

boreal water collection

**Boreal Water Collection Inc.
Quarter Report
Information & Disclosure Statement
For the period ending
September 30, 2015**

Table of Contents

	Page
Part 1 The name of the issuer and its predecessor.	3
Part 2 The address of the issuer's principal executive offices.	3
Part 3 Security Information	3
The name and address of the transfer agent.....	3
Part 4 Issuance History.....	4-5
List of securities offerings and shares issued for services in the past three years.....	4-5
Part 5 Financial Statements	
A. Balance Sheet.....	6
B. Statement of operations	7
C. Statement of changes in Stockholders' Equity.....	8
D. Statement of cash flows.....	9
E. Financial notes.....	10-25
Part 6 Issuer's Business, Products and Services	
A. Issuer's business operations.....	25-27
B. Date and State of Incorporation.....	27
C. Issuer's primary and secondary SIC Codes.....	27
D. The issuer's fiscal year end date.....	27
E. Principal products or services, and their markets.....	27-30
Part 7. Issuer's Facilities.....	30
Part 8 Officers, Directors, and Control Persons	
A. Names of Officers, Directors and Control Persons.....	31
B. Legal/Disciplinary History.....	31
C. Beneficial Shareholders.....	32
Part 9. Third Party Providers.....	32
Part 10. Issuer Certification	33

Part 1.

The exact name of the issuer and its predecessor (if any).

Boreal Water Collection Inc. (BRWC)
Formerly = Canadian Blue Gold, Inc. until 3-2008
Formerly = Coastal Holdings, Inc. until 10-2007

Part 2.

The address of the issuer's principal executive offices.

4496 State Road 42N
Kiamesha Lake, NY 12751
Phone: 845-794-0400 or 1-866-429-0101 Fax: 845-794-0016
Web site: www.borealwater.com
investors@borealwater.com

Part 3.

Security Information

Trading Symbol "BRWC."

Common stock CUSIP 09971P 10 0;

Par or Stated Value. \$0.001 par value.

Number of shares authorized; 5,000,000,000 as of September 30, 2015.

Number of shares outstanding 4,057,594,509 as of September 30, 2015.

Freely tradable shares (public float) 1,449,853,793 as of September 30, 2015.

Total number of beneficial shareholders; Francine Lavoie is the only beneficial shareholder.

Total number of shareholders on record; 1001 shareholders.

The name and address of the transfer agent.

Manhattan Transfer Registrar Co.
531 Cardens Court
Erie, CO 80516
(613)-928-7655

Manhattan Transfer Registrar Co. is registered under the federal Exchange Act, and as such is regulated by the Securities and Exchange Commission, in conjunction with FINRA

Part 4.

Issuance History – List of security offerings and shares issued for services in the past three years

On July 12, 2012, the Company issued 6.5 million common shares to a third party investor for a cash payment of \$90,000 and was valued at the market value on that date of \$0.1385 per share.

On September 30, 2012, the Company recognized the issuance to an entity of its \$0.001 par value common stock, issued at a prior date, but not previously recognized.

On April 16, 2013, the Company issued 1,538,462 common shares for services rendered that were valued at the market value on that date of \$0.01 per share.

On September 11, 2013, the Company issued 10.75 million common shares to a third party investor for a cash payment of \$65,000 that was received in a previous year and presented on the balance sheet as a deposit on purchase of common shares. The shares were valued at the market value on that date of \$0.006 per share.

On June 3, 2014, the Company issued 10,621,266 common shares to a third party investor in exchange for the conversion of their loan of \$68,082. The shares were valued at the market value on that date of \$0.00641 per share.

On July 24, 2014, the Company issued 3 million common shares for services rendered that were valued at the market value on that date of \$0.006 per share.

On September 5, 2014, the Company issued 3,750,000 common shares to a third party investor for a cash payment of \$30,000. The shares were valued at the market value on that date of \$0.008 per share.

On October 15, 2014, the Company issued 2 million common shares for services rendered. The shares were valued at the market value on that date of \$0.005 per share.

On October 16, 2014, the Company issued 1,896,873 million common shares to a third party investor for a cash payment of \$18,020. The shares were valued at the market value on that date of \$0.009 per share.

On November 7 and 25, 2014, the Company issued 26,415,520 common shares to a third party investor in exchange for the conversion of their loan of \$55,000. The shares were valued at the market value on the respective dates of \$0.00259 and \$0.00333 per share.

On January 20, 2015 and May 4, 2015, the Company issued 180,032,305 and 573,614,695 common shares to its majority stockholder in exchange for conversion of their loan of \$256,240. The shares were valued at an average of the market value of \$0.00034 per share.

From January 2015 to June 2015, the Company issued 1,580,854,692 common shares to related parties in payment of their earned salary of \$479,466 for the period September 2012 to April 2015. The shares were valued at an average of the market value of \$0.0003 per share.

From January 2015 to June 30, 2015 the Company issued 1,352,961,807 common shares to a third party investor in exchange for their conversion of all the convertible loans and accrued

interest totaling \$436,715. The shares were valued at an average of the market value of \$0.000323 per share.

Please see the “Quarter Report: FOOTNOTES - quarterly unaudited Financial Statements as of September 30, 2015” – Note 7.

Part 5. FINANCIAL STATEMENTS

Boreal Water Collection Inc. CONDENSED BALANCE SHEETS

	September 30, December 31,	
	2015	2014
	(unaudited)	
ASSETS		
Current assets		
Cash	\$ 24,247	\$ 187,389
Accounts receivable, less allowance for doubtful accounts of \$2,506 at September 30, 2015 and December 31, 2014 respectively	117,748	131,313
Inventory	184,249	226,899
Prepays	43,853	20,963
Deferred financing costs, net of accumulated amortization	12,520	53,036
Total current assets	382,617	619,600
Property and equipment, net of accumulated depreciation	2,349,393	2,509,117
Other assets		
Security deposit	4,500	4,500
Total other assets	4,500	4,500
Total assets	\$ 2,736,510	\$ 3,133,217
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 821,361	\$ 855,143
Due to Related Party	20,346	-
Deferred revenue	-	11,471
Short-term borrowings	1,385,737	1,806,064
Officer loan payable	-	250,342
Current portion of capital lease payable	3,968	3,968
Total current liabilities	2,231,412	2,926,988
Long-term liabilities		
Accounts payable	-	2,000
Capital lease - net of current	796	3,925
Deferred Tax Liability	343,440	343,440
Total liabilities	2,575,648	3,276,353
Stockholders' equity		
Common stock, \$.001 par value; 5,000,000,000 shares authorized, 4,057,594,509 and 370,131,010 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	4,057,593	370,130
Additional paid-in capital	567,119	3,082,161
Deficit accumulated since January 10, 2006 in connection with quasi reorganization	(4,463,851)	(3,595,427)
Total stockholders' equity	160,862	(143,136)
Total liabilities and stockholders' equity	\$ 2,736,510	\$ 3,133,217

Boreal Water Collection Inc.
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Sales	\$ 604,322	\$ 652,505	\$ 1,726,998	\$ 1,783,263
Cost of sales	501,255	510,841	1,498,656	1,455,876
Gross profit	103,067	141,664	228,342	327,387
Operating Expenses				
Selling and general and administrative	167,302	179,427	510,934	481,805
Depreciation and amortization	64,147	95,019	246,956	299,281
Total expenses	231,449	274,446	757,890	781,086
Net operating income (loss)	(128,382)	(132,782)	(529,548)	(453,699)
Other income (expense)				
Gain or loss on fixed assets	-	3,354	-	3,354
Interest income	33	34	33	34
Rental income	-	338	-	3,150
Interest expense	(124,041)	(48,165)	(337,034)	(117,849)
Total other income (expense)	(124,008)	(44,439)	(337,001)	(111,311)
Net income (loss) before income taxes	(252,390)	(177,221)	(866,549)	(565,010)
Provision for income taxes(benefit)	-	1,500	1,875	(73,125)
Net income (loss)	\$ (252,390)	\$ (178,721)	\$ (868,424)	\$ (491,885)

Boreal Water Collection, Inc.

CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount			
Balance, December 31, 2014	370,131,010	\$ 370,130	\$ 3,082,161	\$ (3,595,427)	\$ (143,136)
Common shares issued in settlement of officer's debt	753,647,000	753,647	(497,407)		256,240
Common shares in conversion of convertible debt	1,352,961,807	1,352,962	(916,247)		436,715
Common shares issued for services rendered by officers	1,580,854,692	1,580,855	(1,101,389)		479,466
Net loss - September 30, 2015				(868,424)	(868,424)
Balance, September 30, 2015	4,057,594,509	\$ 4,057,594	\$ 567,119	\$ (4,463,851)	\$ 160,862

Boreal Water Collection, Inc.
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months Ended September 30	
	2015	2014
Cash flows from operations		
Net income (loss)	\$ (868,424)	\$ (491,885)
Adjustment to reconcile net income to net cash:		
Depreciation and amortization	246,956	299,023
Stock based compensation	102,760	-
Stock issued for services	-	21,000
Gain on sale of fixed asset	-	322
Changes in operating assets and liabilities:		
Accounts receivable	13,565	31
Inventory	42,649	(32,890)
Prepaid expenses	(22,890)	(18,374)
Accounts payable and accrued expenses	371,031	22,673
Deferred taxes	-	(75,000)
Deferred financing costs	(45,385)	(45,000)
Deferred revenue	(11,471)	-
Net cash provided for operating activities	(171,209)	(320,100)
Cash Flows from investing activities		
Purchases of property and equipment	(1,328)	-
Net cash provided by (used for) investing activities	(1,328)	-
Cash flows from financing activities		
Related party advances, net	20,346	31,876
Proceeds from issuance of convertible notes	-	131,256
Proceeds from revenue based factoring	494,165	100,000
Payments on revenue based factoring	(501,986)	(9,928)
Payments on capital lease obligation	(3,129)	(12,314)
Issuance of shares of common stock	-	98,082
Net cash provided by financing activities	9,396	338,972
Net increase (decrease) in cash	(163,141)	18,872
Cash, beginning of period	187,389	63,420
Cash, end of period	\$ 24,248	\$ 82,292
Supplemental disclosures:		
Cash paid during the year for:		
Interest	\$ 308,080	\$ 108,302
Taxes	\$ 1,875	\$ 1,875
Non-cash investing and financing transactions:		
Issuance of 3,000,000 shares of common stock in connection with professional services rendered	\$ -	\$ 21,000
Issuance of 1,580,854,692 shares of common stock in connection with stock based compensation	\$ 479,466	\$ -
Issuance of 1,352,961,807 shares of common stock in conversion of convertible debt	\$ 436,715	\$ -
Issuance of 753,647 shares of common stock in settlement of officer note payable	\$ 256,240	\$ -

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 1 – Description of Business and Corporate Information

Organization

Boreal Water Collection, Inc. (“Boreal” or the “Company”) was incorporated in the State of Nevada on August 21, 2001. The Company is trading on the OTC under the symbol (BRWC.PK).

The Company has operated under various names since incorporation, most recently Canadian Blue Gold, Inc. from October 2007 to March 2008, when the name was changed to Boreal Water Collection, Inc.

In April 2009, the Company acquired the assets of A.T. Reynolds and Sons, Inc., operating as Leisure Time Spring Water (“Leisure”) in Kiamesha Lake, New York. The Company is a personalized bottled water company specializing in premium custom bottled water, as a contract packer of bottled water focused on value-added products and services. The Company currently offers three types of water: spring water, distilled water, enhanced water, which is customized with minerals, oxygen, and fluoride, and a fourth type to be added, and sparkling water. The Company was originally founded in 1884.

Note 2 – Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulations S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2015. The balance sheet at December 31, 2014 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company’s annual report on Form 10-K for the year ended December 31, 2014.

Note 3 – Summary of Significant Accounting Principles

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements, as well as their related disclosures. Such estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could significantly differ from those estimates.

Cash and cash equivalents

The Company considers short-term interest bearing investments with initial maturities of three months or less to be cash equivalents. Cash and cash equivalents consist of cash in banks, free credit on investment accounts and money market accounts.

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 2 – Summary of Significant Accounting Principles (continued)

Revenue recognition

In accordance with the FASB ASC Topic 605, *Revenue Recognition*, the Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectability is reasonably assured. The Company recognizes revenue on the date the product is shipped, whether it is shipped f.o.b. destination or f.o.b. shipping point, due to the short distance and time it takes for the product to reach its final destination. Product is sold to customers on credit terms established on an individual basis. The credit factors used include historical performance, current economic conditions, and the nature and volume of the product. The company offers very few discounts, allowances, coupons, or other similar incentive programs. Net sales are determined after deduction of any promotional or other allowances in accordance with FASB ASC Topic 605-50. The Company offers its customers a right to return product previously shipped, and when the product is actually returned, the customer's account is credited for the full value of the returned product. The Company's normal shipping terms f.o.b. destination, which designates that the Company will pay shipping costs and remain responsible for the goods until the buyer takes possession and f.o.b. shipping point, which indicates that the buyer will pay for shipping costs and takes responsibility for the product when the product is shipped from the Company's premise. New and certain large customers, which require the purchase of unique materials, are required to pay the Company in advance of production. These advances are recorded as deferred revenue. Revenue is recognized when the product is shipped to the customer; the deferred revenue account is then reduced accordingly.

Taxes collected from customers and remitted to governmental authorities are excluded from net sales. Freight-in is included in cost of sales and freight charged to customers is included in sales in the Company's statements of operations. Delivery and related shipping costs are included in sales and general administrative expenses.

Accounts receivable

The Company evaluates the collectability of its trade accounts receivable based on a number of factors. In circumstances where the Company becomes aware of a specific customer's inability to meet its financial obligations to the Company, a specific reserve for bad debts is estimated and recorded, which reduces the recognized receivable to the estimated amount the Company believes will ultimately be collected. In addition to specific customer identification of potential bad debts, bad debt charges are recorded based on the Company's recent loss history and an overall assessment of past due trade accounts receivable outstanding. In accordance with FASB ASC Topic 210-20-45, the Company presents accounts receivable in its balance sheet net of promotional allowances only for customers that it allows net settlement. All other accounts receivable and related promotional allowances are shown on a gross basis.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Repairs and maintenance are expensed as incurred while betterments and improvements are capitalized. When items are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in operations.

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 2 – Summary of Significant Accounting Principles (continued)

The Company provides for depreciation and amortization over the following estimated useful lives:

Building	40 years
Land improvements	15 years
Machinery and equipment	5-7 years
Computer equipment	3 years
Office equipment	7 years
Trucks and trailers	5 years

Long-Lived Assets

In accordance with FASB ASC Topic 360 *Property, Plant, and Equipment*, the Company records impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts.

Fair Value of Financial Instruments

The fair values of the Company's assets and liabilities that qualify as financial instruments under FASB ASC Topic 825, *Financial Instruments*, approximate their carrying amounts presented in the accompanying balance sheet at September 30, 2015 and 2014.

Inventories

Inventory is valued at the lower of cost or market, cost being determined by the first-in, first-out (FIFO) method. Inventory costs include direct material, direct labor and a systematic allocation of fixed and variable overhead. Obsolete items are carried at estimated net realizable value.

Cost of sales

Cost of sales, includes normal direct costs, such as direct labor, freight, purchases of raw materials (caps, water, bottles, boxes, wrapping, ingredients, etc.), adjusted for inventory at the end of each reporting period. Costs of sales also includes indirect costs, such as salary costs for maintenance personnel, supervisors, operation of the quality control lab, equipment and building maintenance, miscellaneous warehouse expenses, licenses and taxes, and payroll taxes and other benefit costs for direct labor and indirect labor personnel.

Selling and General Administrative Expenses

Selling and general administrative expenses include those type of costs normally included in this functional classification: sales salaries, delivery salaries, repairs, payments made to outside sales representatives, travel related costs, and benefit costs, salaries paid administrative and executive personnel, insurance, benefit costs, office supplies, professional fees, subcontract costs taxes, bank charges, stock-based compensation, postage and shipping, telephone and related communications costs, and similar costs.

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 2 – Summary of Significant Accounting Principles (continued)

Earnings per share

The Company complies with the accounting and disclosure requirements of FASB ASC 260, *Earnings Per Share*. Basic earnings per common share ("EPS") calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC Topic 740 *Income Taxes*, which requires accounting for deferred income taxes under the asset and liability method. Deferred income tax asset and liabilities are computed for difference between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

The determination of the Company's provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Company's consolidated financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. When facts and circumstances change, the Company reassesses these probabilities and records any changes in the consolidated financial statements as appropriate.

In accordance with GAAP, the Company is required to determine whether a tax position of the Company is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized could result in the Company recording a tax liability that would reduce stockholders' equity. This policy also provides guidance on thresholds, measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition that is intended to provide better consolidated financial statement comparability among different entities. Management's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, ongoing analyses of and changes to tax laws, regulations and interpretations thereof. Generally, the tax filings are no longer subject to income tax examinations by major taxing authorities for years before 2011. Any potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with U.S. federal, state and local tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

Interest and Penalty Recognition on Unrecognized Tax Benefits

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in other operational expenses. No interest expense or penalties have been recognized as of and for the nine months ended September 30, 2015.

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 2 – Summary of Significant Accounting Principles (continued)

Stock-Based Compensation

Stock-based compensation to employees is measured at the grant date, based on the fair value of the award, and is recognized as expense over the requisite employee service period. Equity instruments issued to other than employees are valued at the earlier of a commitment date or upon completion of the services, based on the fair value of the equity instruments and is recognized as expense over the service period. The Company estimates the fair value of stock-based payments using the closing price of the Company's common stock for common share issuances. Some of the agreements had some "true-up" protection clauses against the stock price going down during the term of the contract. The company did not do any derivative adjustments and if needed the company intent once it will do audited financials to correct this.

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs—Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 2 – Summary of Significant Accounting Principles (continued)

The Company did not identify any assets or liabilities that are required to be presented at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash, accounts receivable, accounts payables, accrued expenses and other current liabilities, approximated their fair values due to the short maturity of these financial instruments.

Recently Adopted Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

Concentration of Credit Risk

The Company maintains its cash and cash equivalents in bank deposit accounts, which, at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk related to cash and cash equivalents.

The Company's three largest customers accounted for approximately 35% and 24% of sales for the years ended December 31, 2014 and December 31, 2013, respectively.

Note 3 – Going Concern

The accompanying financial statements have been prepared assuming that the company will continue as a going concern, which contemplates the recoverability of assets and the satisfaction of liabilities in the normal course of business. Since January 10, 2006 (date of quasi reorganization), the Company has accumulated a deficit of approximately \$4,463,851. Currently, the Company has a minimum cash balance available for the payment of ongoing operating expenses, and its operations is not providing a source of funds from revenues sufficient to cover its operational costs to allow it to continue as a going concern. The continued operations of the Company is dependent upon generating profits from operations and raising sufficient capital through placement of its common stock or issuance of debt securities, which would enable the Company to carry out its business plan. In the event we do not generate sufficient funds from revenues or financing through the issuance of our common stock or from debt financing, we may be unable to fully implement our business plan and pay our obligations as they become due, any of which circumstances would have a material adverse effect on our business prospects, financial condition and results of operations.

The accompanying financial statements do not include any adjustments that might be required should the company be unable to recover the value of its assets or satisfy its liabilities.

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 4 – Inventory

Inventory consists of the following categories:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Raw materials	\$ 164,078	\$ 204,795
Finished Goods	20,171	22,103
Total	<u>\$ 184,249</u>	<u>\$ 226,899</u>

Note 5 – Property and Equipment

Equipment consists of the following categories at September 30, 2015 and December 31, 2014:

	<u>2015</u>	<u>2014</u>
Building	\$ 2,000,000	\$ 2,000,000
Land	324,000	324,000
Leasehold improvements	41,621	41,621
Furniture & fixtures	16,997	16,997
Computer equipment	27,498	26,169
Machinery and equipment	1,086,393	1,086,393
Transportation equipment	50,250	50,250
	<u>3,546,759</u>	<u>3,545,430</u>
Less: accumulated depreciation	1,197,366	1,036,313
Total	<u>\$ 2,349,393</u>	<u>\$ 2,509,117</u>

Depreciation expense for the nine months ended September 30, 2015 and 2014 was \$246,956 and \$299,281, respectively.

Note 6 – License agreement related party

On December 17, 2007, the Company entered into an exclusive licensing agreement (“Agreement”) with a Canadian bottle water company to distribute, sell, advertise, promote, and market under private label, its products in the United States., with an original cost of \$2.0 million. The Agreement was subsequently revised and replaced with a new Agreement on June 16, 2008 at a cost of \$1.022 million. The Company’s President and CEO is the principal shareholder of the Canadian company. The license is being amortized over a five year period from June 16, 2008. At December 31, 2014, the license has been fully amortized.

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 7 – Stockholders’ Equity

On January 20, 2015 and May 4, 2015, the Company issued respectively 180,032,305 and 573,614,695 common shares to its majority stockholder in exchange for conversion of their loan of \$256,240. The shares were valued at an average of the market value of \$0.00034 per share.

From January 2015 to June 2015, the Company issued 1,580,854,692 common shares to related parties in payment of their earned salary of \$479,466 for the period September 2012 to April 2015. The shares were valued at an average of the market value of \$0.0003 per share.

From January 2015 to June 30, 2015 the Company issued 1,352,961,807 common shares to a third party investor in exchange for their conversion of all the convertible loans and accrued interest totaling \$436,715. The shares were valued at an average of the market value of \$0.000323 per share.

Note 8 – Income Taxes

At September 30, 2015, the Company had approximately \$4.7 million of net operating losses (“NOL”) carry-forwards for federal and state income purposes. These losses are available for future years and expire through 2035. Utilization of these losses may be severely or completely limited if the Company undergoes an ownership change pursuant to Internal Revenue Code Section 382.

The tax effects of temporary differences and carry forwards that give rise to deferred tax assets and liabilities consist of the following:

	March 31 , 2015	December 31, 2014
Deferred tax assets:		
	\$	
Beginning balance	1,260,000	\$ 960,000
Increase due to current period loss	103,000	300,000
Other temporary differences	—	—
Ending balance deferred tax assets	1,363,000	1,260,000
Less: Valuation allowance	(1,363,000)	(1,260,000)
Net deferred tax asset	<u>\$ —</u>	<u>\$ —</u>
Deferred tax liabilities:		
Difference between book and tax basis of assets acquired in bargain asset purchase	\$ (343,440)	\$ (343,440)
Net deferred tax assets (liabilities)	<u>\$ (343,440)</u>	<u>\$ (343,440)</u>

The Company has taken a full valuation allowance against the other timing differences and the deferred asset attributable to the NOL carry-forwards of approximately \$1,363, 000 and \$1,260,000 at March, 2015 and for the year ended December 31, 2014, respectively, due to the uncertainty of realizing the future tax benefits. There is no current deferred tax information at this time.

The Company did not pay any income taxes during the nine months ended September 30, 2015 or the year ended December 31, 2014.

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 9 – Short-Term Borrowings

	Sept 30, 2015	December 31, 2014
Line of credit	\$ 250,000	\$ 250,000
Mortgage	900,000	900,000
JSJ Investments	0	76,256
Revenue based factoring	0	63,066
LG Capital	0	78,750
Typenex Co-Investment	0	107,500
Auctus Private Equity	0	75,000
Eastmore Capital	0	75,000
Strategic	13,001	0
Quarter Spot	33,322	130,492
Yellowstone	42,597	0
Everest	28,982	0
World Global	15,770	0
Cap - Call	52,065	0
Other	50,000	50,000
Total	\$ 1,385,737	\$ 1,806,064

During 2009, the Company obtained a revolving line of credit with a commercial bank in the amount of \$250,000 at annual interest rate of 5.25%. The line of credit is secured by the Company's accounts receivable and inventory. On September 22, 2014, the commercial bank in coordination with the Company decided to exercise their right to cancel the line of credit effective February 22, 2015. As of February 22, 2015, the bank has allowed the line of credit with the Company to expire. The commercial bank has however informally agreed to extend the line of credit for six months subject to an appraisal and securing a second mortgage on the real property. During October 2015, the Company granted the bank a second mortgage on the property and the bank agreed to reinstate the revolving line of credit.

The Company secured a \$900,000 mortgage with a "Lender." This mortgage bears interest at 12% per annum and is due and payable on August 27, 2014. The mortgage requires the Company to make monthly interest only payments of \$9,000. Under the terms of the new mortgage, the Company has the option to extend the maturity date of the new mortgage for one year providing it pays the Lender a fee of \$54,000. . During August 2014, the Company elected to extend the mortgage six months until January 31, 2015 by paying \$45,000. In January 2015, the Company elected to extend the mortgage an additional nine months until July 31, 2015 by paying \$27,000. The mortgage is currently in default and the default interest rate is 24% per annum. The Company is in contact with alternative funding sources to refinance this obligation.

During May and June 2014, the Company entered into a series of unsecured convertible promissory note agreements ("Notes") with JSJ Investments, Inc. ("JSJ" or "holder"). The principal amount for these two Notes total \$131,256 with interest from 12% to 15% per annum. The maturity dates are November 2014. There is a 150% cash redemption premium on the principal amount only, upon approval by JSJ. The Note is convertible into the Company's common stock. The conversion amount is the Note principal plus default interest, if any. During November 2014, JSJ converted \$55,000 of their notes into the Company's common stock for 26,415,520 shares at an exercise price of \$0.00225 per share. JSJ Investments, Inc. entered into a convertible promissory note with the Company dated May 25, 2014 ("JSJ Note"). During January and March 2015, JSJ converted their \$76,256 of their notes (including accrued interest) into the Company's common stock for 59,330.032 shares at exercise prices ranging from \$.000733333 to \$.001118. The company also entered into another unsecured promissory note dated May 25, 2014 for \$68,082 with interest

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 9 – Short-Term Borrowings (continued)

at 12% per annum. This note for \$68,082 was immediately converted into the Company's stock for 10,621,266 shares at an exercise price of \$0.00641 per share.

On August 14, 2014, the Company entered into a "Revenue Based Factoring (RBF/ACH) Agreement" ("Agreement") with Strategic Funding Source, Inc. ("SFS"), a New York based company. The Company, pursuant to the Agreement, sold future receipts, accounts, written contracts and other obligations to SFS ("receipts"). The sale price is \$100,000.00. The company will make a total of approximately 189 daily loan payments of \$740. SFS purchased a total of \$140,000.00 in receipts. The purchase price was received by the Company on August 22, 2014. The Agreement has an indefinite term, lasting until the Company completes its obligations contained therein. SFS has a security interest in all accounts, chattel paper, equipment, general intangibles, instruments and inventory. Mrs. Francine Lavoie, sole member of the Board of Directors and Company CEO, has also personally guaranteed the Agreement.

On October 2, 2014, the Company entered into a convertible promissory note with LG Capital for \$78,750 with interest at 8% per annum and matures on October 1, 2015. During the quarter ended June 30, 2015 this Note was converted into the Company's stock for 307,499,003 shares at an exercise price of \$0.00027 per share.

On October 14, 2014, the Company entered into a convertible promissory note with Typenex Co-Investment for \$107,500 with interest at 10% per annum and matures on July 14, 2015. During the quarter ended June 30, 2015 this Note was converted into the Company's stock for 438,028,193 shares at an exercise price of \$0.00030 per share.

On October 15, 2014, the Company entered into a convertible promissory note with Auctus Private Equity for \$75,000 with interest at 8% per annum and matures on July 15, 2015. During the quarter ended June 30, 2015 this Note was converted into the Company's stock for 193,420,225 shares at an exercise price of \$0.00041 per share.

On October 15, 2014, the Company entered into a convertible promissory note with Eastmore Capital for \$75,000 with interest at 8% per annum and matures on July 15, 2015. During the quarter ended June 30, 2015 this Note was converted into the Company's stock for 280,621,208 shares at an exercise price of \$0.00028 per share.

On December 4, 2014, the Company entered into a Promissory Note with Quarter Spot, a Virginia based company. The Company, pursuant to the Agreement, sold future receipts, accounts, written contracts and other obligations to Quarter Spot. The sale price is \$137,250. The company will make a total of approximately 257 daily loan payments of \$673. SFS has a security interest in all accounts, chattel paper, equipment, general intangibles, instruments and inventory.

On February 18, 2015, the Company entered into a Promissory Note with Platinum Rapid Funding Group, a New York based company. The Company, pursuant to the Agreement, sold future receipts, accounts, written contracts and other obligations to Platinum Rapid Funding. The sale price is \$100,000. The company will make a total of approximately 147 daily loan payments of \$918. Platinum purchased a total of \$135,000.00 in receipts. Platinum has a security interest in all accounts, chattel paper, equipment, general intangibles, instruments and inventory.

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 9 – Short-Term Borrowings (continued)

On February 23, 2015, the Company entered into a Promissory Note with World Global Financing, Inc., a Florida based company. The Company, pursuant to the Agreement, sold future receipts, accounts, written contracts and other obligations to World Global. The sale price is \$130,000. The company will make a total of approximately 168 daily loan payments of \$1,014. World Global purchased a total of \$170,300 in receipts. World Global has a security interest in all accounts, chattel paper, equipment, general intangibles, instruments and inventory.

On April 21, 2015, the Company entered into a Promissory Note with Cap Call LLC. The Company, pursuant to the Agreement, sold future receipts, accounts, written contracts and other obligations to Cap Call. The sale price is \$50,000. The company will make a total of approximately 91 daily loan payments of \$799. Cap Call LLC purchased a total of \$72,950 in receipts. Cap Call LLC has a security interest in all accounts, chattel paper, equipment, general intangibles, instruments and inventory. Mrs. Francine Lavoie, sole member of the Board of Directors and Company CEO, has also personally guaranteed the Agreement. On July 20, 2015, the Company modified the existing note by incorporating the estimated balance of \$25,000 into a new Promissory Note with a sale price of \$80,000. The company will make a total of approximately 110 daily loan payments of \$1,061. Cap Call LLC purchased a total of \$116,720 in receipts.

During June 2013, a third party loaned the Company \$50,000 bearing interest at 6.8% and maturing August 2015 (as amended in November 2014 and May 2015).

On September 3, 2015, the Company entered into a Promissory Note with Yellowstone Capital. The Company, pursuant to the Agreement, sold future receipts, accounts, written contracts and other obligations to Yellowstone. The sale price is \$50,000. The company will make a total of approximately 72 daily loan payments of \$1,014. Yellowstone purchased a total of \$72,950 in receipts. Yellowstone has a security interest in all accounts, chattel paper, equipment, general intangibles, instruments and inventory. Mrs. Francine Lavoie, sole member of the Board of Directors and Company CEO, has also personally guaranteed the Agreement.

On September 24, 2015, the Company entered into a Promissory Note with EBF Partners LLC. The Company, pursuant to the Agreement, sold future receipts, accounts, written contracts and other obligations to EBF Partners LLC. The sale price is \$30,000. The company will make a total of approximately 60 daily loan payments of \$720. EBF Partners LLC purchased a total of \$43,200 in receipts. EBF Partners LLC has a security interest in all accounts, chattel paper, equipment, general intangibles, instruments and inventory. Mrs. Francine Lavoie, sole member of the Board of Directors and Company CEO, has also personally guaranteed the Agreement.

Note 10 – Related Party

On July 31, 2014 the related party assigned \$250,342 of the approximately \$330,000 debt owed by Boreal to the company's principal shareholder. This note bears interest at 5% and matures on December 31, 2014. The \$250,342 owed to the principal shareholder (including accrued interest of \$5,898) was paid on January 29, 2015 to the principal shareholder by converting their loans into 180,032,305 shares of the Company's common stock. On April 30, 2015, the related party also received an additional 573,614,695 shares of the Company's common stock in accordance with the terms of the conversion agreement.

From January 2015 to June 2015, the Company issued 2,154,469,387 shares of its \$0.001 par value common stock to related parties in payment of their earned salary of \$479,466 for the period September 2012 to April 2015. For the nine months ended September 30, 2015 and 2014 the Company made purchases from the third party of \$30,116 and \$39,288 respectively and made sales to the related party of \$2,586 and \$2,430, respectively.

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 11 – Commitments and Contingencies

The Company is party to a forty year exclusive agreement (“Agreement”), with an original effective date of November 1, 1995, modified on April 25, 2000, to reduce certain minimum guarantee and compensation provisions of the Agreement. The Agreement provides that the Company shall draw not less than seven million (7,000,000) gallons of water from certain springs on an annual basis. During the remainder of the first twenty-five (25) years of the Agreement, the Company pays one cent (\$0.01 per gallon for the first five million (5,000,000) gallons of water drawn and three-fourth of one cent (\$0.0075) for all gallonage thereafter, but not less than \$65,000 per year regardless of the actual gallonage drawn, payable in monthly installments of \$5,416. In event that drought or other conditions reduce the capacity of the springs, so that the springs cannot meet the minimum guarantee, the minimum guarantee shall be reduced in accordance with an agreed to formula. For the last fifteen years of the agreement, which expires October 31, 2035, the Agreement provides that the Company shall pay one and one-quarter cents (\$0.0125) per gallon for the first five million (5,000,000) gallons and for gallons thereafter the Company shall pay one cent (\$0.01) per gallon, with an annual minimum of \$82,500, payable in monthly installments of \$6,875. The Company is responsible for all maintenance and repairs, utilities, and capital improvement costs incurred in connection with the water collection facility, which includes storage tanks, a pump building, piping, and other related equipment necessary for and related to the harvesting of water from the springs. The Agreement also provides that the owner of springs may sell water from the springs under certain conditions, provided, however, that the charge per gallon sold shall not be less than the price per gallon paid by the Company, with such proceeds divided equally between the Company and the owner. The Company has an option of first refusal in the event that the owner enters into an agreement for the sale of all or a portion of the real property, which includes the springs located on the real property. Upon execution of a valid binding contract between the owner and a third party, which contract shall be made subject to the terms of the option, the owner shall provide the Company a copy of the contract and it shall have thirty (30) days from date of delivery or mailing within which to exercise its option by delivering to the owner a check in the amount of the contract deposit, in which event the owner and the Company shall be bound by the contract sale.

The future minimum payments due under the terms of the Agreement are as follows:

Years Ending December 31,	
2015	\$ 65,000
2016	65,000
2017	65,000
2018	65,000
2019	65,486
Thereafter	1,280,347
	<u>\$ 1,605,834</u>

Boreal Water Collection, Inc.
Notes to CONDENSED Financial Statements
September 30, 2015
(Unaudited)

Note 12 – Litigation

The Company may be defendant in various suits and claims that arise in the normal course of business. In the opinion of management, the ultimate disposition of these other suits and claims will have no material effect on the Company's financial position, liquidity, or results of operations.

Note 13 – Subsequent Event

During October 2015, the Company issued \$250,000 of Secured Debentures ("Debentures") with interest at 7.5% per annum. The Debentures are due 24 months after closing. Each \$1,000 Debenture provides for 1,352,532 warrants which are exercisable at a price of \$.0075 per share for period of not to exceed 2 years. The company has received \$75,000 towards the \$250,000 debenture. Once the entire \$250,000 is received, the Company will then issue up to 338,133,000 in warrants for this transaction.

During January 2016, the Company issued \$250,000 of Secured Debentures ("Debentures") with interest at 7.5% per annum. The Debentures are due 24 months after closing. Each \$1,000 Debenture provides for 1,352,532 warrants which are exercisable at a price of \$.0075 per share for period of not to exceed 2 years.

During January 2016, the company exercised the first 'right of refusal' on purchasing Alpine Springs. Currently the company is paying \$65,000 per year with a lease that expires Oct 31, 2035, making a minimum future payment of \$1,605,824 (see note 11 above). Instead of paying this future payment, the company will purchase Alpine Springs for an amount of \$600,000. This purchase will be quite beneficial to the company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE DISCUSSION IN THIS SECTION CONTAINS CERTAIN STATEMENTS OF A FORWARD-LOOKING NATURE RELATING TO FUTURE EVENTS OR OUR FUTURE PERFORMANCE. WORDS SUCH AS "ANTICIPATES," "BELIEVES," "EXPECTS," "INTENDS," "FUTURE," "MAY" AND SIMILAR EXPRESSIONS OR VARIATIONS OF SUCH WORDS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, BUT ARE NOT THE ONLY MEANS OF IDENTIFYING FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE ONLY PREDICTIONS AND ACTUAL EVENTS OR RESULTS MAY DIFFER MATERIALLY.

IN EVALUATING SUCH STATEMENTS, YOU SHOULD CONSIDER VARIOUS RISK FACTORS, INCLUDING BUT NOT LIMITED TO, THE INHERENT DIFFICULTY IN OPERATING A "GOING CONCERN;" THE EFFECT IF THERE WERE TO BE SIGNIFICANT CHANGES IN MANAGEMENT PERSONNEL; POTENTIAL PRODUCT LIABILITY ISSUES; DIFFICULTY IN MEETING COMPETITOR CHALLENGES SUCH AS THE INTRODUCTION OF NEW PRODUCTS; INCREASED RESEARCH AND DEVELOPMENT AND/OR EQUIPMENT ACQUISITION COSTS; CHANGES IN GENERAL ECONOMIC CONDITIONS AND/OR THE INDUSTRY IN WHICH THE COMPANY COMPETES; CHANGES IN THE QUALITY AND/OR SOURCES OF RAW MATERIALS; MAJOR GOVERNMENT REGULATION CHANGES AND/OR ISSUE(S); FLUCTUATIONS IN WORK FORCE QUALITY AND AVAILABILITY; LABOR DISRUPTIONS (SUCH AS RAW MATERIAL, CONTAINER MANUFACTURE, PRODUCT TRANSPORTATION STOPPAGES OR SLOWDOWNS); ANY OF WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

**A. RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015
COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 2014**

Comparison of three months ended September 30, 2015 to the three months ended September 30, 2014

The Company reported a net loss of \$252,390 and \$178,720 for the three month periods ended September 30, 2015 and 2014, respectively, an increase in net loss of \$73,670. The details of this increase in net loss are discussed in the paragraphs below.

For the three months ended September 30, 2015 and 2014, we reported sales of \$604,322 and \$652,505, a decrease of \$48,183, or 7.38%. This decrease is attributable to increases in one gallon sales of \$40,907, house brand sales of \$688, and sales discounts of \$2,766, partially offset by decreases in co-packing sales of \$87,593, label sales of \$1,440, transport of \$2,707 and miscellaneous of \$804.

For the three months ended September 30, 2015 and 2014, cost of sales were 83% and 78% and the gross profit percentages were 17% and 22%, respectively. The increase in cost of sales and the resulting decrease in gross profit is a direct result of lower sales as explained above.

Selling and general administrative expenses decreased \$12,125, or 6.76% to \$167,302 for the three month period ended September 30, 2015 from \$179,427 reported for the comparable period in 2014. As a percentage of sales, selling and general administrative expenses increased to 28% for the quarter ended September 30, 2015 from 27% for the same period in 2014. Direct selling expenses decreased \$12,510, to \$54,508 in the quarterly period ended September 30, 2015 from \$67,018 reported for the comparable period in 2014. Direct selling expenses are comprised of delivery, advertising, and related travel costs.

General administrative expenses increased \$384, or 0.34%, to \$112,793 for the three month period ended September 30, 2015 from \$112,409 reported for the comparable period in 2014. The increase in general and administrative expenses is attributable to increases in payroll processing of \$176, bank fees of \$4,839, stock base compensation of \$45,370 and miscellaneous expenses of \$1,727 partially offset by decreases in salaries of \$13,383, insurance of \$2,603, utilities of \$1,115, dues, memberships of \$49, professional fees of \$31,553, health insurance of \$1,288, miscellaneous of \$659 and payroll tax of \$1,078.

For the three month period ended September 30, 2015 and 2014, we reported interest expense of \$124,041 and \$48,165, respectively an increase of \$75,876. Debt obligations and interest paid against these debt obligations are discussed in Note 8-9 to our financial statements for the three month periods ended September 30, 2015 and 2014.

Other income totaled \$33 and \$3,726 for the three month periods ended September 30, 2015 and 2014, respectively, a decrease of \$3,693. For the three months ended September 30, 2015.

For the three month periods ended September 30, 2015 and 2014, the Company did not pay any federal income taxes.

**A. RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
COMPARED TO THE NINE MONTHS ENDED SEPTEMBER 30, 2014**

Comparison of nine months ended September 30, 2015 to the nine months ended September 30, 2014

The Company reported a net loss of \$868,424 and a net profit of \$491,885 for the nine month periods ended September 30, 2015 and 2014, respectively, an increase in net loss of \$376,539. The details of this increase in net loss are discussed in the paragraphs below.

For the nine months ended September 30, 2015 and 2014, we reported sales of \$1,726,998 and \$1,783,263, a decrease of \$56,265, or 3.2%. This decrease is attributable to increases in one gallon sales of \$74,088 partially offset by decreases in co-packing sales of \$118,534, house brand sales of \$4,462, label sales of \$3,019, miscellaneous sales of \$729, sales discounts of \$1,004 and transportation sales of \$2,605.

For the nine months ended September 30, 2015 and 2014, cost of sales percentage was 87% and 82%, and gross profit percentages were 13% and 18% respectively for both periods.

Selling and general and administrative expenses increased \$29,129, or 6.05% to \$510,934 for the nine month period ended September 30, 2015 from \$481,805 reported for the comparable period in 2014. As a percentage of sales, selling and general administrative expenses increased to 30% for the nine months ended September 30, 2015 from 27% for the same period in 2014. Direct selling expenses decreased \$3,560, to \$176,516 in the nine month period ended September 30, 2015 from \$180,076 reported for the comparable period in 2014. Direct selling expenses are comprised of delivery, advertising, and related travel costs.

General administrative expenses increased \$32,689, or 10.8%, to \$334,418 for the nine month period ended September 30, 2015 from \$301,729 reported for the comparable period in 2014. The increase in general and administrative expenses is attributable to decreases in professional fees of \$54,046, bonuses of \$5,575, salaries of \$36,203, payroll taxes of \$2,747, utilities of \$4,329, insurances of \$7,696, late fees of \$8,519 and miscellaneous of \$117 partially offset by increases of \$134,630 in stock based compensation, bank fees of \$16,069, and \$1,222 in property tax, office supplies, payroll processing and postage.

For the nine month period ended September 30, 2015 and 2014, we reported interest expense of \$337,034 and \$117,849, respectively an increase of \$219,185. Debt obligations and interest paid against these debt obligations are discussed in Note 8-9 to our financial statements for the nine month periods ended September 30, 2015 and 2014.

Other income totaled \$33 and \$6,538 for the nine month periods ended September 30, 2015 and 2014, respectively, a decrease of \$6,505.

For the nine month periods ended September 30, 2015 and 2014, the Company did not pay any federal income taxes. For the nine months ended September 30, 2015 and 2014, the Company recorded an income tax benefit of approximately \$0 and \$73,125, respectively, which represents the change in the difference between book and tax basis of assets originally acquired in a bargain asset purchase.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2015, the Company had an accumulated deficit since January 10, 2006 (the date of quasi reorganization) of \$4,463,851. Liquid assets at September 30, 2015 consisted primarily of cash and cash equivalents of \$24,247. Current liabilities of \$2,231,412 exceeded current assets by \$1,848,795. Historically, we have financed our business through cash generated from ongoing operations, proceeds from sale of common stock to third party investors, borrowings from financial institutions, advances received from related parties, and officers of the Company. The company is currently pursuing financing alternatives.

Cash decreased \$163,142 to \$24,247 at September 30, 2015, as compared to \$63,420 at December 31, 2014, which results from the following:

Net loss	\$ (868,424)
Adjustments to reconcile net loss to net cash	349,716
Changes in operating assets and liabilities	<u>347,498</u>
Net cash used by operating activities	(171,210)
Investing activities	(1,328)
Financing activities	<u>9,396</u>
Net decrease in cash	<u><u>\$ (163,142)</u></u>

Cash used by our operating activities for the nine months ended September 30, 2015 was approximately \$171,210, comprised of a net loss of \$868,424, noncash reconciling adjustments of \$349,716, changes in operating assets and liabilities of \$347,498.

The \$347,498 change in operating assets and liabilities is primarily attributable to increases in accounts payable and accrued expenses of \$371,031, deferred financing costs of \$45,385 and prepaid expenses of \$22,890, partially offset by decreases in inventory of \$42,649, deferred revenue of \$11,471, and accounts receivable of \$13,565.

Cash used for financing activities was approximately \$9,396, comprised of advances from related parties of \$20,346 and proceeds from revenue based factoring of \$494,165 partially offset by payments for capital leases of \$3,129 and payments on revenue based factoring of \$501,986.

Part 6: Issuer's Business, Products and Services

A. Issuer's business operation

Overview

Boreal Water Collection, Inc. ("Boreal" or the "Company") was incorporated in the State of Nevada on August 21, 2001. The Company is trading on the OTC (www.otcmarkets.com), level "OTCQB" under the symbol (BRWC). Please check us out at <http://www.otcmarkets.com/stock/BRWC/quote>.

The Company has operated under various names since incorporation, most recently Canadian Blue Gold, Inc. from October 2007 to March 2008, when the name was changed to Boreal Water Collection, Inc.

In April 2009, the Company acquired the assets of A.T. Reynolds and Sons, Inc., operating as Leisure Time Spring Water ("Leisure") in Kiamesha Lake, New York. The Company is a personalized bottled water company specializing in premium custom bottled water, as a contract packer of bottled water focused on value-added products and services. The Company currently offers three types of water: spring water, distilled water, enhanced water, which is customized with minerals, oxygen, and fluoride, and a fourth type to be added; sparkling water. The Company was originally founded in 1884.

Currently, we have two Officers. Mrs. Francine Lavoie is Chairman, President, CEO and Secretary. Mr. Christopher Umecki is Vice President of Operations. Mrs. Lavoie is our sole Director.

The Company has its principal executive offices at 4496 State Road 42 North Kiamesha Lake, NY 12751. The telephone number for our executive offices is 845-794-0400. Boreal Water Collection's internet address is www.borealwater.com and we expect to maintain the website after the Effective Date. Our common stock is quoted on www.otcmarkets.com (secondary market); BRWC.

Narrative Description of Business of Boreal Water Collection

Founded in 1884 with headquarters in Kiamesha Lake, NY, Leisure Time Spring Water was acquired by Boreal Water Collection Inc. (the "Company," "Boreal Water Collection," "Boreal," "BRWC," "us," "we"), which is a contract packer of bottled water focused on value-added products/services.

Boreal Water Collection is a personalized bottled water corporation, specialized in providing premium custom bottled water for your company and customers. Whether it is for publicity, promotion, marketing, internal use or a specific event, Boreal is a one-stop shop. We offer turnkey service, with prize-winning Boreal private label water (ITQI for Boreal Water by the International Taste Quality Institute in Belgium 2012), made-to-order labeling, distinctive water containers and fully integrated services literally from the ground up. Based on our observations of the specialty bottled water industry and experience gained over the years, in the opinion of management, our production technology and our creative personnel are among the brightest and best in the industry. Boreal wishes to develop the most extensive distribution network in North America and warehouses across Canada and the United States. Unlike other bottled water companies, Boreal also has exclusive access to two springs, one an award-winning source (ITQI for Saint-

Elie water by the International Taste Quality Institute in Belgium 2007, 2008 and 2009), deep in Canada and the other in the prestigious Catskills Mountains in New York. Boreal has exclusive unlimited access (40 year contract dated on November 1, 1995) to Alpine spring water and has access to 225,000,000 liters per year of Saint-Elie spring water as per a permit from the Quebec Ministry of Agriculture.

Distinct value proposition: Unlike most contract packers, BRWC can process a full range of water and bottle types. BRWC is one of the few focused on an attractive niche. Our “niche” is the premium private label specialty market (“Premium Bottled Water Industry”), wherein the customer’s name is placed on the bottle label and not the manufacturer’s (our) name. For example, we would pack water for a resort hotel or a premium, local bottling company. The bottle would have the name of the hotel on it and would have a higher price than a bottle of “national brand” bottled water purchased at a grocery store, for example; Dasani brand owned by Coca Cola.

Location: BRWC’s facility is 90 miles away from New York City in the famous Catskills Mountains and only 17 miles from Alpine Springs, the source of our natural spring water.

- Strong customer base, good customer relationships: With our affiliated company Les Sources Saint-Elie Inc. in Quebec, Canada, BRWC’s emphasis on customization and quality has earned us what we believe to be a good reputation over the years.

We pack for a number of high-profile brands. Our Customers are a well-diversified mix of beverage and other companies and represent a variety of retail channels and include retailers and large water marketers.

- Successful turnaround positions: Management believes BRWC is well positioned for future growth and pushing the company closer to fulfilling our mission to become one of North America’s leading producers of high-end private label bottled water.

Key elements of the turnaround included capital expenditures for new equipment, enhanced customer service, focusing on the non-commoditized business, and improving employee and vendor relations. We have plans to improve our bottling capabilities as well.

Saint-Élie is an affiliated company of BRWC. Affiliated companies are generally defined as those entities having shared management, common owners and/or shared ownership interests in other entities. This affiliation is based on the commonality of management and ownership of both companies. Mrs. Lavoie is President, CEO and the sole member of the Board of Directors of both companies. Mrs. Lavoie owns 75% of Boreal and 100% of a Canadian holding company known as 3090-8925 Quebec Inc. that, in turn, owns 90% of Saint-Élie.

We have an ongoing licensing/exclusive distribution agreement with Saint-Élie. Our first agreement was dated December 17, 2007. It was amended on June 18, 2008 and then both agreements were replaced by the current “Revised Licensing Agreement” dated June 26, 2009 (“distribution agreement” - an exhibit to this Registration Statement). The distribution agreement has a term of 5 years, with automatic one year extensions thereafter. Generally, the distribution agreement is an exclusive distribution and branding agreement for Saint-Élie products in the United States (and its possessions). The distribution agreement flat fee is \$1 million (U.S.) (“flat fee”). Saint-Élie is also paid 5% of sublicensing fees and was issued 22 million shares of restricted BRWC common stock. Boreal is responsible for its own bottling, packaging, delivery and sub-marketing arrangements and expenses. BRWC co-pack one large customer for Saint-Élie because BRWC can produce distilled water and Saint-Élie does not. Saint-Élie co-packs for a few customers of BRWC; Saint-Élie produces sparkling water and BRWC do not.

Why customers choose BRWC: Value-added products and services. We believe the following factors come into play:

- Reputation: History of reliability, flexibility, and specialized packaging capability.
- Location: Close to natural spring water, good transportation corridors, good population centers.
- Flexibility and a variety of packaging and product options: Ability to fill unique bottle shapes and sizes (while most high-speed lines use only a limited bottle selection). Ability to bottle value-added water, i.e., vapor distilled water with electrolytes and/or vitamins and minerals. Customers requiring unique bottles/packaging tend to be higher margin because the product is sold at higher price points at both the retail and wholesale levels than “generic,” commoditized bottled water.

With exclusive exploitation rights (40 year contract dated on Nov 1, 1995), Boreal has the right to draw 225,000,000 liters of spring water per year as per a permit from the Quebec Ministry of Environment.

B. The date and State of incorporation;

The company was incorporated the 21st of August, 2001 In Nevada

C. The issuer’s primary and secondary SIC Codes:

5140 - Wholesale-Groceries & Related Products

D. The issuer’s fiscal year end date;

December 31st of each year is the fiscal year end.

E. Principal products or services and their markets

- BRWC currently offers three types of water: Spring water, distilled water; enhanced water which is customized with minerals, oxygen, and fluoride, and a fourth type being added will be Sparkling water (upon obtaining necessary financing).
- Bottles can be branded with clear – rather than more conventional paper – labels, which creates a clean, refreshing look; paper labels available, too.
- Customer-specific packaging: Cases or trays, registered film, different caps, etc.
- Customers may specify different formulations of water (different minerals, etc.).
- Smaller custom production runs are possible; minimum order size is relatively low (one truckload).
- We believe we supply responsive, customized solutions for each customer. Understanding that unique appearance of product may drive customer interest and loyalty and enable the customer to compete less on price and more on a premium quality product.

The bottled water industry is one of long and sustained growth, with sales and volume increases far outpacing the beverage industry for the last 20 years. Above-average growth rates of 6%-9% should continue in coming years, making bottled water a \$10.59 Billion (US) market in the United States in 2009 (according to Beverage Marketing Corporation)

- Key players in the industry include Coca Cola (Dasani and Glaceau), PepsiCo (Aquafina), Nestle Waters North America (Nestle Pure, Poland Spring, and various regional brands), and Danone (Dannon Spring).

The industry has grown along 2 divergent paths, one focused on low-margin, undifferentiated, commoditized product and the other centered on innovative packaging, labeling and marketing (the Premium Bottled Water Industry; our niche). We believe the evidence shows BRWC is well positioned to benefit from this latter trend.

Distribution methods of the products or services:

- BRWC has our own sales force and in house consultant to direct customers into their choice of a private label program. Our sales staff attends tradeshow to meet new customers. Our sales staff also arranges for the delivery of products to our customers.
- Bottles: A full range of sizes are available, from 8 ounces to 5 gallons. BRWC has many styles of bottles with many shapes so that the customers can select from a variety of styles, colors and shapes.
- We now offer “Eco-Pure”, a biodegradable bottle which was introduced at the 2009 PLMA Trade show in Chicago, IL. BRWC gives this choice of bottle material so that the environmentally conscientious customers are satisfied.
- BRWC now offers “Revert,” an oxo-degradable bottle and also offers “R-PET,” recycled Polyethylene terephthalate (“PET”). BRWC also offers these bottle materials as a good option to reducing the use of plastic.
- Bottles may be ordered by BRWC or by the customer from the bottle makers. In either case, the customer is not confined to industry-standard bottles as we have our own designs of bottles.
- Our customers can choose from a wide variety of bottles and packaging.
- Labels: BRWC offers many types of labels materials and designs: Clear labels, Bi-axially oriented polypropylene (“BOPP”) or standard paper labels in either Pressure sensitive or Cut and stack are offered.
- Packaging: BRWC packages products to suit customers’ needs. Packaging has included a variety of trays and cases, caps, registered film, etc.
- Shipping: We use commercial common carriers to deliver to our customers.

Status of any publicly announced new product or service:

The Company’s 75,000 square foot facility has 3 flexible Polyethylene terephthalate (“PET”) lines, a 1 & 2.5 gallon line, and a 5-gallon line. Our PET lines are unique in that they can accommodate various bottle sizes, labels, and production runs. When investment or operationally supplied funds are available, BRWC intends to install two new lines in the near future, one being a sparkling water bottling line and the second one being a glass bottling line.

As mentioned, BRWC now offers “Eco-Pure,” a bio-degradable bottle which was introduced at the 2009 Private Label Manufacturers Association (“PLMA”) Trade Show in Chicago, IL.

Competitive business conditions, the issuer’s competitive position in the industry, and methods of competition:

- While many bottlers will place custom printed paper labels on blown bottles, the Company is not aware of any contract packers that offer our full range of products and services.
- Distinct value proposition: We believe variety and uniqueness are the cornerstones of BRWC’s value proposition. Unlike most contract packers, BRWC can process a full range of water and bottle types and our creative staff can address our customers’ private labeling needs.
- Location: BRWC’s facility is 90 miles away from New York City in the famous Catskills Mountains and only 17 miles from Alpine Springs, the source of our natural spring water. Most competitors in this class are smaller in scale and at a competitive disadvantage in the markets BRWC currently serves due to a

more limited range of services and geographical location. (For bottlers in other geographies, freight costs may make shipping to BRWC's coverage area prohibitive.).

- We do not view traditional high-speed contract bottlers (primarily "national brands" offering standard bottles) as direct competition. Bottling on high-speed lines tends to cost less but is also undifferentiated, which is part of the reason that prices for this type of bottled water have been falling. Compared to Boreal Water Collection's competition class, a cheaper product does not always guarantee a higher margin.
- BRWC conducts our business with customers largely through purchase orders. Occasionally we have "co packing" arrangements with some major customers. We have three pricing methods:
 - (1) Fee based: BRWC charges co-pack fee; customer provides materials.
 - (2) Material and fee: BRWC purchases materials for customers and charges cost of materials plus a fee.
 - (3) Finished case basis: BRWC commits to a price for each finished case delivered to the customer.

Sources and availability of raw materials and the names of principal suppliers:

- Spring Water: The Company purchases spring water from Alpine Farms, Inc. under a 40-year purchase agreement dated November 1, 1995 and modified April 28, 2000. The agreement provides for the sole and exclusive right to draw water from the source and sell spring water to third parties. The spring is located 17 miles from the bottling facility. At the source, the spring water flows underground and is naturally filtered through the stratum. The entire system is designed to ensure that this pure spring water remains natural and unadulterated. Water is then transported by our employees and company tank trucks to BRWC's bottling plant in Kiamesha Lake, where it is passed through a series of multimedia particulate filters to remove any sediment. After treating the water with ozone, an oxygen molecule used to ensure sanitation, the water is then bottled with its natural mineral content intact.
- Distilled Water: BRWC has two private wells on-site, which provide water that is passed through a series of multimedia particulate, and activated carbon filters, to remove chlorine, phenols, taste, odor compounds and organic minerals. The water is then distilled in a vapor compression steam unit. All dissolved minerals are left behind as the water is vaporized and condensed in a stainless steel still, which yields high purity finished water. After filtration and ozonation, the product is promptly bottled.
- Enhanced Water: BRWC offers customers the option of enhancing their Private label water by adding minerals, oxygen, and even fluoride. This process is usually done after the distillation process; our quality control ("QC") specialist carefully measures out the various additives per customer request and adds these to the customer's specific batch before bottling.
- Sparkling Water: BRWC is looking to add a sparkling water line to our plant in Kiamesha Lake to appeal to a wider customer base. Sparkling water is currently available at BRWC's sister ("affiliate") company, Saint-Élie in Canada.

No Dependence on one or a few major customers:

We do not rely or depend on one or only a few major customers. However, this has not always been the case. For the nine months ended September 30, 2015 and 2014, we reported sales of \$1,726,998 and \$1,783,263, a decrease of \$56,265, or 3.2%. This decrease is attributable to increases in one gallon sales of \$74,088 partially offset by decreases in co-packing sales of \$118,534, house brand sales of \$4,462, label sales of \$3,019, miscellaneous sales of \$729, sales discounts of \$1,004 and transportation sales of \$2,605.

Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration:

BRWC owns a license from Les Sources Saint-Élie Inc. in Canada, for the exclusive rights for the United States to distribute Saint-Élie brand, for the use of its proprietary bottle designs and proprietary know-how of the private labeling business. BRWC owns the registered trademarks 'Leisure Time Spring Water' and 'Boreal Water'.

Need for any government approval of principal products or services and the status of any requested government approvals.

BRWC has all the necessary State of New York (Department of Health), Food and Federal Drug Administration (FDA) and the Quebec Ministry of Environment required government approvals.

PRODUCT LIABILITY

By designing and manufacturing a reliable, high quality product, the Company will minimize, but not eliminate, the possibility and occurrence of defective products.

The Company has incorporated preventive measures aimed at reducing its potential exposure to liability risk. The product development and manufacturing program includes high product reliability standards meant to result in high mean times between failures ("MTBF"). The Company plans to achieve a high MTBF factor by pursuing strict quality control procedures.

The manufacturing and marketing of the Company's products, incorporating new technology and processes, has an inherent risk. No one can be sure how each product will be constituted over time and under various conditions of actual consumption. Even if the products are successfully bottled and marketed, the occurrence of product liability, or retraction of market acceptance due to the failure of the product to meet expectations could prevent the Company from ever becoming profitable. Development of new technologies for manufacture (bottling; product composition) is frequently subject to unforeseen expenses, difficulties and complications, and in some cases cannot be accomplished. In the opinion of Management, our water products and bottling, as designed, have many positive attributes, but such attributes must be balanced against field operating experience and unknown technological changes.

Part 7. The nature and extent of the issuer's facilities

Boreal Water's Bottling facility and bottling capabilities are flexible and can service a broad range of customers of all sizes, fulfilling their specialized water and packaging needs.

Size: BRWC occupies approximately 75,000 square feet, at 4496 State Road 42N, Kiamesha Lake, NY 12751. 55,000 square feet of this space is used for manufacturing purposes.

Facility Enhancements: BRWC is currently planning to install a glass bottling line, and a sparkling water line.

Part 8. OFFICERS, DIRECTORS, AND CONTROL PERSONS.

A. The name of the Chief Executive Officer, sole member of the Board of Directors and control person.

1. **Mrs. Francine Lavoie** is the President, Chief Executive Officer, Treasurer, and currently the sole Director of the Company; located at 4496 State Road 42N, Kiamesha Lake, NY 12751, and positions she has held since May 2008. Mrs. Francine Lavoie has been in the bottling and distribution of natural spring water since 2000. Ms Lavoie has a B.A.Sc. in chemical engineering from the University of Ottawa and a M.B.A. from University of Western Ontario. She also holds several awards from Best Business of the Year, Excellence in Export from the Minister of Agriculture, and Best Business Builder of the Year, to Best Women Entrepreneur of the Year. In addition to serving as President and CEO of Boreal Water Collection, Inc., Ms. Lavoie is also President and owner of Les Sources Saint-Élie, a three time award winner for superior taste from the International Taste and Quality Institute. She has previously demonstrated her business abilities in real estate development, product conception, and international sales as the President and owner of DeLaVoie International from 1986 through 2002. In 2001, Mrs. Lavoie became the President of Les Sources Saint-Élie and restructured the entire company after a near bankruptcy situation. She developed and designed a new marketing approach and managed the whole plant operation from sales, finance, and manufacturing at the natural spring water bottling plant to obtaining a permit to increase production from regulatory agencies, which makes Saint-Élie one of Canada's largest sources in Quebec. In April of 2009, Ms. Lavoie acquired A.T. Reynolds d/b/a Leisure Time Spring Water (LTSW) from the bankruptcy courts. Based on her experience in business and specifically in the bottle water industry, she quickly determined that it would be in the Company's best interest to sell the Home and Office Division ("Division"), which ultimately resulted in the successful sale of the Division to LTSW to a NJ distributor, with a four year bottling contract. She has renegotiated all contracts with suppliers and customers, restructured and conducted a successful turnaround strategy, and has developed and designed a new marketing approach, with a goal of making Boreal Water Collection a North Eastern USA leader for high-end private label bottled water.

2. **Christopher Umecki** is Vice President of operations and also in charge of the design department and IT department located at 4496 State Road 42N, Kiamesha Lake, NY 12751. Mr. Umecki is a results-driven operating executive with 10 years' progressive experience in plant, manufacturing and distribution management, with the ability to combine modern manufacturing philosophies and systematic approaches to consistently deliver strong operating and financial results. He has over 15 years experience in publicity, graphic design, and photography, which includes photo art, logos and brochures, infography, graphics and design, and production of electronic and printed material. Mr. Umecki had experience with organizations such as Alfred Sung, Tropicana, and L'Oreal; he is recognized in the industry for his innovations and creativity. He also manages all the bottling, ordering and deliveries process, directly from the Boreal plant.

- B. Legal/Disciplinary History: None of the officers or our sole Director** have been the subject of a conviction in a criminal proceeding, or named as a defendant in a pending criminal proceeding, or had an order, judgment or decree entered by a court of competent jurisdiction that in any way enjoined, barred, suspended or otherwise limited that officers or Directors involvement in any business, securities, commodities or banking activities; nor has any officer or Director been the subject of any finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated; or been the subject of the entry of an order by self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited any officer's or Director's involvement in any type of business of securities activities.

C. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The Company's beneficial owners and management follow:

Name and Address	Percentage of Outstanding Common Stock(1)
Mrs. Francine Lavoie, 4496 State Road 42 North, Kiamesha Lake, NY 12751	Greater than 10%

Security Ownership of Management:

(1) Title of class	(2) Name and address of beneficial owner	(3) Amount and nature of beneficial ownership	(4) Percent of class
Common	Mrs. Francine Lavoie, 4496 State Road 42 North Kiamesha Lake, NY 12751	2,413,989,377 shares	60%
Common	Mr. Christopher Umecki 4496 State Road 42 North Kiamesha Lake, NY 12751	149,512,315 shares	3.6%

Note: none of the above shares are pledged as security.

Part 9. Third party providers.

1. Investment Banker

None presently.

2. Promoters

None presently.

3. OTC Markets and SEC Counsel

Peter Wilke
Attorney at Law
8117 W. Manchester Avenue
Playa del Rey, CA 90293
323-397-5380
petewilke@aol.com
www.pwilkeindieatty.com.

4. Accountant or Auditor

None presently.

5. Public Relations Consultant(s)

None presently.

6. Investor Relations Consultant

None presently.

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement

None

Part 10. Issuer Certification

I, Francine Lavoie, certify that:

1. I have reviewed this Annual Statement of Boreal Water Collection, Inc. for the period ending September 30, 2015:
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement, and:
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuers as of, and for, the periods presented in this disclosure statement.

**Francine Lavoie,
CEO, Director of
Boreal Water Collection Inc.**

/s/ Francine Lavoie

Dated: February 4, 2016