Quasar Aerospace Industries & Consolidated Subsidiaries
Statement of Operations
Twelve Month Periods Ended December 31, 2015
Unaudited

		2015		2014
		$359,804	$	$307,199
Revenue	Total revenue	$359,804		$307,199
Expenses	Aircraft fuel, supplies & maint.	$56,046		$27,661
	Attorney and legal fees	$950		$850
	Bank and credit card services	$5,100		$6,116
	Communications	$11,222		$10,543
	Dues and Subscriptions, Fees	$7,667		
	Depreciation and amortization	$15,487		$15,487
	Facilities rent & office expense	$53,585		$38,828
	Insurance	$16,106		$20,055
	Interest	$0		$11
	Leased and rented equipment	$785		$6,589
	License and permits	$274		$1,848
	Office expenses	$3,357		$2,674
	Other expenses	$24,669		$5,651
	Payroll and related	$71,200		$58,319
	Professional fees	$64,189		$112,684
	Shareholder related expenses	$0		$24,723
	State and local taxes	$230		-
	Travel and entertainment	$4,891		$10,300
	Utilities	$3,425		$1,117
	Total Expenses	$339,183		$343,456
	Net Loss	$20,621.08		($36,257.00)
	Weighted average common shares outstanding	15,354,071		1,918,266,496
Net Loss Per				

See accompanying notes to financial statements

Quarterly Report
Quasar Aerospace Industries Inc. & Consolidated Subsidiaries
Consolidated Balance Sheet
Periods Ended December 31, 2015 and December 31, 2014
Unaudited

	December 31, 2015	December 31, 2014
Assets		
Cash	10,457	41,527
Accounts receivable	125	66,072
Inventory	130,000	0
Short Term Loans and notes receivable	201,855	444,587
Total current assets	342,437	552,186
Fixed Assets		
Equipment	224,824	224,824
Accumulated depreciation	(215,061)	(215,061)
Fixed assets, net	9,763	9,763
Other assets		
Goodwill, net of amortization	17,799	17,799
Investment in subsidiaries	785,154	1,005,026
Other assets	21,515	27
Total other assets	824,468	1,022,852
Total assets	1,176,668	1,584,801
Liabilities and capital		
Accounts payable	165,598	79,224
Payroll liabilities	42,585	66,475
Prepaid revenue	(547)	(4,417)
Other current liabilities	34,361	370,730
Total current liabilities	241,997	512,012
Long term liabilities		
Notes payable third parties (including consulting agreements)	775,994	558,785
Deferred compensation	207,905	300,405
Notes payable to officers and directors	124,000	0
Amounts due related parties	0	370,971
Total long term liabilities	1,107,899	1,230,161
Total liabilities	1,349,896	1,742,173
Equity		
Common stock, Par value $.00001, Authorized 9,500,000,000 shares, 30,708,142 issued and outstanding respectively.	57,308	38,366
Preferred stock - par value $.001	19	29
Series A Authorized 1,000,000 shares, 1,893 issued and outstanding respectively.		
Series B Authorized 150,000 shares, 129,508 iss outstanding respectively.	1,295	1,295
Series C Authorized 1,000,000 shares, no shares	-	-
Paid in capital	4,053,942	4,109,350
Accumulated deficit	(4,285,791)	(4,306,412)
Total shareholders (deficit)equity	(173,228)	(157,372)
Total liabilities and capital	1,176,668	1,584,801

Quasar Aerospace Industries Inc. & Consolidated Subsidiaries
Statements of Cashflows
Twelve Month Periods Ended December 31, 2015
Unaudited

	2015	2014
OPERATING ACTIVITIES		
Net loss	$ 20,621	(36,257)
Depreciation & Amortization	9,763	15,030
Changes in working capital items		
Accounts payable	(165,598)	(5,253)
Accounts receivable third parties	(125)	(61,995)
Other current liabilities	34,361	62,258
Payroll liabilities	42,585	23,783
Deferred compensation	207,905	92,834
Reduction in inventory	(88,472)	1,587
Adjustment in Accum. Depreciation due to asset disposal		
Prepaid services	(547)	5,671
Cashflow from operating activities	60,493	97,658
INVESTING ACTIVITIES		
(Additions) and Disposal of equipment	6,587	6,587
Investment in subsidiaries	785,154	237,842
Disposal of (increases in) other assets	(21,515)	(27)
Cashflow from Investing	770,226	244,402
FINANCING ACTIVITIES		
Short term notes receivable	(201,855)	(390,987)
Advances from related parties		
Convertible notes due related parties	129,750	297,453
Notes payable to officers and directors	124,000	
Common stock issued	57,308	29,962
Adjustment to paid in capital and accumulated deficit for prior periods	(173,228)	(35,598)
Convertible notes due third parties	(775,994)	(259,741)
Cashflow from financing	(840,019)	(358,911)
Net change in cash	(9,300)	(16,851)
Beginning cash	19,757	58,378
Ending Cash	$ 10,457	$ 41,527

See accompanying notes to financial statements

Quasar Aerospace Industries Inc.
Statement of Changes In Shareholders Equity (Deficit)
Unaudited

	Common Stock		Preferred A Stock		Preferred B Stock		Treasury	Paid In Capital	Accumulated	Shareholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Stock		(Deficit)	Equity
Balance December 31, 2014	**3,836,532,992**	**$ 38,366**	**1,975**	**$ 19**	**$ 129,508**	**$ 1,295**	**$ 0**	**$ 4,109,350**	**$ (4,306,412)**	**$ (157,382)**
Shares issued for new equity		0								0
Shares issued for debt conversions	786,708,200	7,867						(45,658)		(37,791)
Shares issued for share conversions	1,082,446,911	10,824	(82)							10,742
Impair lost shares										0
Net loss									20,621	20,621
Balance October 29, 2015	5,705,688,103	$ 57,058	1,893	$ 19	$ 129,508	$ 1,295	$ 0	$ 4,063,692	$ (4,285,791)	$ (163,728)
Reverse Stock Split - Roundup	271,897									
	5,705,960,000									
Reservse Stock Split - 1000:1	5,705,960									
Balance October 30, 2015	5,705,960	$ 57,058	1,893	$ 19	$ 129,508	$ 1,295	$ 0	$ 4,063,692	$ (4,285,791)	$ (163,728)
CEDE & CO (Book Adjustment)	2,182	0								0
Restricted Shares issued for debt	25,000,000	250						(9,750)		(9,500)
Balance December 31, 2015	**30,708,142**	**$ 57,308**	**1,893**	**$ 19**	**$ 129,508**	**$ 1,295**	**$ 0**	**$ 4,053,942**	**$ (4,285,791)**	**$ (173,228)**

See accompanying notes to financial statements