

Quasar Aerospace Industries & Consolidated Subsidiaries
Statement of Operations
Twelve Month Periods Ended December 31, 2014
Unaudited

	2014	2013
Revenue	\$ <u>\$307,199</u>	\$ <u>\$112,551</u>
Total revenue	\$307,199	\$112,551
Expenses		
Aircraft fuel, supplies & maint.	\$27,661	\$50,278
Attorney and legal fees	\$850	
Bank and credit card services	\$6,116	\$2,987
Communications	\$10,543	\$2,257
Depreciation and amortization	\$15,487	\$24,494
Facilities rent & office expense	\$38,828	\$17,636
Insurance	\$20,055	\$6,777
Interest	\$11	\$5,088
Leased and rented equipment	\$6,589	\$6,440
License and permits	\$1,848	\$127
Office expenses	\$2,674	\$5,667
Other expenses	\$5,651	\$5,667
Payroll and related	\$58,319	\$95,490
Professional fees	\$112,684	\$6,639
Shareholder related expenses	\$24,723	\$1,775
State and local taxes	-	\$108
Travel and entertainment	\$10,300	\$50
Utilities	\$1,117	\$698
Total expenses	\$ <u>\$343,456</u>	\$ <u>\$232,178</u>
Net loss	\$ <u><u>(\$36,257)</u></u>	\$ <u><u>(\$119,627)</u></u>
Net loss per share	(\$0.00)	(\$0.00)
Weighted average common shares outstanding	1,918,266,496	57,544,606

See accompanying notes to financial statements

Quarterly Report
Quasar Aerospace Industries Inc. & Consolidated Subsidiaries
Consolidated Balance Sheet
Periods Ended December 31, 2014 and December 31, 2013
Unaudited

	December 31, 2014	December 31, 2013
Assets		
Cash	\$ 41,527	\$ 26,950
Accounts receivable	66,072	4,077
Inventory	0	1,587
Short Term Loans and notes receivable	444,587	53,600
Total current assets	<u>552,186</u>	<u>86,214</u>
Fixed Assets		
Equipment	224,824	320,017
Accumulated depreciation	(215,061)	(303,667)
Fixed assets, net	<u>9,763</u>	<u>16,350</u>
Other assets		
Goodwill, net of amortization	17,799	53,397
Investment in subsidiaries	1,005,026	766,788
Other assets	27	-
Total other assets	<u>1,022,852</u>	<u>820,185</u>
Total assets	<u>\$ 1,584,801</u>	<u>\$ 922,749</u>
Liabilities and capital		
Accounts payable	\$ 79,224	84,477
Payroll liabilities	66,475	42,674
Prepaid revenue	(4,417)	10,088
Other current liabilities	370,730	70,630
Total current liabilities	<u>512,012</u>	<u>207,869</u>
Long term liabilities		
Notes payable third parties	558,785	299,044
Deferred compensation	300,405	207,571
Notes payable to officers	0	74,674
Amounts due related parties	370,971	73,518
Total long term liabilities	<u>1,230,161</u>	<u>654,807</u>
Total liabilities	<u>1,742,173</u>	<u>862,676</u>
Equity		
Common stock, Par value \$.00001, Authorized 5,000,000,000 shares, 3,836,532,992 issued and outstanding respectively.	38,366	8,404
Preferred stock - par value \$.001	29	29
Series A Authorized 1,000,000 shares, 1,975 issued and outstanding respectively.		
Series B Authorized 150,000 shares, 129,508 issued and outstanding respectively.	1,295	1,295
Series C Authorized 1,000,000 shares, no shares issued.	-	-
Paid in capital	4,109,350	4,320,500
Accumulated deficit	(4,306,412)	(4,270,155)
Total shareholders (deficit)equity	<u>(157,372)</u>	<u>60,073</u>
Total liabilities and capital	<u>\$ 1,584,801</u>	<u>\$ 922,749</u>

See accompanying notes to financial statements

Quasar Aerospace Industries Inc. & Consolidated Subsidiaries
Statements of Cashflows
Twelve Month Periods Ended December 31, 2014
Unaudited

	2014	2013
OPERATING ACTIVITIES		
Net loss	\$ (36,257)	(113,960)
Depreciation & Amortization	15,030	24,494
Changes in working capital items		
Accounts payable	(5,253)	10,412
Accounts receivable third parties	(61,995)	
Other current liabilities	62,258	4,331
Payroll liabilities	23,783	(4,286)
Deferred compensation	92,834	48,001
Reduction in inventory	1,587	23
Adjustment in Accum. Depreciation due to asset disposal		(11,865)
Prepaid services	5,671	(8,353)
Cashflow from operating activities	<u>97,658</u>	<u>(51,203)</u>
INVESTING ACTIVITIES		
(Additions) and Disposal of equipment	6,587	11,864
Investment in subsidiaries	237,842	(27)
Disposal of (increases in) other assets	(27)	19,304
Cashflow from Investing	<u>244,402</u>	<u>31,141</u>
FINANCING ACTIVITIES		
Short term notes receivable	(390,987)	(10,506)
Advances from related parties		3,150
Convertible notes due related parties	297,453	(84,000)
Notes payable to officers		251,726
Common stock issued	29,962	317
Adjustment to paid in capital and accumulated deficit for prior periods	(35,598)	(112,531)
Convertible notes due third parties	(259,741)	(23,000)
Cashflow from financing	<u>(358,911)</u>	<u>25,156</u>
Net change in cash	(16,851)	5,094
Beginning cash	58,378	15,009
Ending Cash	<u>\$ 41,527</u>	<u>\$ 20,103</u>

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	Shares	Shares	Stock		(Deficit)	Equity
	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Balance December 31, 2013	840,348,920	2,092	129,508	(391)	4,320,500	(4,270,155)	60,073
Shares issued for new equity	372,000,000						22,500
Shares issued for debt conversions	1,685,348,402				18,780		(212,686)
Shares issued for share conversions	938,835,670	(117)	(0)		(229,539)		9,271
Impair lost shares				391	(391)		0
Net loss						(36,257)	(36,257)
Balance December 31, 2014	3,836,532,992	1,975	129,508	0	4,109,350	(4,306,412)	(157,373)

See accompanying notes to financial statements