Quasar Aerospace Industries & Consolidated Subsidiaries Statement of Operations

Three Month Periods Ended March 31, 2015

Unaudited

		2015	2014
		\$87,666	\$ \$307,199
Revenue	Total revenue	\$87,666	\$307,199
E	Aircraft first summling & maint	\$8,898	\$27,661
Expenses	Attack and least force	\$475	\$850
	Attorney and legal fees		35/04/4900113000
	Bank and credit card services	\$2,406	\$6,116
	Communications	\$1,689	\$10,543
	Depreciation and amortization	\$6,587	\$15,487
	Facilities rent & office expense	\$14,318	\$38,828
	Insurance	\$6,126	\$20,055
	Interest	\$0	\$11
	Leased and rented equipment	\$0	\$6,589
	License and permits	\$0	\$1,848
	Office expenses	\$2,221	\$2,674
	Other expenses	\$8,130	\$5,651
	Payroll and related	\$14,955	\$58,319
	Professional fees	\$18,444	\$112,684
	Shareholder related expenses	\$300	\$24,723
	State and local taxes	\$180	<u> </u>
	Travel and entertainment	\$3,059	\$10,300
	Utilities	\$3,059	\$1,117
	Total Expenses	\$90,848	\$343,456
	Net Loss	(\$3,182.03)	(\$36,257.00)
Net Loss Per Sh	nare	\$0.00	\$0.00
	Weighted average common		
	shares outstanding	2,334,703,009	1,918,266,496

See accompanying notes to financial statements

Quarterly Report

Quasar Aerospace Industries, Inc. & Consolidated Subsidiaries Consolidated Balance Sheet

Period Ended March 31, 2015 and December 31, 2014 Unaudited

Assets 25,072 41,527 Accounts receivable 5,072 66,072 Inventory 102,012 0 Short Term Loans and notes receivable 445,227 444,587 Total current assets 577,384 552,186 Fixed Assets 224,824 224,824 Accumulated depreciation (215,061) (215,061) Fixed assets, net 9,763 9,763 Other assets 9,763 9,763 Other assets 1,071,026 1,005,026 Other assets 27 27 Total other assets 1,071,026 1,005,026 Other assets 27 27 Total other assets 1,088,852 1,022,852 Total assets 1,675,998 1,584,801 Liabilities and capital 4,000,000 4,000 Accounts payable 17,598 7,224 Payroll liabilities 6,475 6,475 Perpaid revenue 0 6,475 Other current liabilities 370,730 370,730		March 31, 2015	December 31, 2014
Accounts receivable 5,072 10,2012 10,2			41.503
Inventory	97 45 St. 16		
Note Part Common stock Add			
Price Assets Equipment 224,824 224,824 Accumulated depreciation (215,061)			
Fixed Assets Equipment 224,824 224,824 Accumulated depreciation (215,061) (215,061) Fixed assets, net 9,763 9,763 Other assets 8 3,763 Coodwill, net of amortization 17,799 17,799 Investment in subsidiaries 1,071,026 1,005,026 Other assets 27 27 Total other assets 1,675,998 1,584,801 Liabilities and capital Accounts payable 17,598 79,224 Payroll liabilities 66,475 66,475 Perpaid revenue 0 (4,417) Other current liabilities 454,803 512,012 Long term liabilities Notes payable third parties 585,096 558,785 Deferred compensation 353,905 300,405 Notes payable to officers 0 0 Amounts due related parties 441,929 370,971 Total long term liabilities 1,835,733 1,742,173 Equity <tr< td=""><td>Description of the second seco</td><td></td><td></td></tr<>	Description of the second seco		
Equipment 224,824 224,824 Accumulated depreciation (215,061) (215,061) Fixed assets, net 9,763 9,763 Other assets 2 8 Goodwill, net of amortization 17,799 17,799 Investment in subsidiaries 1,071,026 1,005,026 Other assets 27 2.7 Total other assets 1,675,998 1,584,801 Liabilities and capital Accounts payable 17,598 79,224 Payroll liabilities 66,475 66,475 Payroll revenue 0 (4,417) Other current liabilities 370,730 370,730 Total current liabilities 585,096 558,785 Deferred compensation 353,905 300,405 Notes payable to officers 0 0 Amounts due related parties 585,096 558,785 Deferred compensation 353,905 300,405 Notes payable to officers 0 0 Amounts due related parties 441,929 <t< td=""><td>I otal current assets</td><td>5//,384</td><td>552,186</td></t<>	I otal current assets	5//,384	552,186
Accumulated depreciation (215,061) (215,061) Fixed assets, net 9,763 9,763 Other assets 3,769 17,799 Investment in subsidiaries 1,071,026 1,005,026 Other assets 27 27 Total other assets 1,088,852 1,022,852 Total assets 1,675,998 1,584,801 Liabilities and capital Accounts payable 17,598 79,224 Payroll liabilities 66,475 66,475 Prepaid revenue 0 64,417 Other current liabilities 370,730 370,730 Total current liabilities 353,905 353,905 Notes payable third parties 585,096 558,785 Deferred compensation 353,905 300,405 Notes payable to officers 0 0 Amounts due related parties 441,929 370,971 Total long term liabilities 1,380,930 1,230,161 Total long term liabilities 1,835,733 1,742,173 Equity Co	Fixed Assets		
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Other assets Coodwill, net of amortization 17,799 17,799 Investment in subsidiaries 1,071,026 1,005,026 Other assets 27 27 Total other assets 1,088,852 1,022,852 Total assets 1,675,998 1,584,801 Liabilities and capital Accounts payable 17,598 79,224 Payroll liabilities 66,475 66,475 Prepaid revenue 0 (4,417) Other current liabilities 370,730 370,730 Total current liabilities 370,730 370,730 Total current liabilities 585,096 558,785 Notes payable third parties 585,096 558,785 Deferred compensation 353,905 300,405 Notes payable to officers 0 0 Amounts due related parties 441,929 370,971 Total long term liabilities 1,380,930 1,230,161 Total liabilities 1,835,733 1,742,173 Equity 1,000,000 38,366	Accumulated depreciation	(215,061)	
Soodwill, net of amortization	Fixed assets, net	9,763	9,763
Investment in subsidiaries	Other assets		
Investment in subsidiaries	Goodwill, net of amortization	17,799	17,799
Other assets 27 27 Total other assets 1,088,852 1,022,852 Total assets 1,675,998 1,584,801 Liabilities and capital Accounts payable 17,598 79,224 Payroll liabilities 66,475 66,475 Prepaid revenue 0 (4,417) Other current liabilities 370,730 370,730 Total current liabilities 454,803 512,012 Notes payable third parties 585,096 558,785 Deferred compensation 353,905 300,405 Notes payable to officers 0 0 Amounts due related parties 441,929 370,971 Total long term liabilities 1,380,930 1,230,161 Total liabilities 1,835,733 1,742,173 Equity 2 38,366 Common stock, Par value \$.0001, 46,695 38,366 Authorized \$.000,000,000 shares, 4,669,406,017 19 29 Series A Authorized 1,000,000 shares, 129,30 ssued and outstanding respectively. 1,295 <t< td=""><td></td><td></td><td></td></t<>			
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Accounts payable	Total assets	1,675,998	1,584,801
Accounts payable	Liabilities and capital		
Payroll liabilities 66,475 hrepaid revenue 75,7730 370,730 370,730 370,730 370,730 370,730 512,012 Long term liabilities 585,096 558,785 380,405 380,405 380,405 380,405 380,405 380,405 380,405 370,971 70 and 1,230,161 441,929 370,971 370,971 370,971 70 and 1,230,161	-	17,598	
Other current liabilities 370,730 370,730 Total current liabilities 454,803 512,012 Long term liabilities 585,096 558,785 Notes payable third parties 585,096 558,785 Deferred compensation 353,905 300,405 Notes payable to officers 0 Amounts due related parties 441,929 370,971 Total long term liabilities 1,380,930 1,230,161 Total liabilities 1,835,733 1,742,173 Equity Common stock, Par value \$.00001, 46,695 38,366 Authorized 5,000,000,000 shares, 4,669,406,017 issued and outstanding respectively. Preferred stock - par value \$.001 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. Series B Authorized 150,000 shares, 129,508 1,295 1,295 Series C Authorized 1,000,000 shares, no shares, 129,508 4,101,850 4,109,350 Accumulated deficit 4,309,594 (4,306,412) Total shareholders (deficit) equity (159,735) (157,372)	Payroll liabilities	66,475	66,475
Total current liabilities	The state of the s	0	(4,417)
Notes payable third parties 585,096 558,785	Other current liabilities	370,730	370,730
Notes payable third parties 585,096 558,785 Deferred compensation 353,905 300,405 Notes payable to officers 0 Amounts due related parties 441,929 370,971 Total long term liabilities 1,380,930 1,230,161 Equity Common stock, Par value \$.00001, 46,695 38,366 Authorized 5,000,000,000 shares, 4,669,406,017 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. 1,295 1,295 Series B Authorized 150,000 shares, 129,508 outstanding respectively. 1,295 1,295 Series C Authorized 1,000,000 shares, no shi - - Paid in capital 4,101,850 4,109,350 Accumulated deficit (4,309,594) (4,306,412) Total shareholders (deficit) equity (157,372)	Total current liabilities	454,803	512,012
Notes payable third parties 585,096 558,785 Deferred compensation 353,905 300,405 Notes payable to officers 0 Amounts due related parties 441,929 370,971 Total long term liabilities 1,380,930 1,230,161 Equity Common stock, Par value \$.00001, 46,695 38,366 Authorized 5,000,000,000 shares, 4,669,406,017 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. 1,295 1,295 Series B Authorized 150,000 shares, 129,508 outstanding respectively. 1,295 1,295 Series C Authorized 1,000,000 shares, no shi - - Paid in capital 4,101,850 4,109,350 Accumulated deficit (4,309,594) (4,306,412) Total shareholders (deficit) equity (157,372)	Long term liabilities		
Deferred compensation 353,905 300,405 Notes payable to officers 0 0 Amounts due related parties 441,929 370,971 Total long term liabilities 1,380,930 1,230,161 Total liabilities 1,835,733 1,742,173 Equity Common stock, Par value \$.00001,		585,096	558,785
Notes payable to officers 0 Amounts due related parties 441,929 370,971 Total long term liabilities 1,380,930 1,230,161 Total liabilities 1,835,733 1,742,173 Equity Common stock, Par value \$.0001, 46,695 38,366 Authorized 5,000,000,000 shares, 4,669,406,017 issued and outstanding respectively. Preferred stock - par value \$.001 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. Series B Authorized 150,000 shares, 129,508 1,295 1,295 outstanding respectively. Series C Authorized 1,000,000 shares, no shares, 129,508 4,101,850 4,109,350 Accumulated deficit (4,309,594) (4,306,412) Total shareholders (deficit) equity (159,735) (157,372)		200 00000000000000000000000000000000000	300,405
Amounts due related parties 441,929 370,971 Total long term liabilities 1,380,930 1,230,161 Total liabilities 1,835,733 1,742,173 Equity Common stock, Par value \$.00001, 46,695 38,366 Authorized 5,000,000,000 shares, 4,669,406,017 issued and outstanding respectively. Preferred stock - par value \$.001 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. Series B Authorized 150,000 shares, 129,508 1,295 1,295 outstanding respectively. Series C Authorized 1,000,000 shares, no sha	and the contract of the contra		0
Total long term liabilities 1,380,930 1,230,161 Total liabilities 1,835,733 1,742,173 Equity Common stock, Par value \$.00001, 46,695 38,366 Authorized 5,000,000,000 shares, 4,669,406,017 issued and outstanding respectively. Preferred stock - par value \$.001 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. Series B Authorized 150,000 shares, 129,508 1,295 1,295 outstanding respectively. Series C Authorized 1,000,000 shares, no sha		441,929	370,971
Equity Common stock, Par value \$.00001, 46,695 38,366 Authorized 5,000,000,000 shares, 4,669,406,017 issued and outstanding respectively. Preferred stock - par value \$.001 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. Series B Authorized 150,000 shares, 129,508 1,295 1,295 outstanding respectively. Series C Authorized 1,000,000 shares, no shares, 129,508 4,101,850 4,109,350 Accumulated deficit (4,309,594) (4,306,412) Total shareholders (deficit) equity (159,735) (157,372)	AND AND LONGON AND AND AND AND AND AND AND AND AND AN	1,380,930	1,230,161
Common stock, Par value \$.00001, 46,695 38,366 Authorized 5,000,000,000 shares, 4,669,406,017 issued and outstanding respectively. Preferred stock - par value \$.001 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. Series B Authorized 150,000 shares, 129,508 1,295 1,295 outstanding respectively. Series C Authorized 1,000,000 shares, no shares, 129,508 4,101,850 4,109,350 Accumulated deficit (4,309,594) (4,306,412) Total shareholders (deficit) equity (159,735) (157,372)	Total liabilities	1,835,733	1,742,173
Common stock, Par value \$.00001, 46,695 38,366 Authorized 5,000,000,000 shares, 4,669,406,017 issued and outstanding respectively. Preferred stock - par value \$.001 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. Series B Authorized 150,000 shares, 129,508 1,295 1,295 outstanding respectively. Series C Authorized 1,000,000 shares, no shares, 129,508 4,101,850 4,109,350 Accumulated deficit (4,309,594) (4,306,412) Total shareholders (deficit) equity (159,735) (157,372)	Equity		
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Preferred stock - par value \$.001 19 29 Series A Authorized 1,000,000 shares, 1,923 issued and outstanding respectively. 1,295 1,295 Series B Authorized 150,000 shares, 129,508 outstanding respectively. 1,295 - Series C Authorized 1,000,000 shares, no shares, n		*******	
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Series B Authorized 150,000 shares, 129,508 1,295 outstanding respectively. - Series C Authorized 1,000,000 shares, no shares, no shared in capital - Paid in capital 4,101,850 4,109,350 Accumulated deficit (4,309,594) (4,306,412) Total shareholders (deficit)equity (159,735) (157,372)	Series A Authorized 1,000,000 shares, 1,923 issued and		
outstanding respectively. - - Series C Authorized 1,000,000 shares, no shared in capital - - Paid in capital 4,101,850 4,109,350 Accumulated deficit (4,309,594) (4,306,412) Total shareholders (deficit)equity (159,735) (157,372)	outstanding respectively.		
Series C Authorized 1,000,000 shares, no shares. -	Series B Authorized 150,000 shares, 129,508	1,295	1,295
Paid in capital 4,101,850 4,109,350 Accumulated deficit (4,309,594) (4,306,412) Total shareholders (deficit)equity (159,735) (157,372)	outstanding respectively.		
Accumulated deficit (4,309,594) (4,306,412) Total shareholders (deficit)equity (159,735) (157,372)	Series C Authorized 1,000,000 shares, no sha	-	<u>=</u>
Total shareholders (deficit)equity (159,735) (157,372)	And the second section of the section of the second section of the second section of the second section of the section of the second section of the		
Total liabilities and capital 1,675,998 1,584,801	Total shareholders (deficit)equity	(159,735)	(157,372)
	Total liabilities and capital	1,675,998	1,584,801

See accompanying notes to financial statements.

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

	2015	2014
OPERATING ACTIVITIES	′ (2.102) Ø	(2(257)
Net loss	(3,182) \$	(36,257)
Depreciation & Amortization	9,763	15,030
Changes in working capital items		
Accounts payable	(17,598)	(5,253)
Accounts receivable third parties	(5,072)	(61,995)
Other current liabilities	255,278	62,258
Payroll liabilities	66,475	23,783
Deferred compensation	37,500	92,834
Reduction in inventory		1,587
Adjustment in Accum. Depreciation due to asset disposal		
Prepaid services		5,671
Cashflow from operating activities	343,164	97,658
INVESTING ACTIVITIES		
(Additions) and Disposal of equipment		6,587
Investment in subsidiaries	529,342	237,842
Disposal of (increases in) other assets	(27)	(27)
Cashflow from Investing	529,315	244,402
FINANCING ACTIVITIES		
Short term notes receivable	(445,227)	(390,987)
Advances from related parties	* 1	
Convertible notes due related parties	441,929	297,453
Notes payable to officers	(187,500)	
Common stock issued	46,695	29,962
Adjustment to paid in capital and accumulated deficit for prior periods	(159,735)	(35,598)
Convertible notes due third parties	(585,096)	(259,741)
Cashflow from financing	(888,934)	(358,911)
Net change in cash	(16,455)	(16,851)
Beginning cash	41,527	58,378
Ending Cash	25,072 \$	41,527

See accompanying notes to financial statements

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

					•						
	Common Stock	Stock	Preferred A Stock	A Stock	Preferred B Stock	B Stock	Treasury	Paid In Capital	Accumulated	Shareholders'	
Balance December 31, 2014	Shares Amount 3,836,532,992 \$ 38,366	Amount 38,366	Shares 1,975 \$	Amount 19 \$	Shares 129,508 \$	Amount 1,295 \$	Stock	4,109,350	(Deficit) \$ (4,306,412) \$	Equity (157,382)	
Shares issued for new equity Shares issued for debt conversions Shares issued for share conversions Impair lost shares Net loss	187,500,000 645,373,025	0 1,875 6,454	(52)					(2,500)	(3,182)	0 (5,625) 6,402 0 (3,182)	
Balance March 31, 2015	4,669,406,017 \$ 46,695	\$ 46,695	1,923 \$	19 \$	129,508 \$	1,295		4,101,850	\$ (4,309,594)	(159,735)	

See accompanying notes to financial statements