FUEGO ENTERPRISES, INC. AND AFFILIATES

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FUEGO ENTERPRISES, INC. AND AFFILIATE
UNAUDITED CONSOLIDATED BALANCE SHEETS

	February 29, 2016	May 31, 2015
ASSETS		
CURRENT ASSETS		
Cash	$ 1,180,595	$ 245,844
Account receivable-trade, less allowance for doubtful accounts of $235,573 and $235,573, respectively	58,429	45,929
Total Current Assets	1,239,024	291,773
EQUIPMENT, less accumulated depreciation of $60,330 and $58,174 respectively	21,171	9,506
OTHER ASSETS		
Music Albums	480,000	480,000
Investment - The Americas Group	118,500	118,500
Investment - IslaData	142,000	142,000
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	822,076	822,076
TOTAL ASSETS	$ 2,082,271	$ 1,123,355
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 172,726	$ 168,227
Accounts payable - related parties	218,299	210,299
Notes payable - related parties, including accrued interest of $2,122 and $188,381, respectively	125,510	361,139
Income taxes payable	3,870	3,870
Payroll tax liabilities	5,538	5,538
Other liabilities	25,957	3,105
Total Current Liabilities	551,900	752,178
Total Liabilities	$ 551,900	$ 752,178
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, par value $.001, 10,000,000 shares authorized, 10,000,000, issued and outstanding - February 29, 2016, none, issued and outstanding - May 31, 2015	10,000	-
Common stock, par value $.001, 40,266,666 shares authorized, 28,098,308, issued and outstanding - February 29, 2016, 26,095,088 issued and outstanding - May 31, 2015	28,100	26,096
Additional Paid in capital	4,033,125	2,888,875
Paid in capital-stock options	112,527	112,527
Subscriptions payable	20,000	20,000
Noncontrolling interest in affiliate	354,737	354,737
Noncontrolling interest in 2nd affiliate	(22,849)	-
Accumulated deficit	(3,005,266)	(3,031,055)
Total Stockholders' Equity	1,530,374	371,180
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,082,271	$ 1,123,355

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	For the three months ended		For the nine months ended	
	February 29, 2016	February 28, 2015	February 29, 2016	February 28, 2015
REVENUES				
Music sales, net	$ 8,674	$ 8,122	$ 26,772	$ 25,337
Art Sales	-	-	408,600	-
Print Revenues	52,097	20,839	300,847	34,862
Travel/Tour Revenues	47,637	-	89,132	-
Production Revenues	-	-	34,390	-
Consulting	55,177	-	151,548	-
Total Revenues	163,585	28,961	1,011,289	60,199
COSTS AND EXPENSES				
Cost of Revenues				
Travel costs	12,126	-	37,475	-
Art Costs	54,900	-	384,865	-
Magazine production costs	57,035	37,706	184,993	100,001
Other production costs	-	-	27,079	-
Selling, general and administrative:				
Other	137,977	55,389.00	340,938	158,282
Interest expense - related parties	2,122	-	8,296	539
Depreciation and amortization	1,000	-	2,156	-
Total costs and expenses	265,160	93,095	985,802	258,822
Other Income - interest earned	303	-	303	-
Income (Loss) before income taxes	(101,272)	(64,134)	25,790	(198,623)
Income tax expense (benefit)	-	-	-	-
Income (Loss) Before Minority Interest	(101,272)	(64,134)	25,790	(198,623)
Less Minority Interest in Affiliate's profits/ losses	(15,438)	-	(22,849)	-
NET INCOME (LOSS)	$ (85,834)	$ (64,134)	$ 48,639	$ (198,623)
EARNINGS (LOSS) PER SHARE - BASIC	$ -	$ -	$ -	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	28,077,475	25,615,473	27,812,265	25,532,604

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Preferred Class "A"		Common Stock		Paid-in	Paid-in capital Stock	Subscriptions	Noncontrolling Interest in	Noncontrolling Interest in	Accumulated	
	Shares	**Amount**	**Shares**	**Amount**	**Capital**	**Options**	**Payable**	**Affiliate**	**Affiliate #2**	**(Deficit)**	**Total**
Balance, May 31, 2014, (unaudited)	-	$ -	25,183,235	$ 25,184	$ 2,322,177	$ 112,527	$ 45,000	$ 354,737	$ -	$ (2,674,223)	$ 185,402
Shares issued for consulting services on June 17, 2014			10,000	10	4,990						5,000
Proceeds from sale of common stock for											
$0.50 per share			50,000	50	24,950		(25,000)				-
$0.40 per share			785,238	785	313,310						314,095
$1.00 per share			26,615	27	26,588						26,615
Contributed services					54,900						54,900
Shares issued for majority control of technology based subsidiary			40,000	40	141,960						142,000
Noncontrolling interest in affiliate								-			-
Net (loss) for the period										(356,831)	(356,831)
Balance, May 31, 2015, (unaudited)	-	-	26,095,088	26,096	2,888,875	112,527	20,000	354,737	-	(3,031,054)	371,181
Proceeds from sale of common stock for											
$0.40 per share			1,000,000	1,000	399,000						400,000
$0.70 per share			435,719	436	304,567						305,003
$0.80 per share			62,500	63	49,937						50,000
$1.00 per share			330,001	330	329,671						330,001
Shares issued for officer compensation on November 22, 2015			175,000	175	61,075						61,250
Shares issued to our President at par value for voting purposes	10,000,000	10,000									10,000
Noncontrolling interest in affiliate								-	(22,849)		(22,849)
Net (loss) for the period										25,790	25,790
Balance, November 30, 2015, (unaudited)	10,000,000	$ 10,000	28,098,308	$ 28,100	$ 4,033,125	$ 112,527	$ 20,000	$ 354,737	$ (22,849)	$ (3,005,266)	$ 1,530,374
				-	-	-	-	-	-	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	For the nine months ended	
	February 29, 2016	February 28, 2015
OPERATING ACTIVITIES		
Net income (loss)	$ 25,790	$ (198,623)
Adjustments to reconcile net income (loss) to net cash used by operating activities		
Contributed services	-	54,900
Depreciation and amortization	2,155	-
Stock based compensation	71,250	5,000
Changes in operating assets and liabilities		
Accounts receivable	(12,500)	
Accounts payable	12,501	16,540
Accrued interest - related party	(186,258)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(87,062)	(122,183)
INVESTING ACTIVITIES		
Purchase of office and computer equipment	(13,820)	-
NET CASH (USED IN) INVESTING ACTIVITIES	(13,820)	-
FINANCING ACTIVITIES		
Proceeds from sale of common stock	1,085,004	339,095
Common stock subscription payable	-	(25,000)
Proceeds from notes payable - related parties	28,500	25,007
Repayments of notes payable - related parties	(77,871)	(7,772)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,035,633	331,330
NET INCREASE (DECREASE) IN CASH	934,751	209,147
CASH, BEGINNING OF YEAR	245,844	82,581
CASH, END OF YEAR	$ 1,180,595	$ 291,728
CASH PAID FOR INTEREST	$ 194,554	$ -

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

		$ -
		$ -

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

1 NATURE OF BUSINESS

Fuego Enterprises, Inc. (the "Company", "Fuego", "we", "our" or "us") is the ground breaking US holding company for the market opportunities in Cuba, "The last North American Frontier" a country full of limitless opportunities. 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, by Mr. Howard Glicken, a well-respected business and political powerbroker, 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 (www.theamericasgroup.net/about/the-americas-group-cuba-business-enterprise).

In August 2013, we entered into a Strategic Partnership Agreement with Opterna International to provide equipment, components, and solutions in fiber optic management systems and data-com solutions for Cuba, the Caribbean, and Central and Latin America territories. For more than 20 years, Opterna has been delivering high quality and cost-effective fiber optic products and full lifecycle solutions to customers around the world. 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. We have presented a proposal to the Cuban government to enhance and to increase the country's broadband capabilities of the last mile fiber optic related infrastructure and we are currently awaiting on their response (www.opterna.com).

In March 2012, we created and launched OnCuba - the only media platform focused on creating and publishing original content about and from Cuba directly with distribution in both sides of the Florida Straits. For the past four years, we have developed this media platform to become one of the most trusted source of news and information about Cuba, refacing the journalism in the island and reaching out and engaging with millions of readers and followers in Cuba and abroad. The media platform has been instrumental in driving advertising sales and supporting and promoting all Fuego's subsidiaries and businesses.

Current OnCuba media platform products:

OnCuba Magazine: A colorful overview of the richness of Cuba's culture and socio-economics events 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 in distribution as inflight magazine in charters flights between US and Cuba. US nationwide retailers include Barnes & Noble, HudsonNews (Airports of Miami, Washington and NY), NewsLink (Miami Airport), Publix Supermarkets (Florida region), and Books and Books retail stores, selected hotels and public services businesses (Miami area).

ART OnCuba Magazine: A benchmark of Cuban most updated and relevant visual arts information, providing an opportunity for Cuban visual artists of all generations across the globe, to be a reference for scholars, curators and art critics, as well as for art collectors and events managers. 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 retail stores, selected hotels and public services businesses (Miami area).

OnCuba Online News Portal: (www.OnCuba.com) is the most comprehensive 24/7 reading experience on-the-go and cross platforms and devices for original in-depth analysis, news and opinion about Cuba directly from Cuba, that reaches and engage thousands of users daily on the site and through social media.

OnCuba Real Estate Magazine: A digital magazine (www.oncubarealestate.com) dedicated to delivery exclusive and unique access to the emerging real estate market in Cuba, creating an unprecedented level of visibility to potential buyers and sellers. Produced four times a year, to inform and illustrate since its inception the current reality of the cuban real estate market and its development, addressing topics such as: Values and architectural trends, interior designers, new development, renovations and new construction, among others. With original content and photographs, its available to read across different platforms and digital consumer devices. Allowing a wide dissemination, which will transcend the limits of US and Cuban market.

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.

In March 2015, Fuego Enterprises, Inc., acquired majority control of the Cuban tech-start up ISLADATA (www.isladata.com), to develop and launch the first independent consulting services in data mining, predictive analytics, and text mining for the Cuban market. An alternative solution and tools set to explore the data and gain insight on the behavior of the Cuban market, identify business opportunities and target the right customer segment, to empower individuals, companies and organizations from US and abroad, with interest in doing business in Cuba, to analyze and make informed business decisions.

In Order to tap into the booming “Travel to Cuba” sector opportunities, and to take advantage of our existing infrastructures already in Havana, together with our twenty-year experience in cultural exchange programs and events, we created and launched OnCuba Travel (www.oncubatravel.com). In July 2015, we signed a Tour Operator Partnership Agreement with Havanatur, the largest Cuban state tour operator company and started operations, providing personalized educational, business exploration and cultural travel experiences, under the current people-to-people travel programs to Cuba for Americans. We are currently seeking final approval to sign an agreement with three remaining tour operators in Cuba (San Cristobal, Cubatur, Amistur), we expect to execute contracts soon. Fuego Enterprises owns (51%), controlled ownership, of OnCuba Travel.

In December 2015, Fuego Enterprises, Inc., acquire majority control of Porlalivre, Inc. A Delaware corporation that owns, operates and publishes (www.porlalivre.com), the leading public classified ads web-portal dedicated to satisfy the Cuban market. With the slogan “Making the life easier,” as per the translation from Spanish language, Porlalivre with thousands of new ads posted every day in over a hundred categories and hundreds of thousands monthly average visitors, it’s the perfect platform to become the most trusted site for Cubans to purchase new and used goods, once online merchant transactions become legal in Cuba.

2 SIGNIFICANT ACCOUNTING POLICIES

GOING CONCERN

The Company has sustained recurring losses and negative cash flows from operations, since inception in previous fiscal years. Since inception, the Company’s growth has been funded through a combination of private equity and shareholder debt. As of February 29, 2016, the Company had approximately $1,180,595 of unrestricted cash and a working capital surplus of $687,124. The Company believes that, as a result of this, it currently has sufficient cash and working capital to meet its funding requirements over the next year. However, the Company has experienced and continues to experience negative operating margins and negative cash flows from operations of $87,062, as of February 29, 2016, as well as an ongoing requirement for substantial additional capital investment. The Company expects that it will need to raise substantial additional capital to accomplish its business plan over the next several years. In addition, the Company may wish to selectively pursue possible acquisitions of businesses, technologies, content, or products complementary to those of the Company in the future in order to expand its presence in the marketplace and achieve operating efficiencies. The Company expects to seek to obtain additional funding through a bank credit facility or private equity. There can be no assurance as to the availability or terms upon which such financing and capital might be available.

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 February 29, 2016 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 February 29, 2016 is as follows:

Name of Subsidiary	Percentage of Ownership
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%
IslaData	50.00%
OnCuba Travel	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.

Travel Revenue

Revenue related to travel, groups, and related bookings are recognized at the time of the services are provided to the end user. And could include airfare, hotels, meals and tours.

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 February 29, 2016 and May 31, 2015, 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 nine months ended February 29, 2016 and 2014, we expensed $5,822 and $7,690 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 February 29, 2016 and May 31, 2015, there were cash and cash equivalents of $1,180,595 and $245,844, respectively.

CASH IN EXCESS OF FDIC INSURED LIMITS

We maintain our cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At February 29, 2016, we had $930,595 in excess of FDIC insured limits. We have not experienced any losses in such accounts.

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 February 29, 2016.

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 February 29, 2016. 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
The Company does not expect the adoption of any recently issued accounting pronouncements to have a significant effect on its consolidated financial position or results of operations.

3 COMMITMENTS

Operating lease

Fuego's President/CEO contributed the fair value of an office in home at $1,600 a month during the nine months of fiscal 2015, on a month to month basis, including utilities and insurance. Total rent expense for the nine months ended February 29, 2015 was $14,400. During the current fiscal year 2016, we rented our offices on a month to month basis for $1,825 per month. Total rent expense for the nine months ended February 29, 2016 was $12,334.

Accounts payable

The majority of the accounts payable as of February 29, 2016 and 2015 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. As of February 29, 2016, we have not recorded any transaction towards this agreement.

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.

Creation of Division – OnCuba Travel

In August 2015, the Company created the division, OnCuba Travel, to do cultural exchange programs and events, the Company owns 51% of the corporation. Please see note 1 for a more detailed description of the business of OnCuba Travel. In July 2015, we signed a Tour Operator Partnership Agreement with Havanatur, to provide personalized educational, business exploration and cultural travel experiences, under the current people-to-people travel programs to Cuba for Americans.

5 RELATED PARTY TRANSACTIONS

As of February 29, 2016, our President/CEO has advanced $513,127 for a variety of general and administrative expenses and various other costs since inception. During the nine months ended February 29, 2016, he advanced $28,500 and was repaid $77,871 in cash. He is due $106,099 as of February 29, 2016. We accrued eight percent interest on his balance due for $8,296, and $194,554 interest was paid during the nine months ended February 29, 2016. The note is payable on demand and is non-collateralized. Also, our President/CEO is owed accrued interest of $2,122 as of February 29, 2016.

As of May 31, 2015, our President/CEO advanced $484,627 for a variety of general and administrative expenses and various other costs since inception. During the fiscal year ending 2015, he advanced $7 and was repaid $13,492 in cash. He is due $155,470 as of May 31, 2015. We accrued eight percent interest on his balance due for $12,438, no interest was paid during the fiscal year ending 2015. The note is payable on demand and is non-collateralized. Also, our President/CEO is owed accrued interest of $188,381 as of May 31, 2015.

On October 24, 2014 and December 18, 2014, a shareholder advanced $25,000 to us for use to launch our new Art OnCuba media business. These funds are payable on demand and do not bear any interest.

6. 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 February 29, 2016. 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 periods ended February 29, 2016 and May 31, 2015, there were 28,098,308 and 26,095,088 shares of our common stock issued and outstanding, respectively.

Share Based Compensation

On June 17, 2014, the Company issued 10,000 shares of our restricted common stock at a value of $5,000 for services that were provided.

On November 22, 2015, the Company issued 175,000 shares of our restricted common stock at a value of $61,250 for services that were provided by our President.

Private Placements

In the nine months ended February 29, 2016, the Company sold 1,828,220 shares our restricted common stock for net proceeds of $1,085,004, net of no offering costs.

In the fiscal year ended May 31, 2015, the Company sold 861,853 shares our restricted common stock for net proceeds of $365,710, net of no offering costs.

Preferred Class "A" Shares

In February 2016, we amended our articles to create 10,000,000 Preferred Class "A" Shares of preferred stock, they have no provision for cash payments and are for voting purposes only. Each share of preferred class "A" has the equivalent of five votes for every share held. On March 6, 2016, our President, issued the 10,000,000 shares of Preferred Class "A" at par value of $.001, for his purposes.

7. 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.

Purchase of Porlalivre shares of stock

On April 14, 2016, the Company entered into a stock purchase agreement with Porlalivre, Inc, a Delaware corporation, for four hundred fifty (450) shares of their 1,000 restricted common stock for a total purchase price of $204,525, payble over twenty-four (24) months with no interest. The Shares shall be be hald in escrow until we pay in full for them at a third party attorney.