

HEARTLAND, INC.  
Form 10QSB  
June 23, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-QSB**

**QUARTERLY REPORT  
UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR QUARTER ENDED MARCH 31, 2006**

**HEARTLAND, INC.**

(Exact name of small business registrant as specified in its charter)

**Maryland**

(State or other jurisdiction  
of incorporation or  
organization)

**000-27045**

(Commission File Number)

**36-4286069**

(IRS Employer  
Identification Number)

**25 Mound Park Drive  
Springboro, Ohio 45066**

(Address of principal executive offices) (Zip Code)

**763.557.2900**

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

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the past 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

Number of shares of the registrant's common stock outstanding as of June 23, 2006 was: 25,128,858

Traditional Small Business Disclosure Format: Yes  No

**HEARTLAND, INC. AND SUBSIDIARIES**

**FORM 10-QSB**

**FOR QUARTER ENDED MARCH 31, 2006**

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**ITEM 1. FINANCIAL STATEMENTS**

**HEARTLAND, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

**ASSETS**

	<b>March 31, 2006 (Unaudited)</b>
Current Assets:	
Cash	\$ 613,008
Accounts receivable, net	4,253,235
Costs in excess of billings on uncompleted contracts	123,953
Inventories	10,614,834
Prepaid expenses and other	166,072
Total Current Assets	15,771,102
PROPERTY AND EQUIPMENT, net	3,085,796
Other Assets:	
Other intangibles	258,985
Goodwill	1,429,787
Investments	524,594
Land deposits	233,320
Security deposits	91,626
Total Other Assets	2,538,312
Total Assets	\$ 21,395,210

See accompanying notes to consolidated financial statements.

## CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS EQUITY (DEFICIENCY)

	<b>March 31, 2006</b>
	<b>(Unaudited)</b>
Current Liabilities:	
Bank lines of credit	\$ 1,360,989
Note payable land purchase	5,750,110
Convertible promissory notes	1,191,800
Current portion of long-term notes payable	100,058
Acquisition notes payable to related parties	3,250,000
Due to related parties	90,927
Accounts payable	4,885,596
Payroll taxes payable	679,282
Other accrued liabilities	486,094
Billings in excess of costs on uncompleted contracts	492,991
Accrued interest payable	714,785
Total Current Liabilities	19,002,632
Long-Term Debt:	
Notes Payable, less current portion	2,799,848
Non-controlling interests in variable interest entities	368,215
Shareholders Equity (Deficiency):	
Preferred stock \$0.001 par value, 5,000,000 shares authorized, none issued and outstanding	
Common stock \$0.001 par value, 100,000,000 shares authorized, 27,056,140 issued and outstanding	27,051
Additional paid-in-capital	17,662,223
Accumulated deficit	(18,464,759 )
Total Shareholders Equity (Deficiency)	(775,485 )
Total Liabilities and Shareholders Equity (Deficiency)	\$ 21,395,210

See accompanying notes to consolidated financial statements.

**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>Three Months Ended March 31,</b>	
	<b>2006</b>	<b>2005</b>
		(Restated)
Net Revenues	\$	