

Edgar Filing: Freshwater Technologies Inc. - Form 10-Q

Freshwater Technologies Inc.  
Form 10-Q  
August 16, 2010  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 000-53871

FRESHWATER TECHNOLOGIES, INC.  
(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of incorporation or organization)

98-0508360  
(I.R.S. Employer Identification No.)

30 Denver Crescent, Suite 200, Toronto, Ontario, Canada M2J 1G8  
(Address of principal executive offices) (Zip Code)

(416) 490-0254  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

**APPLICABLE ONLY TO CORPORATE ISSUERS**

As of August 13, 2010, there were 196,120,000 shares of common stock, par value \$0.001, outstanding.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Freshwater Technologies, Inc.  
(formerly HMI Technologies Inc.)  
(A Development Stage Company)

June 30, 2010

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Freshwater Technologies, Inc.  
(A Development Stage Company)  
Balance Sheets  
(expressed in U.S. dollars)

	(Unaudited)	
	June 30, 2010	December 31, 2009
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	4,881	226
Receivables	1,511	1,791
Inventory	118,588	122,211
Prepaid consulting fees	299,310	–
<b>Total Current Assets</b>	<b>424,290</b>	<b>124,228</b>
Intangible Assets (Notes 2(l) and 4(d))	196,526	367,542
<b>Total Assets</b>	<b>620,816</b>	<b>491,770</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current Liabilities</b>		
Accounts payable	80,428	98,585
Accrued liabilities	8,066	7,037
Loan payable (Note 8)	41,000	–
Convertible notes payable (Note 9)	36,265	–
Due to related parties (Note 3(b))	146,450	107,303
<b>Total Liabilities</b>	<b>312,209</b>	<b>212,925</b>
<b>Commitments and Contingencies (Notes 1, 3(a) and 6)</b>		
<b>Subsequent Events (Note 10)</b>		
<b>Stockholders' Equity (Deficit)</b>		
<b>Class A Common Stock (Notes 4 and 5)</b>		
Authorized: 300,000,000 common shares, with a par value of \$0.001		
Issued and outstanding: 194,120,000 shares (2009 – 152,120,000)	194,120	152,120
<b>Class B Common Stock</b>		
Authorized: 100,000,000 common shares, with a par value of \$0.001		
Issued and outstanding: none	–	–

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Additional Paid-in Capital (Notes 4, 5 and 9)	2,098,579	1,371,436
Class A Common Stock Issuable (Note 4(d))	–	251,339
Deficit Accumulated During the Development Stage	(1,984,092)	(1,496,050)
Total Stockholders' Equity (Deficit)	308,607	278,845
Total Liabilities and Stockholders' Equity (Deficit)	620,816	491,770

(The accompanying notes are an integral part of these financial statements)

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Freshwater Technologies, Inc.  
(A Development Stage Company)  
Statements of Operations  
(expressed in U.S. dollars)  
(unaudited)

	Accumulated from January 21, 2005 (Date of Inception) to June 30, 2010 \$	Three Months Ended June 30, 2010 \$	Three Months Ended June 30, 2009 \$	Six Months Ended June 30, 2010 \$	Six Months Ended June 30, 2009 \$
Revenue	477,178	–	555	220	685
Cost of Sales	214,951	–	79	133	166
Gross Profit	262,227	–	476	87	519
Expenses					
Amortization of intangible assets	96,164	56,096	–	96,164	96,164
Amortization of intangible assets	493,205	85,980	56,096	171,015	96,164
Consulting (Note 3(a))	265,000	9,000	9,000	18,000	18,000
General and administrative	278,290				