

HEARTLAND, INC.
Form 8-K/A
November 16, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A-2

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: **December 27, 2004**

(Date of earliest event reported)

HEARTLAND, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State of Incorporation)

000-27045

(Commission File Number)

36-4286069

(I.R.S. Employer Identification No.)

25 Mound Park Drive

Springboro, Ohio 45066

(Address of principal executive offices) (Zip Code)

763.557.2900

(Registrant's telephone no., including area code)

(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

1

SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits.

Financial Statements:

On or about June 29, 2005 the Registrant submitted a Form 8K/A relating to a previously filed Form 8K dated December 27, 2004 describing the acquisition of Monarch Homes, Inc. an Minnesota corporation, with its corporate headquarters located in Ramsey, Minnesota which the company no longer owns as of March 31, 2006.

The following are the audited financial statements (restated) relating to said acquisition.

| | Page |
|---|------|
| (a) Financial Statements of Business Acquired | |
| REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM | 1 |
| MONARCH HOMES, INC. FINANCIAL STATEMENTS DECEMBER 31, 2004 and 2003 | |
| Balance Sheets (restated) | 2 |
| Statements of Operations and Retained Earnings (restated) | 3 |
| Statements of Cash Flows (restated) | 4 |
| NOTES TO FINANCIAL STATEMENTS | 5 |
| (b) Pro Forma Financial Information. | |
| Pro forma Consolidated Balance Sheet as of December 31, 2004. | 11 |

Edgar Filing: HEARTLAND, INC. - Form 8-K/A

MEYLER & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

ONE ARIN PARK

1715 HIGHWAY 35

MIDDLETOWN, NJ 07748

Report of Independent Registered Public Accounting Firm

To the Board of Directors

Heartland, Inc.

Plymouth, MN

We have audited the accompanying balance sheets of Monarch Homes, Inc. as of December 31, 2004 (restated) and 2003 and the related statements of operations and retained earnings, and cash flows for the two years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2004 (restated) and 2003, and the results of its operations and its cash flows for each of the two years then ended in conformity with U.S. generally accepted accounting principles.

/s/ Meyler & Company, LLC

Middletown, NJ

March 20, 2005

(Except as to Notes B, Investments
in Joint Ventures, C and H as to
which the date is May 19, 2006)

3

MONARCH HOMES, INC.

BALANCE SHEET

| | December 31, 2004 (Restated) | 2003 |
|--|------------------------------------|--------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 150,996 | \$ 11,633 |
| Inventory | 3,419,153 | 3,607,434 |
| Total Current Assets | 3,570,149 | 3,619,067 |
| EQUIPMENT, net of accumulated depreciation of \$108,250 | 160,834 | 181,906 |
| OTHER ASSETS | | |
| Advances to related party | 202,965 | |
| Investments in joint ventures | 424,417 | 270,350 |
| Total Other Assets | 627,382 | 270,350 |
| Total Assets | \$ 4,358,365 | \$ 4,071,323 |

LIABILITIES AND STOCKHOLDERS EQUITY

| | | |
|--------------------------------|--------------|--------------|
| CURRENT LIABILITIES | | |
| Notes payable - land purchases | \$ 1,965,698 | \$ 2,324,644 |
| Accounts payable | 215,995 | 199,224 |
| Obligations to related parties | 5,095 | 103,747 |
| Accrued expenses | 20,666 | 43,804 |
| Customer deposits | 21,068 | 50,500 |
| Deferred income taxes | 328,240 | |
| Total Current Liabilities | 2,556,762 | 2,721,919 |

STOCKHOLDERS EQUITY

| | | |
|---|--------------|--------------|
| Common stock, \$100 par value 250 shares authorized and 100 shares outstanding at December 31, 2004 | 10,000 | 10,000 |
| Retained Earnings | 1,791,603 | 1,339,404 |
| Total Stockholders Equity | 1,801,603 | 1,349,404 |
| Total Liabilities and Stockholders Equity | \$ 4,358,365 | \$ 4,071,323 |

See accompanying notes to financial statements.

MONARCH HOMES, INC.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

| | For the Year Ended December 31, | |
|--|---------------------------------|--------------|
| | 2004 | 2003 |
| | (Restated) | |
| REVENUE - SALES | \$22,913,341 | 23,823,398 |
| COSTS AND EXPENSES | | |
| Cost of goods sold | 21,431,611 | 22,678,176 |
| Selling, general and administrative expenses | 467,014 | 392,245 |
| Depreciation and amortization | 51,155 | 49,954 |
| Total Costs and Expenses | 21,949,780 | 23,120,375 |
| NET OPERATING INCOME | 963,561 | 703,023 |
| OTHER EXPENSE | | |
| Loss from joint ventures | (37,773) | |
| Interest expense | (45,349) | (66,687) |
| Total Other Expense | (83,122) | (66,687) |
| INCOME BEFORE INCOME TAXES | 880,439 | 636,336 |
| PROVISION FOR FEDERAL AND STATE INCOME TAXES | 328,240 | 235,450 |
| NET INCOME | 552,199 | 400,886 |
| RETAINED EARNINGS Beginning of year | 1,339,404 | 988,518 |
| DIVIDENDS/DISTRIBUTIONS | (100,000) | (50,000) |
| RETAINED EARNINGS End of year | \$ 1,791,603 | \$ 1,339,404 |

See accompanying notes to financial statements.

MONARCH HOMES, INC.

STATEMENT OF CASH FLOWS

| | For the Years Ended December 31, | |
|--|----------------------------------|--------------|
| | 2004 | 2003 |
| | (Restated) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 552,199 | \$ 400,886 |
| Adjustments to reconcile net income to cash flows from operating activities: | | |
| Depreciation | 51,155 | 49,954 |
| Loss on investments in joint ventures | 37,773 | |
| Changes in assets and liabilities: | | |
| Decrease (increase) in inventory | 188,281 | (2,520,308) |
| Decrease in deferred income tax benefit | | 201,789 |
| Increase in accounts payable | 16,771 | 175,761 |
| (Decrease) increase in accrued interest | (23,138) | 38,678 |
| (Decrease) increase in customer deposits | (29,432) | 33,275 |
| Increase in deferred income taxes | 328,240 | |
| Net Cash Provided by (Used in) Operating Activities | 1,121,849 | (1,619,965) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash paid for equipment | (30,083) | (68,992) |
| Cash paid for investments in joint ventures | (191,840) | (270,350) |
| Payment of advances to related party | (202,965) | |
| Net Cash Used in Investing Activities | (424,888) | (339,342) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds on notes payable land purchases | 1,189,848 | 2,396,757 |
| Payments on notes payable land purchases | (1,548,794) | (400,713) |
| Payment on obligations to related party | (98,652) | |
| Cash distributions | (100,000) | (50,000) |
| Net Cash (Used in) Provided by Financing Activities | (557,598) | 1,946,044 |
| INCREASE IN CASH | 139,363 | (13,263) |
| CASH, BEGINNING OF PERIOD | 11,633 | 24,896 |
| CASH, END OF PERIOD | \$ 150,996 | \$ 11,633 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash Paid for: | | |
| Interest | \$ 68,487 | \$ 28,009 |
| Income taxes | | \$ 33,611 |
| NON-CASH INVESTING AND FINANCING ACTIVITIES | | |
| Cost of fully depreciated equipment disposed of | \$ 92,605 | |

See accompanying notes to financial statements.

MONARCH HOMES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE A - NATURE OF BUSINESS

Monarch Homes, Inc. (the Company) was organized on February 26, 1996, pursuant to the provisions of Minnesota Statutes Chapter 302A. The Company builds quality premium homes in Minnesota.

On December 27, 2004, the sole stockholder sold all of his shares in the Company to Heartland, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Cash and Cash Equivalents

The company considers all highly-liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. There were no cash equivalents at December 31, 2004 and 2003.

Equipment

Equipment is stated at cost and is depreciated using the straight line method over the estimated useful lives of the respective assets. Routine maintenance, repairs and replacement costs are expensed as incurred and improvements that extend the useful life of the assets are capitalized. When equipment is sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized in operations.

Inventories

Inventories are stated at the lower of cost or market value. Cost is determined using the first-in, first-out (FIFO) method.

Investments in Joint Ventures

Investments in joint ventures represent two real estate joint ventures. In accordance with FIN 46, the Company has determined that it is not the primary beneficiary of these joint ventures and thus has not consolidated them. The Company utilizes the equity method to account for the joint ventures and includes its proportionate share of their income in the Statement of Operations.

Revenue Recognition

The Company recognized revenue from the sale of homes at the date of closing, in accordance with Statement of Financial Accounting Standards No. 66 Accounting for Sales of Real Estate .

MONARCH HOMES, INC.**NOTES TO FINANCIAL STATEMENTS**

December 31, 2004

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)Recent Accounting Pronouncements

In November 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 151 (SFAS 151), Inventory Costs. SFAS 151 amends the guidance in APB No. 43, Chapter 4, Inventory Pricing, to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). SFAS 151 requires that those items be recognized as current period charges regardless of whether they meet the criteria of so abnormal. In addition, SFAS 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. SFAS 151 is effective for financial statements issued for fiscal years beginning after June 15, 2005. The adoption of SFAS 151 is not expected to have a material effect on the Company's financial position or results of operations.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 153 (SFAS 153), Exchanges of Non-monetary Assets. SFAS 153 amends the guidance in APB No. 29, Accounting for Non-monetary Assets. APB No. 29 was based on the principle that exchanges of non-monetary assets should be measured on the fair value of the assets exchanged. SFAS 153 amends APB No. 29 to eliminate the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. SFAS 151 is effective for financial statements issued for fiscal years beginning after June 15, 2005. The adoption of SFAS 153 is not expected to have a material effect on the Company's financial position or results of operations.

In December 2004, the FASB revised Statement of Financial Accounting Standards No. 123 (SFAS 123(R)), Accounting for Stock-Based Compensation. The SFAS 123(R) revision established standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services and focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. It does not change the accounting guidance for share-based payment transactions with parties other than employees. For public entities that file as small business issuers, the revisions to SFAS 123(R) are effective as of the beginning of the first interim or annual reporting period that begins after December 15, 2005. The adoption of SFAS 123(R) is not expected to have a material effect on the Company's financial position or results of operations.

NOTE C - INVENTORY

Inventory consists of the following at December 31:

| | 2004 | 2003 |
|-------------------------------------|--------------|--------------|
| Land held for development | \$ 2,310,261 | \$ 2,360,200 |
| Work in process - home construction | 1,108,892 | 1,247,234 |
| | \$ 3,419,153 | \$ 3,607,434 |

MONARCH HOMES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE D - EQUIPMENT

Equipment consists of the following at December 31:

| | 2004 | 2003 | Years of Average Useful Life |
|--------------------------------|------------|------------|------------------------------------|
| Machinery and equipment | \$ 73,486 | \$ 94,722 | 10-15 |
| Automotive equipment | 195,598 | 236,884 | 7 |
| | 269,084 | 331,606 | |
| Less: accumulated depreciation | 108,250 | 149,700 | |
| | \$ 160,834 | \$ 181,906 | |

Depreciation expense for the years ended December 31, 2004 and 2003 amounted to \$51,155 and \$49,954, respectively.

NOTE E - NOTES PAYABLE - LAND PURCHASES

The Company acquires improved building lots for future home construction. The purchases are financed through a financial institution - Contractors Capital Corporation. At December 31, 2004 and 2003, the Company's outstanding indebtedness for these purchases aggregated \$1,965,698 and \$2,324,644, respectively. The loans are secured by the land. See Note C - Inventory - land held for development. The notes bear interest at 2.5% at December 31, 2004 and at rates of 2.5% to 2.75% at December 31, 2003 and are payable at the closing for the sale of the constructed homes.

NOTE F- RELATED PARTY TRANSACTIONS

Advances to Related Party

In December, 2004, the Company, made a loan to a joint venture partnership in the amount of \$202,965. The sole stockholder and President of the Company is a one third partner in the joint venture. The loan is non-interest bearing and has no stated terms of repayment.

Obligations to Related Party

The sole stockholder and President of the Company has made loans to the Company for working capital. During 2004, the Company repaid \$98,652 of the loans. The loans are non-interest bearing and have no stated terms of repayment. At December 31, 2004 and 2003, the outstanding balance was \$5,095 and \$103,747, respectively.

NOTE G - INCOME TAXES

The Company has adopted Financial Accounting Standards No. 109, Accounting for Income Taxes for financial reporting purposes. Under this method, the Company recognizes a deferred tax asset or liability for temporary differences between the tax basis of an asset or liability and the related amount reported on the financial statements. The principal types of differences, which are measured at the current tax rates, are differences in reporting year ends for financial and tax purposes and preparing its corporate income tax returns on the cash basis of accounting.

MONARCH HOMES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE G - INCOME TAXES (CONTINUED)

Federal and State income tax expense is as follows:

| | 2004 | 2003 |
|--------------------------------------|------------|------------|
| Current: | | |
| Federal | | \$ 33,661 |
| State | | |
| Total Current Expense | | \$ 33,661 |
| Deferred: | | |
| Federal | \$ 241,960 | 139,429 |
| State | 86,280 | 62,360 |
| Total Deferred Expense | 328,240 | 201,789 |
| Federal and State Income Tax Expense | \$ 328,240 | \$ 235,450 |

Federal

NOTE H RESTATEMENTS

The balance sheet at December 31, 2004, was restated to properly reflect investments in joint ventures which were erroneously included in inventory. The effect of this change was to decrease inventory and record investments in joint ventures in the amount of \$424,417.

The statement of operations for the year ended December 31, 2004 was restated to properly reflect the loss on investment in joint ventures in the amount of \$37,773 which was erroneously included in cost of goods sold. This change had no effect on the net income previously reported.

HEARTLAND, INC. AND SUBSIDIARIES

PROFORMA - CONSOLIDATING BALANCE SHEET

DECEMBER 31, 2004

| | Heartland Inc. | Evans Columbus, LLC | Karkela Construction Inc. | Monarch Homes Inc. | Variable Interest Entities PAR Investments, LLC | Wyncrest Group Inc. | Eliminating Adjustments | Consolidated |
|--|-------------------|---------------------------|---------------------------------|--------------------------|--|---------------------------|----------------------------|---------------|
| Cash | \$ 119,921 | \$ 114,016 | \$ 193,421 | \$ 150,996 | \$ 22,806 | \$ 2,291 | | \$ 603,451 |
| Accounts receivable, net | 1,366,959 | 637,060 | 1,446,951 | | | | | 3,450,970 |
| Costs in excess of billings on uncompleted contracts | 113,724 | | 73,897 | | | | | 187,621 |
| Inventory | 509,297 | 579,762 | | 3,419,153 | | | | 4,508,212 |
| Prepaid expenses and other | 3,970 | 37,179 | 71,058 | | | | | 112,207 |
| Total Current Assets | 2,113,871 | 1,368,017 | 1,785,327 | 3,570,149 | 22,806 | 2,291 | \$ - | 8,862,461 |
| Property, Plant and Equipment, net | 1,219,321 | 388,734 | 34,655 | 160,834 | 1,907,692 | | 1,691,871 | 3 5,403,107 |
| Other Assets | | | | | | | | |
| Advances to related party | | 78,157 | | 202,965 | | 17,000 | (95,157) | 6 202,965 |
| Goodwill | | | | | | | 3,083,390 | 1 7,217,268 |
| | | | | | | | 3,293,397 | 2 |
| | | | | | | | 840,481 | 3 |
| Other Intangible Assets | | | | | | | 22,500 | 1 520,000 |
| | | | | | | | 240,000 | 2 |
| | | | | | | | 257,500 | 3 |
| Investments in joint ventures | | | | 424,417 | | | | 424,417 |
| Other assets | 3,020 | | | | 63,242 | | | 66,262 |
| Security deposits | 11,520 | 2,267 | 5,356 | | | | | 19,143 |
| | 14,540 | 80,424 | 5,356 | 627,382 | 63,242 | 17,000 | 7,642,111 | 8,450,055 |
| Investment in subsidiaries | 11,840,000 | | | | | | (3,500,000) | 1 - |
| | | | | | | | (5,335,000) | 2 |
| | | | | | | | (3,005,000) | |
| Total Assets | \$ 15,187,732 | \$ 1,837,175 | \$ 1,825,338 | \$ 4,358,365 | \$ 1,993,740 | \$ 19,291 | \$ (2,506,018) | \$ 22,715,623 |

Legend:

- 1 To record goodwill and other intangible assets and eliminate investment in Karkela Construction, Inc.
- 2 To record goodwill and other intangible assets and eliminate investment in Monarch Homes, Inc.
- 3 To adjust property, plant and equipment to appraised value, record goodwill and other intangible assets and eliminate investment in Evans Columbus, LLC
- 4 To record non-controlling interest and eliminate equity upon consolidation of Par Investments, LLC as a variable interest entity.
- 5 To record non-controlling interest and eliminate equity upon consolidation of Wyncrest Group, Inc. as a variable interest entity.
- 6 To eliminate intercompany receivables and payables.

HEARTLAND, INC. AND SUBSIDIARIES

PROFORMA - CONSOLIDATING BALANCE SHEET

DECEMBER 31, 2004

| | Heartland Inc. | Evans Columbus, LLC | Karkela Construction Inc. | Monarch Homes Inc. | Variable Interest Entities PAR Investments, LLC | Wyncrest Group Inc. | Eliminating Adjustments | Consolidated |
|---|-------------------|---------------------------|---------------------------------|--------------------------|--|---------------------------|----------------------------|-------------------|
| CURRENT LIABILITIES | | | | | | | | |
| Bank lines of credit | | \$ 810,989 | | | | | | \$ 810,989 |
| Notes payable land purchases Convertible promissory notes payable | \$ 1,026,550 | | | \$ 1,965,698 | | \$ 295,500 | | 1,322,050 |
| Current portion of notes payable | 35,833 | 9,300 | | | \$ 77,004 | | | 122,137 |
| Current portion of capitalized lease obligations | | 115,423 | | | | | | 115,423 |
| Accounts payable | 1,433,279 | 278,063 | \$ 936,975 | 215,995 | | 44,243 | | 2,908,555 |
| Acquisition notes payable to related parties | 3,300,000 | | | | | | | 3,300,000 |
| Obligations to related parties | 465,812 | | 200,000 | 5,095 | 78,157 | 17,000 | \$ (95,157) | 670,907 |
| Accrued interest | 18,886 | | | | | | | 18,886 |
| Accrued payroll taxes | 693,630 | | | | | | | 693,630 |
| Accrued expenses | 343,458 | 101,945 | 106,179 | 20,666 | | | | 572,248 |
| Billings in excess of costs on uncompleted contracts | 8,942 | | 144,437 | | | | | 153,379 |
| Customer deposits | | | | 21,068 | | | | 21,068 |
| Deferred income taxes | | | 43,637 | 328,240 | | | | 371,877 |
| Total Current Liabilities | 7,326,390 | 1,315,720 | 1,431,228 | 2,556,762 | 155,161 | 356,743 | (95,157) | 13,046,847 |
| LONG-TERM OBLIGATIONS | | | | | | | | |
| Notes payable, less current portion | 504,106 | 37,207 | | | 1,595,165 | | | 2,136,478 |
| Capital lease obligation, less current portion | | 269,100 | | | | | | 269,100 |
| Notes Payable to an individual | 150,000 | | | | | | | 150,000 |
| Non-controlling interest of variable interest entities | | | | | | | 243,414 23,757 | 4 5 267,171 |
| | 36,126 | | | | | | | 36,126 |

Edgar Filing: HEARTLAND, INC. - Form 8-K/A

| | | | | | | | | | |
|---|---------------|--------------|--------------|--------------|--------------|------------|-----------------|---|---------------|
| Deferred Income Taxes | | | | | | | | | |
| Total Long-Term Liabilities | 690,232 | 306,307 | - | - | 1,595,165 | - | 267,171 | | 2,858,875 |
| STOCKHOLDERS EQUITY | | | | | | | | | |
| Preferred stock | | | | | | | | | |
| Common Stock | 18,244 | | 1,000 | 10,000 | | 659 | (1,000) | 1 | 18,244 |
| | | | | | | | (10,000) | 2 | |
| | | | | | | | (659) | 5 | |
| Additional paid-in capital | 13,161,421 | | | | | 170,196 | (170,196) | 5 | 13,161,421 |
| Accumulated Deficit | (6,008,555) | 215,148 | 393,110 | 1,791,603 | 243,414 | (508,307) | (393,110) | 1 | (6,369,764) |
| | | | | | | | (1,791,603) | 2 | |
| | | | | | | | (215,148) | 3 | |
| | | | | | | | (243,414) | 4 | |
| | | | | | | | 147,098 | 5 | |
| Total Stockholders Equity | 7,171,110 | 215,148 | 394,110 | 1,801,603 | 243,414 | (337,452) | (2,678,032) | | 6,809,901 |
| Total Liabilities and Stockholders Equity | \$ 15,187,732 | \$ 1,837,175 | \$ 1,825,338 | \$ 4,358,365 | \$ 1,993,740 | \$ 19,292 | \$ (2,506,018) | | \$ 22,715,623 |

Legend:

- 1 To record goodwill and other intangible assets and eliminate investment in Karkela Construction, Inc.
- 2 To record goodwill and other intangible assets and eliminate investment in Monarch Homes, Inc.
- 3 To adjust property, plant and equipment to appraised value, record goodwill and other intangible assets and eliminate investment in Evans Columbus, LLC
- 4 To record non-controlling interest and eliminate equity upon consolidation of Par Investments, LLC as a variable interest entity.
- 5 To record non-controlling interest and eliminate equity upon consolidation of Wyncrest Group, Inc. as a variable interest entity.
- 6 To eliminate intercompany receivables and payables.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HEARTLAND, INC.

(Registrant)

Date: November 15, 2006
Trent Sommerville

By: /s/ TRENT SOMMERVILLE

Chief Executive Officer
(Duly Authorized Officer)

Date: November 15, 2006
Jerry Gruenbaum

By: /s/ JERRY GRUENBAUM

Secretary and Interim
Chief Financial Officer
(Principal Financial
and Accounting Officer)