275,563 |
| **Gross Profit** | **97,765** | **106,918** | **82,940** |
| **Operating Expenses:** | | | |
| Sales and marketing | 8,594 | 6,455 | 16,619 |
| Depreciation | - | - | 4,000 |
| General and administrative | 84,478 | 150,835 | 193,987 |
| | - | - | |
| **Total operating expenses** | **93,072** | **157,290** | **214,606** |
| **Income (Loss) from operations** | **4,693** | **(50,372)** | **(131,666)** |
| Interest expense | (4,550) | (7,353) | (21,001) |
| **Income (Loss) Before Income Taxes** | **143** | **(57,725)** | **(152,667)** |
| Income Taxes | - | - | - |
| **Net Income (Loss)** | **$ 143** | **$ (57,725)** | **$ (152,667)** |

**See notes to consolidated and condensed financial statements.**

**TESORO ENTERPRISES, INC. AND SUBSIDIARIES**
**CONSOLIDATED AND CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY**
**FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 and 2012**

**(PRELIMINARY / UNAUDITED)**

| | Common Stock | | Preferred Stock | | Treasury Stock | | Paid in | Accumulated | |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | Capital | Deficit | Total |
| **December 31, 2011** | **4,048,379,108** | **$404,838** | **2,700,000** | **$ 270** | **-** | **$ -** | **$(13,044)** | **$ (702,215)** | **$(310,151)** |
| Preferred shares - sale | | | 4,300,000 | 430 | - | - | 1,290 | | 1,720 |
| | | | | | | | - | | - |
| Shares issued: | | | - | - | - | - | - | | - |
| Sales | | | | | | | | | - |
| Issues for services | 200,000,000 | 20,000 | | | | | 67,100 | | 87,100 |
| Debenture issues | - | - | | | | | - | | - |
| Debenture Conversions | 300,000,000 | 30,000 | | | | | (12,000) | | 18,000 |
| Acquisition of Treasury Stock | (27,300,000) | (2,730) | | | (27,300,000) | (2,973) | 2,730 | | (2,973) |
| | - | - | | | | | - | | - |
| Net loss | - | - | | | | | - | (152,667) | (152,667) |
| **December 31, 2012** | **4,521,079,108** | **$452,108** | **7,000,000** | **$ 700** | **(27,300,000)** | **$(2,973)** | **$ 46,076** | **$ (854,882)** | **$(358,971)** |
| Preferred shares - sale | | | - | - | - | - | - | | - |
| Shares issued: | | | | | | | | | |
| Sales | | | | | | | | | |
| Issues for services | - | - | | | | | - | | - |
| Debenture issues | - | - | | | | | - | | - |
| Debenture Conversions | - | - | | | | | - | | - |
| | | | | | | | | | - |
| Acquisition of Treasury Stock | - | - | | | - | - | - | | - |
| Net loss | - | - | | | | | - | (57,725) | (57,725) |
| **December 31, 2013** | **4,521,079,108** | **$452,108** | **7,000,000** | **$ 700** | **(27,300,000)** | **$(2,973)** | **$ 46,076** | **$ (912,607)** | **$(416,696)** |
| Preferred shares - sale | | | - | - | - | - | - | | - |
| Shares issued: | | | | | | | | | |
| Sales | | | | | | | | | |
| Issues for services | - | - | | | | | - | | - |
| Debenture issues | - | - | | | | | - | | - |
| Debenture Conversions | - | - | | | | | - | | - |
| | | | | | | | | | - |
| Acquisition of Treasury Stock | - | - | | | (120,000) | (12) | - | | (12) |
| Distribution of Treasury Stock | | | | | 1,000,000 | 100 | | | 100 |
| Net loss | - | - | | | | | - | 143 | 143 |
| **December 31, 2014** | **4,521,079,108** | **$452,108** | **7,000,000** | **$ 700** | **(26,420,000)** | **$(2,885)** | **$ 46,076** | **$ (912,464)** | **$(416,465)** |

**See notes to consolidated and condensed financial statements.**

**TESORO ENTERPRISES, INC. AND SUBSIDIARIES**
**CONSOLIDATED AND CONDENSED STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 and 2012**

**(PRELIMINARY / UNAUDITED)**

| | YEAR ENDED DECEMBER 31, 2014 | YEAR ENDED DECEMBER 31, 2013 | YEAR ENDED DECEMBER 31, 2012 |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| **Net loss** | **$ 143** | **$ (57,725)** | **$ (152,667)** |
| Adjustments to reconcile net income to net cash: | | | |
| used in operating activities: | | | |
| Depreciation | - | - | 4,000 |
| Changes in operating assets and liabilities: | | | |
| (Increase) Decrease in: | | | |
| Current Assets | (76,408) | 10,069 | (33,869) |
| Other Assets | (8,939) | 4,481 | 5,021 |
| Increase (Decrease) in: | | | |
| Current Liabilities | 45,309 | 112,073 | 91,631 |
| Other Liabilities | 5,000 | - | (1,020) |
| **Net cash provided by (used in) operating activities** | **$ (34,895)** | **$ 68,898** | **$ (86,904)** |
| **Cash flows from investing activities:** | | | |
| Acquisitions of property and equipment | (9,140) | - | - |
| (Acquisition) advances on Life Insurance cash value | - | - | 7,940 |
| **Net cash used in investing activities** | **$ (9,140)** | **$ -** | **$ 7,940** |
| **Cash flows from financing activities:** | | | |
| Preferred stock sales | - | - | 430 |
| Common stock sales / issues | - | - | 106,390 |
| Common stock issues convertible debentures - net | - | - | - |
| Acquisition of Treasury stock | 88 | - | (2,973) |
| Convertible debenture proceeds (repayments) - net | - | - | (18,000) |
| Loan proceeds (repayments) - net | 55,773 | (33,552) | (1,255) |
| | - | - | - |
| **Net cash (used in) provided by financing activities** | **$ 55,861** | **$ (33,552)** | **$ 84,592** |
| **Net Increase (Decrease) in Cash** | **$ 11,826** | **$ 35,346** | **$ 5,628** |
| **Cash, Beginning** | **46,096** | **10,750** | **5,122** |
| **Cash, Ending** | **$ 57,922** | **$ 46,096** | **$ 10,750** |

**See notes to consolidated and condensed financial statements.**

TESORO ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

# (PRELIMINARY / UNAUDITED)

## LIQUIDITY AND PROFITABILITY CONSIDERATIONS

The accompanying consolidated and condensed financial statements have been prepared assuming that Tesoro Enterprises, Inc. (“TEI”), either directly or through its subsidiary Fashion Floor Covering and Tile, Inc. ("FFC&T") and the Joseph M. Zarcone Company ("JZM") (collectively “Company”) will continue as a going concern. The Company has a small profit, $143 in 2014, after suffering net losses of $57,725, and $152,667 for the years ended December 31, 2013 and 2012, respectively. As reflected in the consolidated and condensed balance sheet at December 31, 2014, the Company had a working capital deficit of $323,841 and, total liabilities exceeded total assets by $416,465.

The Company has a limited source of revenue and is dependent on its ability to raise working capital from shareholders or other sources to sustain operations. These factors, along with other matters as set forth herein, raise substantial doubt that the company will be able to continue as a going concern.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Organization and Nature of Operations*

*Tesoro Enterprises, Inc., an Oklahoma corporation (“TEI/Company”) was incorporated November 12, 2009.*

*Simultaneously with the November 12, 2009 incorporation, TEI entered into a share exchange agreement with Fashion Floor Covering and Tile, Inc. (“FFC&T)., whereby the sole stockholder of FFC&T received 500,000 shares of TEI restricted shares of common stock in exchange for all the outstanding shares of FFC&T. FFC&T is a full line (wood, carpet and tile) retail dealer and installer of floor and hard wall covering materials. FFC&T has been in business for over twenty-five years under the same ownership and management. TEI is not, nor has it ever been, a shell company.*

An Important Note about This Report

*TEI is not subject to the reporting requirements of the Securities and Exchange Commission and as such, this report has not been filed with the SEC, is not available on the SEC’s EDGAR system, and does not purport to meet the requirements for companies that are subject to the Securities and Exchange Act’s reporting requirements. TEI does intend in this report to provide accurate financial and other information of interest to investors. Our Annual Report and other periodic reports to shareholders and attorney letter with respect to current information are available on the Company’s website, www.tesoroenterprises.us and at www.otcmarkets.com . Interested persons may also request copies directly from the Company; please direct requests and inquiries to Chief Executive Officer, 426 Danbury Road, Wilton, CT 06897. Telephone: (203) 930-7427.*

TESORO ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
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# (PRELIMINARY / UNAUDITED)

***Principles of Consolidation***

The consolidated financial statements include Tesoro Enterprises, Inc. ("TEI") and its wholly owned subsidiaries Fashion Floor Covering and Tile, Inc. ("FFC&T") and, effective April 1, 2014, J.M. Zarcone, LLC. ("JZM"). JZM is an electrical contractor performing residential and commercial electrical service and installation projects. The transaction was executed with an exchange of shares.

***Basis of Presentation***

The accompanying consolidated and condensed financial statements have been prepared assuming that the company will continue as a going concern. The Company has limited sources of revenue and is dependent on its ability to raise working capital from shareholders or other sources to sustain operations. These factors, along with other matters as set forth herein, raise substantial doubt that the company will be able to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The financial information included herein is preliminary and unaudited; however, such information reflects all adjustments, which are, in the opinion of management, necessary for a fair presentation of the Company's financial position, results of operations, changes in stockholders' equity / deficit and cash flows for the periods. All such adjustments are of a normal, recurring nature.

The accompanying consolidated and condensed financial statements of the Company have been prepared in accordance with United States generally accepted accounting principles, however, because they are preliminary and unaudited, certain information and footnote disclosure required by accounting principles generally accepted in the United States of America for complete financial statements have been omitted.

The Consolidated and Condensed Balance Sheets at December 31, 2014, 2013 and 2012, and the Consolidated and Condensed Statements of Operations and Cash Flows for years ended December 31, 2014, 2013 and 2012, respectively, have been derived from the unaudited financial statements of the Company at that date(s), and do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

## NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2014, 2013 and 2012, are $104,609, $28,407 and $35,906, respectively. These amounts are current and represent normal trade receivables. There is no provision for doubtful accounts and none is required.

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## NOTE 3 INVENTORY

| | December 31, 2014 | December 31, 2013 | December 31, 2012 |
|---|---|---|---|
| Retail | $25,000 | $25,000 | $25,000 |
| Installation in process | 31,079 | 31,079 | 34,648 |
| **Total** | **$56,079** | **$56,079** | **$59,548** |

The Company's Inventory consists of products available for sale in the Company's retail outlets and work in process inventory supporting the Company's ongoing installation activities. All of the Company's inventories are valued at the lower of cost or market. There is no reserve associated with obsolescence or otherwise encumbered values and none is required.

## NOTE 4 DEBT

Convertible Debentures

The Company has secured working capital through the periodic purchase of the company's equity by sophisticated accredited investors under convertible debentures (the 504 Offering). As of December 31, 2014, 2013 and 2012, the outstanding balances were $4,500 and $4,500 and $$4,500, respectively. The interest rates are 4%. Maturities range from 2015-2016. During the years ended December 31, 2014, 2013 and 2012, the company raised $-0-, $-0-, and $ -0- , respectively, through the issuance of various convertible debentures. The company filed a form "D" with the Securities and Exchange Commission on August 26, 2009 (renewed on July 17, 2010 and on August 23, 2011). The form "D" filing provides that the Company may raise up to one million dollars in any consecutive twelve month period from accredited investors. Please see the company's filings at www.otcmarkets.com.

Related Party

At December 31, 2014, 2013 and 2012, the Company had outstanding unsecured advances from Deerwood Capital, LLC for $269,010, $236,868 and $186,850, respectively, and, from Henry J. Boucher, Jr., Chief Executive Officer of the Company of $80,286, $80,286 and $48,833, respectively. The advances are due upon demand, carry no interest and are expected to be repaid prior to December 31, 2015.

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**NOTE 4 DEBT (Continued)**

**Bank Loans and Lines:**

| | December 31, 2014 | December 31, 2013 | December 31, 2012 |
|---|---|---|---|
| **Bankwell Bank** | $ 69,702 | $ 56,897 | $ 73,144 |
| **Bankwell Bank** | - | - | 12,637 |
| **Bank of America** | 56,902 | 13,934 | 16,877 |
| | 126,604 | 70,831 | 102,658 |
| **Less current portion:** | (10,125) | (10,125) | (8,400) |
| | **$ 116,479** | **$ 60,706** | **$ 94,258** |

In February, 2013, FFCT converted its revolving line of credit with Bankwell Bank (previously, The Wilton Bank) to a term loan payable over 5 years at a monthly payment of $843.73. The interest rate is 4% per annum. The maturity date is January 28, 2018. As security for the loan, TEI guarantees the loan and a personal guarantee is provided by Henry J. Boucher, Jr., Chief Executive Officer of the Company.

FFCT has a revolving line of credit with Bank of America. The interest rate is variable – Prime + 1% per annum, renewable yearly. As security for the line of credit, TEI guarantees the loan and a personal guarantee is provided by Henry J. Boucher, Jr., Chief Executive Officer of the Company.

**NOTE 5 STOCKHOLDERS' EQUITY**

On September 23, 2010 the Company amended its Articles of Incorporation increasing the total amount of authorized common stock from 1Billion, Five Hundred Million (1,500,000,000) shares with a par value of $0.001 to Five Billion (5,000,000,000) shares with a par value of $0.0001. The total amount of authorized preferred stock of Twenty-Five Million (25,000,000) shares were adjusted from par value of $0.001 to par value of $0.0001. The Company's Financial Statements for 2014, 2013 and 2012, as presented herein, have been restated as necessary to reflect these changes for comparability purposes.

On April 29, 2011 the Company amended its Articles of Incorporation increasing the total amount of authorized Preferred Stock designated as Series A Preferred Stock to 10,000,000 shares with a par value of $0.0001. The total amount of authorized Preferred Stock of Twenty-Five Million (25,000,000) shares with par value of $0.0001, remained unchanged.

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**NOTE 5 STOCKHOLDERS' EQUITY (Continued)**

During the years ended December 31, 2014, 2013 and 2012, the Company issued -0-, -0- and 4,300,000 shares, respectively, of Series A Preferred Stock at a price of $0.0004 per share to Deerwood Capital, LLC, a company controlled by Henry J. Boucher, Jr., Chief Executive Officer of the Company.

At December 31, 2014, the outstanding preferred stock of the company was 7,000,000 shares, all held by Deerwood Capital, LLC., a company controlled by Henry J. Boucher, Jr., Chief Executive Officer of the Company.

During the years ended December 31, 2014, 2013 and 2012, the Company issued -0-, -0-, and 200,000,000 shares, respectively, of common stock to Deerwood Capital, LLC, a limited liability company whose sole member is Henry J. Boucher, the Company's Chief Executive.

During the years ended December 31, 2014, 2013 and 2012, the Company issued Conversions of -0-, -0-, and 300,000,000 shares of common stock, respectively, to sophisticated, accredited investors under convertible debentures (the 504 Offering). The conversion price is based on the contractual agreement of 55% of the lowest bid price in the three trading days prior to each conversion.

During the years ended December 31, 2014, 2013 and 2012, the Company acquired 120,000, -0-, and 27,300,000 free trading shares of common stock, respectively at $.0001 , -0-, and $.0001 per share, at a total cost of $12, -0-, and $2,973, respectively. During the 9 months ended September 30, 2014, the company distributed 1,000,000 Treasury shares in conjunction with the acquisition of JZM (See note 1.) Treasury Shares are held as Treasury stock, at cost.

In each of these share issues, with the exception of the 504 Offering, all of the shares were issued pursuant to Section 4(2) of the Securities and Exchange Act of 1933, as amended, each of the persons acquiring the securities were provided with information, including financial information, concerning the Company, and each had the opportunity to ask questions concerning the company, its securities and its business, among other things.

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## NOTE 6 INCOME TAXES

Tesoro's federal and state income tax filings are current through 2013. There are no income tax liabilities accrued as of December 31, 2014, and no income tax liabilities are currently expected for the year ended December 31, 2014.

## NOTE 7 RELATED PARTY TRANSACTIONS

During the years ended December 31, 2014, 2013 and 2012, the Company issued -0-, -0- and 4,300,000 shares, respectively, of Series A Preferred Stock at a price of $0.0004 per share to Deerwood Capital, LLC, a company controlled by Henry J. Boucher, Jr., Chief Executive Officer of the Company.

At December 31, 2014, the outstanding preferred stock of the company was 7,000,000 shares, all held by Deerwood Capital, LLC., a company controlled by Henry J. Boucher, Jr., Chief Executive Officer of the Company.

During the years ended December 31, 2014, 2013 and 2012, the Company issued -0-, -0-, and 200,000,000 shares, respectively, of common stock to Deerwood Capital, LLC, a limited liability company whose sole member is Henry J. Boucher, the Company's Chief Executive.

During the years ended December 31, 2014, 2013 and 2012, the Company issued Conversions of -0-, -0-, and 300,000,000 shares of common stock, respectively, to sophisticated, accredited investors under convertible debentures (the 504 Offering). The conversion price is based on the contractual agreement of 55% of the lowest bid price in the three trading days prior to each conversion.

During the years ended December 31, 2014, 2013 and 2012, the Company acquired 120,000, -0-, and 27,300,000 free trading shares of common stock, respectively at $.0001 , -0-, and $.0001 per share, at a total cost of $12, -0-, and $2,973, respectively. During the 9 months ended September 30, 2014, the company distributed 1,000,000 Treasury shares in conjunction with the acquisition of JZM (See note 1.) Treasury Shares are held as Treasury stock, at cost.

## NOTE 8 SUBSEQUENT EVENTS

As of March 31, 2015, the outstanding common stock of the company was 4,510,379,108 shares, of which, 38,000,000 shares are held in Treasury at a total cost of $4,226. The free trading shares were 3,635,754,513.

As of March 31, 2015, the outstanding Series A Preferred Stock of the company was 7,000,000 shares and the free trading shares were -0-.