FUEGO ENTERPRISES, INC. AND AFFILIATE

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FUEGO ENTERPRISES, INC. AND AFFILIATE
UNAUDITED CONSOLIDATED BALANCE SHEETS

	May 31, 2014	May 31, 2013
ASSETS		
CURRENT ASSETS		
Cash	$ 82,581	$ 10,816
Account receivable-trade, less allowance for doubtful accounts of $235,573 and $235,573, respectively	45,929	45,929
Total Current Assets	128,510	56,745
EQUIPMENT, less accumulated depreciation of $57,674 and $57,674 respectively	-	-
OTHER ASSETS		
Music Albums (Echo-Fuego)	480,000	480,000
Investment - The Americas Group	118,500	-
Prepaid expenses	85,000	85,000
Production costs-Music	55,747	55,747
Deposit on music library	14,500	14,500
Web portal	11,329	11,329
Logo, less accumulated amortization of $ 2,700 and $2,700, respectively	-	-
Total Other Assets	765,076	646,576
TOTAL ASSETS	$ 893,586	$ 703,321
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 167,688	$ 166,794
Accounts payable - related parties	190,799	190,799
Notes payable - related parties, including accrued interest of $175,943, respectively	337,187	275,361
Income taxes payable	3,870	3,870
Payroll tax liabilities	5,538	5,538
Other liabilities	3,105	3,105
Total Current Liabilities	708,187	645,467
Total Liabilities	$ 708,187	$ 645,467
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock, par value $.001, 40,266,666 shares authorized, 25,183,235 issued and outstanding - May 31, 2014, 23,298,735 issued and outstanding - May 31, 2013	25,184	23,299
Additional Paid in capital	2,322,177	1,644,237
Paid in capital-stock options	112,527	112,527
Subscriptions payable	45,000	75,000
Noncontrolling interest in affiliate	354,737	354,737
Accumulated deficit	(2,674,223)	(2,151,943)
Total Stockholders' Equity	185,402	57,857
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 893,586	$ 703,321

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUEGO ENTERPRISES, INC. AND AFFILIATE
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ended	
	May 31, 2014	**May 31, 2013**
REVENUES		
Music sales, net	$ 13,586	$ -
Concert sales	38,522	9,213
Print Revenues	54,126	26,904
Consulting	10,000	-
Total Revenues	116,234	36,117
COSTS AND EXPENSES		
Cost of music		
Production costs	45,438	3,000
Selling, general and administrative:		
Other	591,101	305,654
Interest expense - related parties	1,522	733
Interest expense - other	453	453
Total costs and expenses	638,514	309,840
Other Income - gain on settlement of debt	-	-
Income (Loss) before income taxes	(522,280)	(273,723)
Income tax expense (benefit)	-	-
Income (Loss) Before Minority Interest	(522,280)	(273,723)
Less Minority Interest in Affiliate's profits/ losses	-	-
NET INCOME (LOSS)	$ (522,280)	$ (273,723)
EARNINGS (LOSS) PER SHARE - BASIC	$ (0.02)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	24,477,277	18,989,615

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUEGO ENTERPRISES, INC. AND AFFILIATE
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Paid-in	Paid-in capital Stock	Subscriptions	Noncontrolling Interest in	Accumulated	
	Shares	**Amount**	**Capital**	**Options**	**Payable**	**Affiliate**	**(Deficit)**	**Total**
Balance, May 31, 2012, (unaudited)	40,775,186	$ 40,776	$ 1,391,685	$ 112,527	$ 45,000	$ 354,737	$ (1,878,220)	$ 66,505
Reverse stock split, July 26, 2012, 1 share for 75 shares	(40,166,748)	(40,168)	40,168					-
Acquisition of Cuba Business Development Group through share exchange on October 2012	22,275,297	22,275	(22,275)					-
Proceeds from sale of common stock for								
$0.75 per share	2,500	3	1,872					1,875
$0.25 per share	100,000	100	24,900					25,000
$0.80 per share	62,500	63	49,937					50,000
Shares issued for consulting services on January 23, 2013	250,000	250	84,750					85,000
Payment for shares to be issued for private placement					30,000			30,000
Contributed services			73,200					73,200
Noncontrolling interest in affiliate						-		-
Net (loss) for the period							(273,723)	(273,723)
Balance, May 31, 2013, (unaudited)	23,298,735	$ 23,299	$ 1,644,237	$ 112,527	$ 75,000	$ 354,737	$ (2,151,943)	$ 57,857
Acquisition of The Americas Group Cuba Business Enterprises through share exchange on October 14, 2013	382,000	382	118,118					118,500
Proceeds from sale of common stock for								
$0.30 per share	200,000	200	59,800					60,000
$0.40 per share	75,000	75	29,925		(30,000)			-
$0.50 per share	40,000	40	19,960					20,000
$0.55 per share	87,500	88	48,037					48,125
Shares issued for consulting services on July 8, 2013	600,000	600	179,400					180,000
Shares issued for consulting services on April 2, 2014	500,000	500	149,500					150,000
Contributed services			73,200					73,200
Noncontrolling interest in affiliate						-		-
Net (loss) for the period							(522,280)	(522,280)
Balance, May 31, 2014, (unaudited)	25,183,235	$ 25,184	$ 2,322,177	$ 112,527	$ 45,000	$ 354,737	$ (2,674,223)	$ 185,402
		-	-	-	-	-	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUEGO ENTERPRISES, INC. AND AFFILIATE
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended	
	May 31, 2014	May 31, 2013
OPERATING ACTIVITIES		
Net income (loss)	$ (522,280)	$ (273,723)
Adjustments to reconcile net income (loss) to net cash used by operating activities		
Contributed services	73,200	73,200
Depreciation and amortization	-	-
Stock based compensation	330,000	85,000
Changes in operating assets and liabilities		
Accounts payable	1,023	2,216
NET CASH (USED IN) OPERATING ACTIVITIES	(118,057)	(198,307)
INVESTING ACTIVITIES		
Investment in The Americas Group	-	-
NET CASH (USED IN) INVESTING ACTIVITIES	-	-
FINANCING ACTIVITIES		
Proceeds from sale of common stock	157,996	76,745
Common stock subscription payable	(30,000)	30,000
Proceeds from notes payable - related parties	135,516	142,952
Repayments of notes payable - related parties	(73,690)	(50,945)
NET CASH PROVIDED BY FINANCING ACTIVITIES	189,822	198,752
NET INCREASE (DECREASE) IN CASH	71,765	445
CASH, BEGINNING OF YEAR	10,816	10,371
CASH, END OF YEAR	$ 82,581	$ 10,816
	-	-

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

Common Stock Issued for Investment in Subsidiary	
Investment in The Americas Group	$ 118,500
Common Stock issued for The Americas Group	$ (118,500)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

1 NATURE OF BUSINESS

Fuego Enterprises, Inc. (the "Company", "Fuego", "we", "our" or "us") is a US holding company that is engaged in a number of diverse business activities in Cuba and the United States, including Media, Entertainment, Telecommunications, Travel and Real Estate.

Included in the group of subsidiaries and business activities are:

In October 2012, we completed the acquisition of Cuba Business Development Group ("CBDG") through a 100% share exchange of our common stock. In conjunction with this transaction, we issued 22,275,297 shares of our common stock in exchange for 100% of the issued common stock of CBDG. Included in the acquisition, as a part of CBDG, is Mobile Activation Services, Inc. ("MAScell") (www.mascell.com), an international cellular phone top-up service provider specialized in servicing the Cuban market; Mascell operates through a General License issued by The US Treasury Department. Another component business of CBDG, is Universal Network Operations Cargo, Inc. ("UNOCargo") a cargo export company with an Export License to carry out export transactions of gift parcels and cargo directly to Cuba (United States Department of Commerce / BIS - Exp. Lic. No. D465183).

In October 2013, we acquired majority control (51%) of The Americas Group Cuba Business Enterprises – ("TAGCBE") (www.theamericasgroup.net). The group was formed in 2009 in anticipation of the opening of Cuba to U.S. citizens and business interests. The objective of TAGCBE is to provide strategic advice to individuals and companies interested in doing business with Cuba and/or investing in Cuba as regulations permit. We believe that TAG's 40 years of experience in Latin America coupled with Fuego's deep relationships and presence in Cuba will provide the level of experience and credibility that will make us the dominant "go to" source as Cuba opens and the US Economic Embargo is lifted.

In August 2013, we entered into a Strategic Partnership Agreement with OPTERNA (www.opterna.com) to provide equipment, components, and solutions in Fiber Management Systems and Data-Com for Cuba, the Caribbean, and Central and Latin America territories. Cuban telecommunication infrastructure lags behind much of the world and the Caribbean region, as demand for telecommunication connectivity is rising and major plans for infrastructure development have been announced by Cuban companies and organizations in the sector.

In March 2012, we created OnCuba - the only media platform focused on Cuba with distribution in Cuba and in The United States. We developed this media platform to drive advertising sales.

Current OnCuba Media Platform Products

OnCuba Magazine: A colorful overview of the richness of Cuba's culture that celebrates the excellent and the exquisite of their people with original content and spectacular photography, packed in an easy-to-read format (English and Spanish language) with a cutting-edge design. Current distribution as inflight magazine in WorldAtlantic Airlines and SwiftAirlines for all US-Cuba flights. US nationwide retailers include Barnes & Noble, HudsonNews (Airports of Miami, Washington and NY), NewsLink (Miami Airport), Publix Supermarkets (Florida region), and Books and Books (Miami area).

ART OnCuba Magazine: A benchmark of Cuban visual arts production and a reference for scholars, curators and art critics, as well as for collectors and event managers. The first source for the international market that brings together everything related to artists, galleries, art centers, museums, collections, foundations and universities. Current distribution includes 200+ contemporary art museums and 300+ art galleries and private art collectors. US nationwide retailers include Barnes & Noble, HudsonNews (Airports of Miami, Washington and NY), Publix Supermarkets (Florida region), and Books and Books (Miami area).

OnCuba Online Magazine: The OnCuba website (www.OnCuba.com) is a primarily digital magazine, independent from the printed magazine, and available across platforms and devices, that delivers original in-depth analysis, news and opinion from Cuba.

In the 2012, the Cuban government authorized Fuego Enterprises, Inc. to register OnCuba as foreign news media desk, and more specifically, as an American News Media Outlet fully authorized to operate from Cuba.

2 SIGNIFICANT ACCOUNTING POLICIES

GOING CONCERN

Our financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Our ability to continue in existence is dependent on our ability to develop additional sources of capital or achieve profitable operations. As of May 31, 2014, we have a working capital deficit of $418,433, and accumulated deficit of $2,674,223. During the year ended May 31, 2014, we had a net loss of $522,280. Our financial position at those dates and presently is of concern to us and our investors, however, management's plan is to obtain additional capital. In addition, we plan to develop our OnCuba media platform to offer Cuba related services such as travel, money remittance and cellphone top up. We are currently negotiating acquisitions, strategic partnerships and alliances that may generate positive results. As a result of the above, we will generate sufficient revenues to pursue our business plan and be profitable in the future. We are in a unique position to continue taking full advantage of all opportunities in Cuba, as permitted by current US - Cuba policy, especially if there is a sudden change in US - Cuba policy to where diplomatic relationships are normalized and the economic embargo is lifted and trade is permitted. We will also continue to develop concerts and live events and plan to have more events as time permits. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties.

BASIS OF PRESENTATION

Consolidation Policy

The accompanying May 31, 2014 financial statements include the Company's accounts and the accounts of its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation. The Company's ownership of its subsidiaries as of May 31, 2014 is as follows:

Name of Subsidiary	Percentage of Ownership
Echo – Fuego Music Group, LLC	100.00%
Cuba Business Development	100.00%
Included in Cuba Business Development:	
Mobile Activation Services, Inc	
Universal Network Operations Cargo, Inc.	
The Americas Group Cuba Business Ent.	51.00%

Our operations are treated as one operating segment. All inter-company balances and transactions have been eliminated.

These consolidated financial statements reflect the use of significant accounting policies as described below and elsewhere in the notes to the financial statements, and are prepared in accordance with accounting principles generally accepted in the United States of America. The fiscal year end of the Company is May 31.

REVENUE RECOGNITION

Advertising Revenue

Revenue from the sale of advertising in our publications is recognized when the ad goes to print and is distributed to the general public.

Music Revenue

Revenue from the sale of digital music is recognized when our distributors notify us of the sales of our tracks through their online store.

Other

Revenue from the sale of film, television programming rights and license arrangements is or will be recognized only when persuasive evidence of a sale or arrangement with a customer exists, the project or sale is complete, the contractual delivery arrangements have been satisfied, the license period has commenced if applicable, the arrangement fee is fixed or determinable, collection of the arrangement fee is reasonably assured, and other conditions as specified in the respective agreements have been met.

Revenue from production services for third parties is recognized when the production is completed and delivered. All associated production costs are deferred and charged against income when the film is delivered and the related revenue is recognized.

Fees for other services, such as consulting provided to third parties, are recognized as revenues when the services are performed and there is reasonable assurance of collection.

Cash received in advance of meeting the revenue recognition criteria described above is recorded as deferred revenue.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

In order to assess the collectability of our trade accounts receivable, the Company monitors the current creditworthiness of each customer and analyzes the balances aged beyond the customer's credit terms. Theses evaluations may indicate a situation in which a certain customer cannot meet its financial obligations due to deterioration of its financial viability, credit ratings or bankruptcy. The allowance requirements are based on currents facts and are reevaluated and adjusted as additional information is received. Trade accounts receivable are subject to an allowance for doubtful accounts when it is probable that the balance will not be collected. As of May 31, 2014 and 2013, allowances totaled $235,573 and $235,573, respectively; after analysis of these balances, it was determined that our reserve was sufficient. The majority of the reserve relates to the Italian music distributor. This was necessary as the original terms of payment by the two largest distributors had been exceeded. This amount could be adjusted in the near term based on eventual collections, if received. Accounts are written off when collection efforts have been exhausted and there is no likelihood of collection.

ADVERTISING EXPENSES

Advertising costs are expensed as incurred, except for costs related to the development of a property and/or live-action television program commercial or media campaign which are expensed at the time the commercial or campaign is first presented. Advertising expenses are included in selling, general and administrative expense in the accompanying statement of operations. For the years ended May 31, 2014 and 2013, we expensed $31,476 and $21,359 and such costs are included in selling, general and administrative expenses in the accompanying statement of operations.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of all liquid investments with original maturities of three months or less are classified as cash and cash equivalents. The fair value of cash and cash equivalents approximate the amounts shown on the financial statements. Cash and cash equivalents consist of unrestricted cash and short-term investments. As of May 31, 2014 and 2013, there were cash and cash equivalents of $82,581 and $10,816, respectively.

INCOME (LOSS) PER COMMON SHARE

Basic income (loss) per common share is calculated on the weighted average number of common shares outstanding during each period. Diluted income per common share is based on the weighted average number of common shares outstanding during each period, adjusted for the effect of outstanding stock equivalents. Outstanding stock equivalents were not used in the computation of basic loss per share, as their effect would be antidilutive.

EQUIPMENT

Equipment is carried at cost, net of accumulated depreciation. Depreciation is provided on the straight-line method based on the estimated useful lives of the assets, which range from 2.5 years to 7 years.

INTANGIBLE ASSETS

We capitalized the cost of the creation of our logo. Amortization of logo costs was recognized ratably over a 5-year useful life commencing with April 1, 2005, the date on which the logo was acquired by purchase.

INCOME TAXES

The Company accounts for income taxes under the liability method, which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax payable for the period and the change during the period in deferred tax assets and liabilities. Tax returns are subject to examination by taxing authorities and returns for fiscal years 2009 to 2014 are still open for examination as of May 31, 2014.

FAIR VALUE OF FINANCIAL INSTRUMENTS

In January 2008, the Company adopted FASB ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), to value its financial assets and liabilities. The adoption of ASC 820 did not have a significant impact on the Company's results of operations, financial position or cash flows. ASC 820 defines fair value, establishes a framework for measuring fair value under GAAP and expands disclosures about fair value measurements. Standards defines fair value as the exchange price that would be paid by an external party for an asset or liability (exit price).

ASC 820 establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair values into three levels as follows:

• Level 1 – Active market provides unadjusted quoted prices for identical assets or liabilities that the company has the ability to access;
• Level 2 – Quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in inactive markets. Level 2 inputs include those other than quoted prices that are observable for the asset or liability and that are derived principally from, or corroborated by, observable market data by correlation of other means. If the asset or liability has a specified term the Level 2 input must be observable for substantially the full term of the asset or liability; and,
• Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of May 31, 2014. The Company uses the market approach to measure fair value for its Level 1 financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments which include cash, inventory, notes receivable, accounts payable, and notes payable are valued using Level 1 inputs and are immediately available without market risk to principal. Fair values were assumed to approximate carrying values for these financial instruments since they are short-term in nature. The Company does not have other financial assets that would be characterized as Level 2 or Level 3 assets.

STOCK-BASED COMPENSATION

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with FASB ASC 718-10 and the conclusions reached in FASB ASC 505-10. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by FASB ASC 505-10.

RECENTLY ISSUED ACCOUNTING STANDARDS

Recent accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on our financial position, results of operations and cash flows, including the below:

In May 2014, the FASB released ASU 2014-9 - Accounting Standards Update 2014-9, Topic 606: Revenue from contracts with customers that outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The guidance is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract. Entities have the option of using either a full retrospective or a modified retrospective approach for the adoption of the new standard. This guidance becomes effective for annual reporting periods beginning after December 15, 2016 and early adoption is not permitted. The Company is currently assessing the impact that this standard will have on its financial statements.

FASB ASU 2014-12, "Compensation - Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period," was issued June 2014. This guidance was issued to resolve diversity in accounting for performance targets. A performance target in a share-based payment that affects vesting and that could be achieved after the requisite service period should be accounted for as a performance condition and should not be reflected in the award's grant date fair value. Compensation cost should be recognized over the required service period, if it is probable that the performance condition will be achieved. The guidance is effective for annual periods beginning after December 15, 2015 and interim periods within those annual periods. The Company does not anticipate a significant impact upon adoption.

FASB ASU 2014-15, "Presentation of Financial Statements-Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern," was issued September 2014. This provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. FASB ASU 2014-15 applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. The Company does not anticipate a significant impact upon adoption.

Other pronouncements issued by the FASB or other authoritative accounting standards groups with future effective dates are either not applicable or are not expected to be significant to the financial statements of the Company.

3 SIGNIFICANT CUSTOMERS AND CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk, consist primarily of temporary cash investments and accounts receivable. The majority of the cash and cash equivalents are maintained with major financial institutions in the United States of America. Credit risk on accounts receivable is minimized by the Company by performing ongoing credit evaluations of its customers' financial condition and monitoring its exposure for credit losses and maintaining allowances for anticipated losses of the digital music sales. For the year ended May 31, 2014 the most significant customers (two music distributors) accounted for 89% and 11% respectively. For the year ended May 31, 2013, the most significant customers (two music distributors) accounted for 69% and 22%, respectively.

One distributor is located in Italy and represents the only foreign distributor we have at this time and there are no assets of ours located in any foreign country except for the Italian distributor's accounts receivable of $94,441 as of May 31, 2013 and 2012, against which an allowance for doubtful accounts has been provided for the whole amount of that balance.

4 COMMITMENTS

Operating lease

Fuego's President/CEO contributed the fair value of an office in home at $1,600 a month during all of fiscal 2014 and 2013, on a month to month basis, including utilities and insurance. Total rent expense for each of the years ended May 31, 2014 and 2013 was $19,200.

Accounts payable

The majority of the accounts payable as of May 31, 2014 and 2013 are past due on the basis of their terms.

Strategic Partnership Agreement

In August 2013, we entered into a Strategic Partnership Agreement with OPTERNA (www.opterna.com) to provide equipment, components, and solutions in Fiber Management Systems and Data-Com for Cuba, the Caribbean, and Central and Latin America territories. Cuban telecommunication infrastructure lags behind much of the world and the Caribbean region, as demand for telecommunication connectivity is rising and major plans for infrastructure development have been announced by Cuban companies and organizations in the sector.

5 RELATED PARTY TRANSACTIONS

As of May 31, 2014, our President/CEO advanced $484,620 for a variety of general and administrative expenses and various other costs since inception. During the fiscal year ending 2014, he advanced $135,516 and was repaid $73,690 in cash. No interest was paid during the fiscal year ending 2014. The note is payable on demand. Also, our President/CEO is owed accrued interest of $175,943 as of May 31, 2014.

As of May 31, 2013, our President/CEO advanced $349,104 for a variety of general and administrative expenses and various other costs since inception. During the fiscal year ending 2013, he advanced $142,952 and was repaid $50,945 in cash. No interest was paid during the fiscal year ending 2013. The note is payable on demand. Also, our President/CEO is owed accrued interest of $175,943 as of May 31, 2013.

Fees incurred in the year ended May 31, 2008 to a related party accounting firm totaled $15,204. The accounting firm received 100,000 options in payment of certain outstanding invoices for accounting, tax and financial statement preparation services, these options have since expired unexercised. The amount owed to the firm as of May 31, 2014 was $34,145.

6 CONTRIBUTED CAPITAL

For the years ended May 31, 2014 and 2013, our President/CEO contributed a total of $73,200 and $73,200, respectively. For the fiscal year ended 2014, the amount consisted of $54,000 for the value of services and $19,200 for the rent of corporate office facilities. For the fiscal year ended 2013, the amount consisted of $54,000 for the value of services and $19,200 for the rent of corporate office facilities.

7 STOCKHOLDER’S EQUITY

Stock Shares – Authorized

The Company has 40,266,666 common shares authorized at a par value of $0.001 per share as of May 31, 2014. All common stock shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all the directors of the Company. As of the years ended May 31, 2014 and 2013, there were 25,183,235 and 23,298,735 shares of our common stock issued and outstanding, respectively.

Share Based Compensation

On July 8, 2013, the Company issued 600,000 shares of our restricted common stock at a value of $180,000 for services that were provided. On April 2, 2014, the Company issued 500,000 shares of our restricted common stock at a value of $150,000 for services that were provided.

Private Placements

In the fiscal year ended May 31, 2014, the Company sold 402,500 shares our restricted common stock for net proceeds of $157,996, net of no offering costs.

In the fiscal year ended May 31, 2013, the Company sold 165,000 shares our restricted common stock for net proceeds of $76,875, net of no offering costs.

Reverse Stock Split

On July 26, 2012, the Company executed a reverse stock split at one share to 75 shares.

Share Exchange to Acquire Subsidiary

In October 2012, the Company completed a share exchange agreement with the shareholders of Cuba Business Development Group ("CBDG") to become a wholly-owned subsidiary of the Company. We issued 22,275,297 Shares of our restricted common stock to be exchanged for the shares of CBDG at the ratio of one-for-one. Please see the Note 1 for a more extensive discussion of CBDG and the business ventures contained with its corporate structure.

Share issued to Acquire Majority Interest

On October 14, 2013, the Company completed a purchase agreement with the Americas Group Cuba Business Enterprises (TAGCBE) to become a 51% majority owned subsidiary of the Company. We issued 382,000 shares of our restricted common stockvalued at $118,500 for the acquisition. Please see Note 1 for a more extensive discussion of TAGCBE and the business ventures contained with its corporate structure.

8. 2013 STOCK OPTION PLAN

On February 5, 2008, we registered the "2008 Stock Option Plan of Fuego Entertainment, Inc." The purpose of this Plan is to strengthen Fuego Entertainment, Inc. by providing incentive stock options as a means to attract, retain and motivate key corporate personnel through ownership of stock of the Company, and to attract individuals of outstanding ability to render services to and enter the employment of the Company or its subsidiaries. There shall be two types of Stock Options that may be granted under this Plan: (1) options intended to qualify as Incentive Stock Options under Section 422 of the Internal Revenue Code ("Qualified Stock Options"), and (2) options not specifically authorized or qualified for favorable income tax treatment under the Internal Revenue Code ("Non-Qualified Stock Options").

During the year ended May 31, 2008, the estimated value of the compensatory common stock purchase options granted to non-employees in exchange for services and financing expenses was determined using the Black-Scholes pricing model and the following assumptions: expected term of 3 years, a risk free interest rate of 3.30%, a dividend yield of 0% and volatility of 137%. The amount of the expense charged to operations for compensatory options and warrants granted in exchange for services was $226,727.

The expected volatility assumption was based upon historical stock price volatility measured on a daily basis. The risk-free interest rate assumption is based upon U.S. Treasury bond interest rates appropriate for the term of the Company's employee stock options. The dividend yield assumption is based on our history and expectation of dividend payments.

For the year ended May 31, 2009, various stock option agreements have been canceled for various reasons, mainly that the recipients did not serve a full year as members of our Board of Directors; thereby, as stipulated in our stock option agreement, management at its own discretion canceled those stock option agreements and recorded as other income (Gain on Cancellation of Compensation Options) of $137,500.

A summary of the options granted to employees and non-employees under the plan and changes during the years ended May 31, 2013 is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms (In Years)	Aggregate Intrinsic Value
Balance at June 1, 2012	328,158	$ 0.50	0.25	
Granted	-	-	-	$ --
Exercised	-	-	-	
Forfeited or expired	(328,158)	$ 0.50	-	

Balance at May 31, 2013	--	$ 0.50	0.25	$ --
Exercisable at May 31, 2013	--	$ --	--	$ --
Weighted average fair value of options granted during the period ended May 31, 2013		$ --		

The following table summarizes information about employee stock options under the 2008 Plan outstanding at May 31, 2013:

Options Outstanding					Options Exercisable		
Range of Exercise Price	Number Outstanding at May 31, 2013	Weighted Average Remaining Contractual Life (In Years)	Weighted Average Exercise Price	Intrinsic Value	Number Exercisable at May 31, 2013	Weighted Average Exercise Price	Aggregate Intrinsic Value
$ 0.50	--	--	$ --	$ --	--	$ --	$ --
	--	--	$ --	$ --	--	$ --	$ --

At May 31, 2013, there was no unrecognized compensation cost related to stock options granted under the plan.

9. SUBSEQUENT EVENTS

In accordance with ASC 855-10 “Subsequent Events”, the Company has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through the date the financial statements were issued and found the following transactions warranted disclosure.

Share Based Compensation

In June 2014, the Company issued 10,000 shares of our restricted common stock at a value of $5,000 for services provided.

Private Placements

In June 2014, the Company sold 203,000 shares our restricted common stock for net proceeds of $70,885, net of no offering costs.

Consulting agreement

In March 2015, TAGCBE entered into a consulting agreement to provide advice on technical and commercial issues in doing business in Cuba at a rate of $5,000 per month that the agreement is in force, and will be in effect until January 31, 2016.