HEARTLAND, INC.
Form 10KSB
May 22, 2006

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

FORM 10-KSB

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

FOR FISCAL YEAR ENDED DECEMBER 31, 2005

HEARTLAND, INC.
(Name of small business issuer in its charter)

Maryland	**36-4286069**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

25 Mound Park Drive South
Springboro, Ohio 45066
(Address of principal executive offices) (Zip Code)

763.557.2900
(Issuer's telephone no.)

Securities registered pursuant to Section 12(b) of the Exchange Act: None

Securities registered pursuant to Section 12(g) of the Exchange Act: Common Stock, $.001 par value

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the 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 x No o

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B not contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10- KSB or any amendment to this Form 10-KSB. x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) o Yes x No

Issuer's revenues for its most recent fiscal year ended December 31, 2005 were: $40,674,714

The aggregate market value of the Registrant's voting common stock held by non-affiliates of the registrant as of May 17, 2006, was approximately: $8,439,379 at $0.50 price per share. Number of shares of the registrant's common stock outstanding as of May 17,2006 was: 25,128,858.

HEARTLAND INC.
FORM 10-KSB

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PART I

ITEM 1 DESCRIPTION OF BUSINESS

INTRODUCTION

FORWARD-LOOKING STATEMENTS. This annual report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. In addition, the Company (Heartland, Inc., a Maryland corporation), may from time to time make oral forward-looking statements. Actual results are uncertain and may be impacted by many factors. In particular, certain risks and uncertainties that may impact the accuracy of the forward-looking statements with respect to revenues, expenses and operating results include without imitation; cycles of customer orders, general economic and competitive conditions and changing customer trends, technological advances and the number and timing of new product introductions, shipments of products and components from foreign suppliers, and changes in the mix of products ordered by customers. As a result, the actual results may differ materially from those projected in the forward-looking statements.

Because of these and other factors that may affect the Company's operating results, past financial performance should not be considered an indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods.

THE COMPANY

The Company was incorporated in the State of Maryland on April 6, 1999 as Origin Investment Group, Inc. ("Origin"). On December 27, 2001, the Company went through a reverse merger with International Wireless, Inc. Thereafter on January 2, 2002, the Company changed its name from Origin to International Wireless, Inc. On November 15, 2003, the Company went through a reverse merger with PMI Wireless, Inc. Thereafter in May 2004, the Company changed its name from International Wireless, Inc. to Heartland Inc., our current name.

The Company was originally formed as a non-diversified closed-end management investment company, as those terms are used in the Investment Company Act of 1940 ("1940 Act"). The Company at that time elected to be regulated as a business development company under the 1940 Act. In December 7, 2001 the Company's shareholders voted on withdrawing the Company from being regulated as a business development company and thereby no longer be subject to the 1940 Act.

Unless the context indicates otherwise, the terms "Company," "Corporate", "Heartland," and "we" refer to Heartland, Inc. and its subsidiaries. Our executive offices are located at 25 Mound Park Drive South, Springboro, Ohio 45066, telephone number (763) 557.2900. Our Internet address is www.heartlandholdingsinc.com for the corporate information. Additionally, the following divisions of the company currently maintain Internet addresses:

- Evans Columbus - www.evanscolumbusllc.com.
- Monarch Homes - www.monarchhomesmn.com.
- Karkela - www.karkela.com.

- Mound Technologies - www.moundtechnologies.com.

The information contained on our web site(s) or connected to our web site is not incorporated by reference into this Annual Report on Form 10-KSB and should not be considered part of this report.

We classify our operations into four reportable segments:

- steel fabrication.
- construction and property management.
- Manufacturing.
- agriculture (currently idle but available for future use).

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A fifth segment called “other” consists of corporate functions. Sales of our segments accounted for the following approximate percentages of our consolidated sales for fiscal year 2005:

- Steel Fabrication - 19%.
- Construction and Property Management - 58%.
- Manufacturing - 23%.

We emphasize quality and innovation in our services, products, manufacturing, and marketing. We strive to provide well-built, dependable products supported by our service network. We have committed funding for engineering and research in order to improve existing products and develop new products. Through these efforts, we seek to be responsive to trends that may affect our target markets now and in the future.

BUSINESS DEVELOPMENT

From December 27, 2001 through June 2003, the Company attempted to develop its bar code technology and bring it to market. To that extent, the Company moved its operations to Woburn, Massachusetts, hired numerous computer programmers, developers and sales people in addition to support staff. Due to the Company’s inability to raise sufficient capital, the Company was unable to pay current operating expenses and by June, 2003 shut down its operations entirely.

On August 29, 2003, a change in control of the Company occurred in conjunction with the naming Jerry Gruenbaum, Esq. of First Union Venture Group, LLC as attorney of record for the purpose of overseeing the proper disposition of the Company and its remaining assets and liabilities by any means appropriate, including settling any and all liabilities to the U.S. Internal Revenue Service and the Commonwealth of Massachusetts’ Attorney General’s office for unpaid wages.

In conjunction with naming Jerry Gruenbaum, Esq. of First Union Venture Group, LLC as attorney of record for the purpose of overseeing the proper disposition of the Company and its remaining assets and liabilities, the Company issued First Union Venture Group, LLC, a Nevada Limited Liability Company, Thirty Million (30,000,000) newly issued common shares as consideration for their services. In addition, the Company canceled any and all outstanding options, warrants, and/or debentures not exercised to date. The Company further nullified any and all salaries, bonuses, and benefits including severance pay and accrued salaries to Stanley A. Young and Michael Dewar.

On November 12, 2003, the Company approved the spin-off of the two subsidiaries of the Company and any and all remaining assets of the Company, including any intellectual property, to enable the Company to pursue a suitable merger candidate. In addition, the Company approved a 30 to 1 reverse split of all existing outstanding common shares of the Company. Following the 30 to 1 reverse split, the Company had 1,857,137 shares of common stock outstanding.

On November 15, 2003, a change in control of the Company occurred when the Company went through a reverse merger with PMI Wireless, Inc., a Delaware corporation with corporate headquarters located in Cordova, Tennessee. The acquisition, took place on December 1, 2003 for the aggregate consideration of fifty thousand dollars ($50,000) which was paid to the U.S. Internal Revenue Service for the Company’s prior obligations, plus assumption of the Company’s existing debts, for 9,938,466 newly issued common shares of the Company. Under the said reverse merger, the former Shareholders of PMI Wireless ended up owning an 84.26% interest in the Company.

On December 10, 2003, the Company entered into an Acquisition Agreement to acquire 100% of Mound Technologies, Inc. (“Mound”), a Nevada corporation with its corporate headquarters located in Springboro, Ohio. The acquisition was a stock for stock exchange in which the Company acquired all of the issued and outstanding common stock of Mound in exchange for 1,256,000 newly issued shares of its common stock. As a result of this transaction, Mound became a wholly owned subsidiary of the Company.

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In May 2004, the Company changed its name from International Wireless, Inc. to our current name, Heartland, Inc.

On December 27, 2004, the Company entered into an Acquisition Agreement to acquire 100% of Monarch Homes, Inc. ("Monarch"), a Minnesota corporation with its corporate headquarters located in Ramsey, MN for $5,000,000. The acquisition price was made up of:

- $100,000 at closing,
- a promissory note of $1,900,000 payable on or before February 15, 2005 which, if not paid by that date, interest shall be due from then to actual payment at 8%, simple interest, compounded annually, and
- six hundred sixty-seven thousand (667,000) restricted newly issued shares of the Company's common stock provided at closing.

In the event the common stock of the Company not is trading at a minimum of $5.00 as of December 27, 2005, the Company was required to compensate the original Monarch shareholders for the difference in additional stock. As a result of the aforementioned, the Company has agreed to isssue the former Monarch shareholders 333,000 shares of common stock. Monarch is a wholly owned subsidiary of the Company.

On December 30, 2004, the Company entered into an Acquisition Agreement to acquire 100% of Evans Columbus, LLS ("Evans"), an Ohio corporation with its corporate headquarters located in Blacklick, OH for $3,005,000. The acquisition price was paid as follows:

- $5,000 at closing, and
- 600,000 restricted newly issued shares of the Company's common stock provided at closing.

In the event the common stock of the Company is not trading at a minimum of $5.00 as of December 30, 2005, the Company was required to compensate the original Evans shareholders for the difference in additional stock. As a result of the aforementioned, the Company is in dispute with Evans who claims as of January 2006 that his acquisition contract is null and void. Evans is a wholly owned subsidiary of the Company.

On December 31, 2004, the Company entered into an Acquisition Agreement to acquire 100% of Karkela Construction, Inc., a Minnesota corporation with its corporate headquarters located in St. Louis Park, MN for $3,000,000. The acquisition price consisted of the following:

- $100,000 at closing,
- a short term promissory note payable of $50,000 on or before January 31, 2005,
- a promissory note of $1,305,000 payable on or before March 31, 2005 which, if not paid by that date, interest is due from December 31, 2004 to actual payment at 8%, simple interest, compounded annually and
- 500,000 restricted newly issued shares of the Company's common stock provided at closing.

In the event the common stock of the Company is not trading at a minimum of $4.00 as of December 31, 2005, the Company was required to compensate the original Karkela shareholders for the difference in additional stock. As a result of the aforementioned, the Company issued the former Karkela shareholders 262,500 shares of common stock on March 15, 2006. Karkela is a wholly owned subsidiary of the Company.

On July 29, 2005, the Company entered into a binding Stock Purchase Agreement with Steven Persinger, an individual, to acquire all the issued and outstanding shares of common stock of Persinger Equipment, Inc., a Minnesota corporation ("Persinger") for $4,735,000. The acquisition price consists of the following:

- $2,000,000 in cash on or before February 1, 2006, and
- $2,735,000, payable in cash or 911,667 non-restricted shares of common stock of the Company at the Company's option payable at closing.

In the event the common stock of the Company is not trading at a minimum of $3.00 as of July 29, 2006, the Company is required to compensate Mr. Persinger for the difference in additional stock. In connection with the Stock Purchase Agreement, the Company and Mr. Persinger will enter into an employment agreement for a period of 5 years with an annual base salary of $120,000 per year, which includes various incentive based provisions. Also in connection with the Stock Purchase Agreement, Persinger will continue leasing from Mr. Persinger the real estate that Persinger operates in its business for as long as Mr. Persinger is employed by Persinger. Persinger has the right and option to purchase this real estate during Mr. Persinger's employment for $600,000.

On September 12, 2005, the Company entered into a binding Agreement for Purchase and Sale of Shares with Calvin E. Bergman, Lynn E. Bergman, Jerry L. Bergman, Barbara A. Vance and Marvin Bergman, individually, to acquire all the issued and outstanding shares of common stock of Ney Oil Company, an Ohio corporation ("Ney Oil Company") for $5,000,000. The acquisition price consisted of:

- $3,000,000 at closing, and
- 1,333,300 shares of common stock of the Company valued three business days prior to the closing to not be less than $2,000,000.

In the event the value is less than $2,000,000, the number shall increase accordingly.

On September 12, 2005, the Company entered into a Letter of Intent with Terry Robbins, President of Ohio Valley Lumber, to acquire all the issued and outstanding shares of common stock of NKR, Inc, d.b.a. Ohio Valley Lumber, a Delaware corporation ("NKR") for $8,000,000.00. The acquisition price was made up of:

- $4,000,000 in cash,
- 2,000,000 shares of common stock of the Company and
- $2,000,000 in cash for the reduction of NKR's debt.

The Company is still negotiating the terms of the definitive documentation.

On September 21, 2005, the Company entered into a binding Acquisition Agreement with Terry L. Lee and Gary D. Lee, individually, to acquire all the issued and outstanding shares of common stock of Lee Oil Company, Inc., a Virginia corporation, Lee Enterprises, Inc., a Kentucky corporation and Lee's Food Marts LLC, a Tennessee Limited Liability Company, (collectively hereinafter "Lee Oil Company") for $6,000,000.00. The acquisition price shall consist of:

- $5,000,000.00 at closing and
- $1,000,000.00, payable in common stock of the Company valued at the date of closing.

On September 26, 2005, the Company entered into a binding Acquisition Agreement with Robert Daniel, Karol K. Hart-Bendure, M. Lucille Daniel, and Joe M. Daniel, individually, to acquire all the issued and outstanding shares of common stock of Schultz Oil Company, Inc., an Ohio Corporation ("Schultz Oil Company") for $3,500,000 consisting of $1,500,000 in cash at closing and 1,000,000 of common stock. In the event the common stock of the Company does not have a value of at least $2.00 as of September 26, 2007, the Company is required to compensate the shareholders

for the difference with the issuance of additional shares.

(C) BUSINESS

Our mission is to become a leading diversified company with business interests in well established industries. We plan to successfully grow our revenues by acquiring companies with historically profitable results, strong balance sheets, high profit margins, and solid management teams in place. By providing access to financial markets, expanded marketing opportunities and operating expense efficiencies, we hope to become the facilitator for future growth and higher long-term profits. In the process, we hope to develop new synergies among the acquired companies, which should allow for greater cost effectiveness and efficiencies, thus further enhancing each individual company's strengths. To date, we have completed acquisitions in the steel fabrication, residential and commercial construction, and steel drum manufacturing industries. Additionally, we have identified acquisition opportunities in gasoline distribution, lumber manufacturing, and equipment distribution.

We are headquartered in Plymouth, MN and currently trade on the OTC Bulletin Board under the symbol HTLJ.OB. Including the senior management team, we currently employs 101 people.

Currently, we operate four major subsidiaries in the following segments:

- Mound Technologies, Inc. of Springboro, OH acquired in December 2003 (Steel Fabrication)
- Evans Columbus, LLC of Columbus, OH acquired in December of 2004 (Steel Drum Manufacturing)
- Monarch Homes, Inc. of Ramsey, MN, acquired in December of 2004 (Construction and Property Management).
- Karkela Construction, Inc. of St. Louis Park, MN, acquired in December of 2004 (Construction and Property Management).

We have agreements or signed letters of intent to acquire these companies in the following segments:

- Persinger's Equipment, Inc. of Austin, MN (Agreement signed July 14, 2005) (Equipment Distributorship)
- Lee Oil Company, Inc. of Middleboro, KY (Agreement signed September 21, 2005) (Gasoline Distribution)
- Ney Oil Company of Ney, OH (Agreement signed September 12, 2005) (Gasoline Distribution)
- Schultz Oil Company of Tifin, OH (Agreement signed September 26, 2005) (Gasoline Distribution)
- Ohio Valley Lumber of Piketon, OH (Letter of Intent signed September 12, 2005) (Lumber manufacturing)

STEEL FABRICATION

Mound Technologies, Inc. ("Mound") was incorporated in the state of Nevada in November of 2002, with its corporate offices located in Springboro, Ohio. This business includes a Steel Fabrication ("Steel Fabrication"), a Property Management Division ("Property Management") and a wholly owned subsidiary, Freedom Products of Ohio ("Freedom").

The Steel Fabrication Division and Property Management Division are both located in Springboro, Ohio. The Steel Fabrication Division is a full service structural and miscellaneous steel fabricator. It also manufactures steel stairs and railings, both industrial and architectural quality. The present capacity of the facility is approximately 6,000 tons per year of structural and miscellaneous steel. This division had been previously known as Mound Steel Corporation, which was started at the same location in 1964.

The Steel Fabrication Division is focused on the fabrication of metal products. This Division produces structural steel, miscellaneous metals, steel stairs, railings, bar joists, metal decks and the erection thereof. This Division produced gross sales of approximately $7.4 million in 2004. In the steel products segment, steel joists and joist girders, and steel deck are sold to general contractors and fabricators throughout the United States. Substantially all work is to order and no unsold inventories of finished products are maintained. All sales contracts are firm fixed-price contracts and are normally competitively bid against other suppliers. Cold finished steel and steel fasteners are manufactured in standard sizes and inventories are maintained.

This division's customers are typically U.S. based companies that require large structural steel fabrication, with needs such as building additions, new non-residential construction, etc. Customers are typically located within a one-day drive from the Company's facilities. The Company is able to reach 70% of the U.S. population, yielding a significant potential customer base. Marketing of the Division's products is done by advertising in industry directories,

word-of-mouth from existing customers, and by the dedicated efforts of in-house sales staff monitoring business developments opportunities within the Company’s region. Large clients typically work with the Company on a continual basis for all their fabricated metal needs.

Competition overall in the U.S. steel fabrication industry has been reduced by approximately 50% over the last few years due to economic conditions leading to the lack of sustained work. The number of regional competitors has gone down from ten (10) to three (3) over the past five years. Larger substantial work projects have declined dramatically with the downturn in the economy. Given the geographical operating territory of the Company, foreign competition is not a major factor. In addition to competition, steel pricing represents another significant challenge. The cost of steel, our highest input cost, has seen significant increases in recent years. The Company will manage this challenge by stockpiling the most common steel component products and incorporating price increases in job pricing as deemed appropriate.

Competition and Other Factors

We are subject to a wide variety of federal, state, and international environmental laws, rules, and regulations. These laws, rules, and regulations may affect the way we conduct our operations, and failure to comply with these regulations could lead to fines and other penalties.

Competition within the steel industry, both in the United States and globally, is intense and expected to remain so. Mound competes with large U.S. competitors such as United States Steel Corporation, Nucor Corporation, AK Steel Holding Corporation, Ispat Inland Inc. and IPSCO Inc along with a number of local suppliers. The steel market in the United States is also served by a number of non-U.S. sources and U.S. supply is subject to changes in worldwide demand and currency fluctuations, among other factors.

More than 35 U.S. companies in the steel industry have declared bankruptcy since 1997 and have either ceased production or more often continued to operate after being acquired or reorganized. In addition, many non-U.S. steel producers are owned and subsidized by their governments and their decisions with respect to production and sales may be influenced by political and economic policy considerations rather than by prevailing market conditions. The steel industry is highly cyclical in nature and subject to significant fluctuations in demand as a result of macroeconomic changes in global economies, including those resulting from currency volatility. The global steel industry is also generally characterized by overcapacity, which can result in downward pressure on steel prices and gross margins.

Mound competes with other flat-rolled steel producers (both integrated steel mills and mini-mills) and producers of plastics, aluminum, ceramics, carbon fiber, concrete, glass, plastic and wood that can be used in lieu of flat-rolled steels in manufactured products. Mini-mills generally offer a narrower range of products than integrated steel mills but can have some cost advantages as a result of their different production processes.

Price, quality, delivery and service are the primary competitive factors in all markets that Mound serves and vary in relative importance according to the product category and specific customer.

In some areas of our business, we are primarily an assembler, while in others we serve as a fully integrated manufacturer. We have strategically identified specific core manufacturing competencies for vertical integration and have chosen outside vendors to provide other products and services. We design component parts in cooperation with our vendors, contract with them for the development of tooling, and then enter into agreements with these vendors to purchase component parts manufactured using the tooling. Operations are also designed to be flexible enough to accommodate product design changes required to respond to market demand.

Raw Materials

Mound’s business depends on continued access to reliable supplies of various raw materials. Mound believes there will be adequate sources of its principal raw materials to meet its near term needs, although probably at higher prices than in the past.

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UNFAIR TRADE PRACTICES AND TRADE REMEDIES

Under international agreement and U.S. law, remedies are available to domestic industries where imports are "dumped" or "subsidized" and such imports cause material injury to a domestic industry. Dumping involves selling for export a product at a price lower than the same or similar product is sold in the home market of the exporter or where the export prices are lower than a value that typically must be at or above the full cost of production. Subsidies from governments (including, among other things, grants and loans at artificially low interest rates) under certain circumstances are similarly actionable. The remedy available is an antidumping duty order or suspension agreement where injurious dumping is found and a countervailing duty order or suspension agreement where injurious subsidization is found. When dumping or subsidies continue after the issuance of an order, a duty equal to the amount of dumping or subsidization is imposed on the importer of the product. Such orders and suspension agreements do not prevent the importation of product, but rather require either that the product be priced at an undumped level or without the benefit of subsidies or that the importer pay the difference between such undumped or unsubsidized price and the actual price to the U.S. government as a duty.

SECTION 201 TARIFFS

On March 20, 2002, in response to an investigation initiated by the office of the President of the United States under Section 201 of the Trade Act of 1974, the President of the United States imposed a remedy to address the serious injury to the domestic steel industry that was found. The remedy was an additional tariff on specific products up to 30% (as low as 9%) in the first year and subject to reductions each year. The remedy provided was potentially for three years and a day, subject to an interim review after 18 months as to continued need. On December 4, 2003 by Proclamation 7741, the President of the United States terminated the import relief provided under this law pursuant to Section 204(b) (1) (A) of the Trade Act of 1974 on the basis that "the effectiveness of the action taken under Section 203 has been impaired by changed economic circumstances" based upon a report from the U.S. International Trade Commission and the advice from the Secretary of Commerce and the Secretary of Labor. Thus, no relief under this law was provided to domestic producers during 2004.

ENVIRONMENTAL MATTERS

Mound's operations are subject to a broad range of laws and regulations relating to the protection of human health and the environment. Mound expects to expend in the future, substantial amounts to achieve or maintain ongoing compliance with U.S. federal, state, and local laws and regulations, including the Resource Conservation and Recovery Act (RCRA), the Clean Air Act, and the Clean Water Act. These environmental expenditures are not projected to have a material adverse effect on Mound's financial position or on Mound's competitive position with respect to other similarly situated U.S. steelmakers subject to the same environmental requirements.

Construction and Property Management

a) Monarch Homes, Inc.

Monarch Homes, Inc., ("Monarch") acquired in December 2004, is a builder of custom residential homes in the state of Minnesota. Monarch is located in Ramsey, MN, and was acquired in December of 2004. Our domestic homebuilding operations currently involve the purchase and development of land or lots and the construction and sale of single-family homes, town homes and low-rise condominiums. Monarch was founded in 1995 and had annual sales of approximately $23 million during 2004. Over the course of the past ten years, Monarch has become one of the region's premier builders of quality homes in planned communities in the northern and northwestern suburbs of Minneapolis and St. Paul, Minnesota. In fiscal 2005, Monarch sold 55 homes, including first-time, move-up and, in some markets, custom homes, ranging in price from approximately $160,000 to $600,000. The average sales price in fiscal 2005 was approximately $275,000.

Our practice has been to acquire land, build homes on the land and sell the homes within 24 to 36 months from the date of land acquisition. Generally, this involves acquiring land that is properly zoned and is either ready for development or, to some degree, already developed. We control a substantial amount of our land, including lots and land to be developed into lots, through option agreements that we can exercise over specified time periods or, in certain cases, as the land or lots are needed. At December 31, 2005, Monarch owned approximately 50 lots and has eight to ten exclusive agreements with developers. Our growth strategy for Monarch has been focused primarily on organic growth opportunities through land acquisition and development in existing business units and markets.

It is the intent of the Company to expand this business unit into the construction of super energy efficient homes using new EPS technology that allows for custom construction, with greatly increased “R” ratings. An agreement is in process to have exclusive rights to this type of construction product in the area of Central America. The company believes that this will reduce the seasonality associated with the construction industry.

b) Karkela Construction, Inc.

Karkela Construction, Inc. (“Karkela”) was acquired in December 2004 and is located in St. Louis Park, MN. Karkela was acquired in December 2004 and is a general contractor in the greater St. Paul and Minneapolis, Minnesota area specializing in commercial, industrial, hospitality or multi-family space. More specifically, Karkela is a designer and builder of custom office buildings for medical, financial and other service type businesses. Karkela was originally founded in 1983 and incorporated in 1990. During fiscal year 2005, Karkela had revenues of approximately $8.6 million. It is the intent of Heartland to expand that territory to include those geographies where the company can benefit from its reputation.

Competition and Other Factors

The conventional construction industry is essentially a “local” business and is highly competitive. Monarch and Karkela compete in each market with numerous other homebuilders and general construction companies, including national, regional and local builders. The industries top six competitors based on revenues for their most recent fiscal year-end are as follows: Beazer Homes USA, Inc., D. R. Horton, Inc., KB Homes, Lennar Corporation, Pulte Homes, Inc. and The Ryland Group, Inc. The main competitive factors affecting Monarch and Karkela operations are location, price, availability of mortgage financing for customers, construction costs, design and quality of homes, customer service, marketing expertise, availability of land, price of land and reputation. We believe that Monarch and Karkela compete effectively by building high quality units, maintaining geographic diversity, responding to the specific demands of each market and managing the operations at a local level.

The construction industry is affected by changes in national and local economic conditions, job growth, long-term and short-term interest rates, consumer confidence, governmental policies, zoning restrictions and, to a lesser extent, changes in property taxes, energy costs, federal income tax laws, federal mortgage financing programs and various demographic factors. The political and economic environments affect both the demand for construction and the subsequent cost of financing. Unexpected climatic conditions, such as unusually heavy or prolonged rain or snow, may affect operations in certain areas.

The construction industry is subject to extensive regulations. The Company and its subcontractors must comply with various federal, state and local laws and regulations, including worker health and safety, zoning, building standards, erosion and storm water pollution control, advertising, consumer credit rules and regulations, and the extensive and changing federal, state and local laws, regulations and ordinances governing the protection of the environment, including the protection of endangered species. The Company is also subject to other rules and regulations in connection with its manufacturing and sales activities, including requirements as to incorporate building materials and building designs. All of these regulatory requirements are applicable to all construction companies, and, to date, compliance with these requirements has not had a material impact on the operation. We believe that the Company is in material compliance with these requirements.

We purchase materials, services and land from numerous sources (primarily local vendors), and believe that we can deal effectively with the challenges we may experience relating to the supply or availability of materials, services and land.

The results of operations of our Property Management segment may be adversely affected by increases in interest rates. Any significant increase in mortgage interest rates above currently prevailing low levels could affect the ability or willingness of prospective buyers to finance their purchases. Although we expect that we would be able to make

adjustments in our operations to mitigate the effects of any increase in interest rates, there can be no assurances that these efforts would be successful.

This Property Management segment faces competition from real estate investment trusts (REIT's), which are already among the largest commercial property owners in the United States. With over 300 public and private REIT's in the United States, they have slowly been growing their holdings through acquisitions. Most REIT's, however, do not specialize in industrial and office properties.

MANUFACTURING

Evans Columbus, LLC, ("Evans") acquired in December 2004, manufactures 55-gallon steel drums at a production rate of approximately 3,000 drums per day. Evans, which was founded in 1955, generated revenues of approximately $9.3llion in 2005. Manufacturing is carried out in a fully equipped 70,000 square foot facility located in Columbus, Ohio. This facility is able to do various coated products as well as standard painted drums. Prior to its acquisition by Heartland, Evans Columbus was a family owned and operated business.

In order to utilize manufacturing facilities and technology more effectively, we pursue continuous improvements in manufacturing processes. We have some flexible assembly lines to deliver products when customers require them. Additionally, considerable effort is spent to reduce manufacturing costs through process improvement, product and platform design, application of advanced technology, enhanced environmental management systems, and better supply-chain management.

Our production levels and inventory management goals are based on estimates of demand for our products, taking into account production capacity, timing of shipments, and field inventory levels. We also periodically shut down production to allow for maintenance, rearrangement, and capital equipment installation at the manufacturing facilities.

Incorporated into our Quality Policy, Evans maintains a regular preventative maintenance and calibration schedule. Our dedicated maintenance crew is "on-the-job" at all times. During manufacturing shifts, we are testing to make sure drums are manufactured to meet customer specification and governmental regulations. Regular preventative maintenance protects the plant equipment and assures reliability and continuity of supply.

The Company is in dispute with the prior owners of Evans Columbus. The prior owners take the position that their agreement with the Company is null and void. The Company is in the process of attempting to find a resolution to the dispute.

Competition and Other Factors

The steel container industry is the third-largest steel user, next to the automobile industry and the appliance industry. Steel drum-makers, who manufacture 55-gallon drums that hold products ranging from chocolate for ice cream bars to coatings for jelly beans, make up about 40 percent of the steel container industry. The steel drum industry mainly uses cold-rolled steel.

There are approximately 14 manufacturers of 55 gallon steel drums nationwide. The three major competitors of the company are North Coast Container (Cleveland, Ohio), Berenfield Containers (Mason, OH), and Grief Bros Corporation (Delaware, Ohio) which are all larger than Evans. The region where Evans is located is one of the more heavily concentrated areas for 55 gallon drum manufactures and users.

Attention to environmental compliance is practiced throughout the plant. Working in concert with the Ohio and Federal EPA, we continue to incorporate safe manufacturing processes. Rigorous testing throughout the plant ensures safety for our employees, neighbors and the environment.

Evans is subject to the risks associated with the steel industry, in particular to the cost of raw materials, energy and labor supply all of which are managed effectively. The company is reliant upon several distributors through out the Ohio Valley region. Evans sells it products to customers based upon superior quality and service and not specifically

on price which leads to repeat business and less impact on economical affects (i.e. interest rates).

GENERAL

The Company's mission is to become a leading diversified company with business interests in well established industries.

In addition to the risks identified above the Company also faces risks of its own. The Company is reliant upon identifying, contracting and financing each acquisition it identifies. Since the Company is in its early stages, it may not be able to obtain the necessary funding to continue its growth plan. Additionally, the potential synergies identified with each of the acquisitions may not materialize to the extend, if at all, as initially identified.

Employees

As of May 17, 2006, we employed 100 employees. From time to time, we also retain consultants, independent contractors, and temporary and part-time workers.

We believe our relationship with our current employees is good. Our employees are not represented by a labor union. Our success is dependent, in part, upon our ability to attract and retain qualified management technical personnel and subcontractors. Competition for these personnel is intense, and we will be adversely affected if we are unable to attract key employees. We presently do not have a stock option plan for key employees and consultants.

Customers

Overall, our management believes that long-term we are not dependent on a single customer for any of the segments results. While the loss of any substantial customer could have a material short-term impact on a segment, we believe that our diverse distribution channels and customer base should reduce the long-term impact of any such loss.

ITEM 2. DESCRIPTION OF PROPERTY

The following properties are used in the operation of our business:

Our principal executive and administrative offices are located at 25 Mound Park Drive South, Springboro, Ohio 45066. Our phone number is (763) 557.2900. We lease approximately 39,000 square feet on a month to month lease for $8,500 per month from a major shareholder of our company. The facilities include 34,000 square feet which is used for manufacturing and 5,000 square feet for office space. The space is used by Mound as well.

St. Paul Properties, Inc., 385 Washington Street, St. Paul, Minnesota 55102. We are renting approximately 2,048 square feet of an 85,232 square feet building. We pay our proportionate share of utilities and real estate tax based upon our percentage of occupancy as the building is shared with a number of tenants.

This space is not sufficient for us as we add employees to the corporate staff. In light of this the corporation will evaluate its office needs and determine the best option as we continue to grow.

In Springboro, Ohio we lease approximately 39,000 square feet on a month to month lease for $8,500 per month from a major shareholder of our company. The facilities include 34,000 square feet which is used for manufacturing and 5,000 square feet for office space. The space is used by Mound.

In Columbus, Ohio we lease approximately 70,000 square feet on a five (5) year term from January 1, 2002 through December 31, 2007 for $20,000 per month from Par Investments, a company related to the president of Evans. The facilities include approximately 67,000 square feet for manufacturing and 3,000 square feet for offices. The space is

used by Evans.

In Ramsey, Minnesota we lease approximately 3,000 square feet on a month to month lease for $7,000 per month from Brad Fritch, the President of Monarch. The facilities include approximately 1,800 square feet of office space and 1,200 square feet for storage. The space is used by Monarch.

In St. Louis Park, Minnesota we lease approximately 6,975 square feet on a 63 month lease beginning January 1, 2005. The facilities are used as offices for our Karkela employees. The lessor is Larry Karkela, the President of the Karkela subsidiary. The lease required an initial security deposit of $5,356. We pay our proportionate share of utilities and real estate tax based upon our percentage of occupancy which is 60.1%. The lease requires payments of:

Months	Monthly Payment
1-12	$3,272
13-24	$3,403
25-36	$3,573
37-48	$3,752
49-60	$3,938
61-63	$4,136

ITEM 3. LEGAL PROCEEDINGS

In the normal course of our business, we and/or our subsidiaries are named as defendants in suits filed in various state and federal courts. We believe that none of the litigation matters in which we, or any of our subsidiaries, are involved would have a material adverse effect on our consolidated financial condition or operations.

The Company is in dispute with the prior owners of Evans Columbus. The prior owners take the position that their agreement with the Company is null and void. The Company is in the process of attempting to find a resolution to the dispute.

There is no past, pending or, to our knowledge, threatened litigation or administrative action which has or is expected by our management to have a material effect upon our business, financial condition or operations, including any litigation or action involving our officers, directors, or other key personnel.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock has been quoted on the OTC Bulletin Board since August 2002. Our symbol is "HTLJ". For the periods indicated, the following table sets forth the high and low bid prices per share of common stock. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

	HIGH	LOW
FISCAL YEAR ENDED DECEMBER 31, 2006		
First Quarter	0.82	0.33
FISCAL YEAR ENDED DECEMBER 31, 2005		
First Quarter	1.00	0.30
Second Quarter	0.90	0.90
Third Quarter	0.65	0.65
Fourth Quarter	1.60	1.60
FISCAL YEAR ENDED DECEMBER 31, 2004		
First Quarter	1.00	0.70
Second Quarter	1.00	0.70
Third Quarter	1.00	0.70
Fourth Quarter	1.60	1.60

As of May 17, 2006, there were 25,128,858 shares of common stock outstanding.

As of May 17, 2006, there were approximately 630 stockholders of record of our common stock. This does not reflect those shares held beneficially or those shares held in "street" name.

We have not paid cash dividends in the past, nor do we expect to pay cash dividends for the foreseeable future. We anticipate that earnings, if any, will be retained for the development of our business.

Preferred Stock

The Company has 5,000,000 of preferred stock authorized with a par value of $.001. None of these securities are issue or outstanding.

Transfer Agent

The Company's transfer agent and registrar of the common stock is Securities Transfer Corporation, 2591 Dallas Parkway, Suite 102, Frisco, Texas 75034

Warrants

The Company has no Warrants outstanding as of this date.

Options

The Company has no Stock Option Plan as of this date.

Penny Stock Considerations

Because our shares trade at less than $5.00 per share, they are "penny stocks" as that term is generally defined in the Securities Exchange Act of 1934 to mean equity securities with a price of less than $5.00. Our shares thus will be subject to rules that impose sales practice and disclosure requirements on broker-dealers who engage in certain transactions involving a penny stock.

Under the penny stock regulations, a broker-dealer selling a penny stock to anyone other than an established customer or accredited investor must make a special suitability determination regarding the purchaser and must receive the purchaser's written consent to the transaction prior to the sale, unless the broker-dealer is otherwise exempt. Generally, an individual with a net worth in excess of $1,000,000 or annual income exceeding $100,000 individually or $300,000 together with his or her spouse is considered an accredited investor. In addition, under the penny stock regulations the broker-dealer is required to:

- Deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the Securities and Exchange Commissions relating to the penny stock market, unless the broker-dealer or the transaction is otherwise exempt;
- Disclose commissions payable to the broker-dealer and our registered representatives and current bid and offer quotations for the securities;
- Send monthly statements disclosing recent price information pertaining to the penny stock held in a customer's account, the account's value and information regarding the limited market in penny stocks; and
- Make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction, prior to conducting any penny stock transaction in the customer's account.

Because of these regulations, broker-dealers may encounter difficulties in their attempt to sell shares of our common stock, which may affect the ability of selling shareholders or other holders to sell their shares in the secondary market and have the effect of reducing the level of trading activity in the secondary market. These additional sales practice and disclosure requirements could impede the sale of our securities, if our securities become publicly traded. In addition, the liquidity for our securities may be decreased, with a corresponding decrease in the price of our securities. Our shares in all probability will be subject to such penny stock rules and our shareholders will, in all likelihood, find it difficult to sell their securities.

Dividends

We do not anticipate paying dividends in the foreseeable future. We plan to retain any future earnings for use in our business. Any decisions as to future payments of dividends will depend on our earnings and financial position and such other facts as the Board of Directors deems relevant.

Recent Sales of Unregistered Securities

The following is information for all securities that the Company sold during its current fiscal year ended December 31, 2005.

On January 10, 2005, the Company granted 1,500,000 shares to Trent Sommerville, its Chief Executive Officer.

On April 12, 2005 the company issued 300,000 shares to Jeffrey Brandeis, its former president, as a complete settlement of an employment contract dispute.

On April 29, 2005 the company issued 7,500 shares to Gerald Aaron for consulting fees.

On April 29, 2005 the company issued 200,000 shares to Ross Haugen for consulting fees.

On April 29, 2005 the company sold 150,000 shares to an investor in a private placement.

On April 29, 2005 the company sold 25,000 shares to an investor in a private placement.

On April 29, 2005 the company issued 100,000 shares to International Monetary Resources for consulting fees.

On May 25, 2005 the company issued 15,000 shares to Smallcapinvoice.com for consulting fees.

On May 27, 2005 the company issued 216,670 shares to John E. Gracik for consulting fees.

On May 27, 2005 the company issued 9,600 shares to Steven Gracik for consulting fees.

On May 27, 2005 the company issued 15,000 shares to Nicholas T. Pappas for consulting fees.

On May 27, 2005 the company issued 20,000 shares to David Yeomans for consulting fees.

On May 31, 2005 the company issued 60,000 shares to investors for conversion of promissory notes.

On June 6, 2005 the company issued 60,000 shares to First Equity Group, Inc. for consulting fees.

On June 14, 2005 the company sold 25,000 shares to an investor in a private placement.

On June 30, 2005 the company issued 27,500 shares to John E. Gracik for consulting fees.

On July 14, 2005 the company issued 75,000 shares to Graham Paxton in settlement of a judgement.

On July 18, 2005 the company issued 100,000 shares to Steve Persinger as a deposit on the acquisition of Persinger Equipment, Inc.

On August 19, 2005 the company issued 22,000 shares to John Gracik for consulting fees.

On August 31, 2005 the company issued 154,564 shares to Barbara Young, Young Technology Fund I and Young Technology Fund II in settlement of a dispute.

On September 23, 2005 the company issued 180,000 shares to Ross Haugen for consulting fees.

On September 27, 2005 the company issued 10,000 shares to Dolores Dear for consulting fees.

During the Quarter ending March 31, 2005, the Company entered into several convertible note payable agreements. The notes bear interest at the rate of 10% per year and are due and payable one year from the date executed at which time the notes, at the option of the note holder, can be converted into 573,200 shares of common stock of which 561,300 will be converted at $1.00 per share and 11,900 will be converted at $0.50 per share.

During the months of April and May, 2005, the company entered into several convertible note payable agreements for a total value of $44,726. The notes bear interest at 10% per year and are due one year from the date executed, at which time the notes, at the option of the note holder, can be converted into 44,726 restricted newly issued shares of common stock converted at $1.00 per share.

We relied upon Section 4(2) of the Securities Act of 1933, as amended for the above issuances. We believed that Section 4(2) was available because:

- None of these issuances involved underwriters, underwriting discounts or commissions;
- We placed restrictive legends on all certificates issued;
- No sales were made by general solicitation or advertising;
- Sales were made only to accredited investors or investors who were sophisticated enough to evaluate the risks of the investment.

In connection with the above transactions, although some of the investors may have also been accredited, we provided the following to all investors:

- Access to all our books and records.
- Access to all material contracts and documents relating to our operations.
- The opportunity to obtain any additional information, to the extent we possessed such information, necessary to verify the accuracy of the information to which the investors were given access.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Overview

The following discussion should be read in conjunction with the financial statements for the period ended December 31, 2005 included with this Form 10-KSB.

The following discussion and analysis provides certain information, which the Company’s management believes is relevant to an assessment and understanding of the Company’s results of operations and financial condition for the year ended December 31, 2005. This discussion and analysis should be read in conjunction with the Company’s financial statements and related footnotes.

The statements contained in this section that are not historical facts are forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Such forward-looking statements may be identified by, among other things, the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” should” or “anticipates” or the negative thereof or other variations thereon or compara terminology, or by discussions of strategy that involve risks and uncertainties. From time to time, we or our representatives have made or may make forward-looking statements, orally or in writing. Such forward-looking statements may be included in our various filings with the SEC, or press releases or oral statements made by or with the approval of our authorized executive officers.

These forward-looking statements, such as statements regarding anticipated future revenues, capital expenditures and other statements regarding matters that are not historical facts, involve predictions. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. We do not undertake any obligation to publicly release any revisions to these forward-looking statements or to reflect the occurrence of unanticipated events. Many important factors affect our ability to achieve its objectives, including,

among other things, technological and other developments in the Internet field, intense and evolving competition, the lack of an “established trading market” for our shares, and our ability to obtain additional financing, as well as other risks detailed from time to time in our public disclosure filings with the SEC.

The Company was incorporated in the State of Maryland on April 6, 1999 as Origin Investment Group, Inc. (“Origin”). On December 27, 2001, the Company went through a reverse merger with International Wireless, Inc. Thereafter on January 2, 2002, the Company changed its name from Origin to International Wireless, Inc. On November 15, 2003, the Company went through a reverse merger with PMI Wireless, Inc. Thereafter in May 2004, the Company changed its name from International Wireless, Inc. to our current name, Heartland Inc.

The Company was originally formed as a non-diversified closed-end management investment company, as those terms are used in the Investment Company Act of 1940 ("1940 Act"). The Company at that time elected to be regulated as a business development company under the 1940 Act. In December 7, 2001 the Company's shareholders voted on withdrawing the Company from being regulated as a business development company and thereby no longer be subject to the 1940 Act.

The Company's original investment strategy when it was regulated as a business development company under the 1940 Act. was to invest in a diverse portfolio of private companies that could be used to build an Internet infrastructure by offering hardware, software and/or services which enhance the use of the Internet. Prior to it's reverse merger with International Wireless, the Company identified two eligible portfolio companies within which they entered into agreements to acquire interests within such companies and to further invest capital in these companies to further develop their business. However, on each occasion and prior to each closing, the Company was either unable to raise sufficient capital to consummate the transaction or discovered information which modified its understanding of the eligible portfolio company's financial status to such an extent where it was unadvisable for it to continue and consummate the transaction.

On December 7, 2001, the Company held a special meeting of its shareholders whereby the shareholders voted on withdrawing the Company from being regulated as a business development company and thereby no longer be subject to the Investment Company Act of 1940 and to effect a one-for-nine reverse split of its total issued and outstanding common stock. On December 14, 2001 the Company filed with the Securities and Exchange Commission formally notifying its withdrawal from being regulated as a business development company.

On December 27, 2001, the Company went through a reverse merger whereby it acquired all the outstanding shares of International Wireless. Under the said reverse merger, the former Shareholders of International Wireless ended up owning an 88.61% interest in the Company. Thereafter on January 2, 2002, the Company changed its name from Origin to International Wireless, Inc.

From December 27, 2001 through June 2003, the Company attempted to develop its bar code technology and bring it to market. To that extent, the Company moved its operations to Woburn, Massachusetts, hired numerous computer programmers, developers and sales people in addition to support staff. Due to the Company's inability to raise sufficient capital, the Company was unable to pay current operating expenses and by June, 2003 shut down its operations entirely.

On August 29, 2003, a change in control of the Company occurred in conjunction with naming Attorney Jerry Gruenbaum of First Union Venture Group, LLC as attorney of record for the purpose of overseeing the proper disposition of the Company and its remaining assets and liabilities by any means appropriate, including settling any and all liabilities to the U.S. Internal Revenue Service and the Commonwealth of Massachusetts' Attorney General's office for unpaid wages.

In conjunction with naming Attorney Jerry Gruenbaum of First Union Venture Group, LLC as attorney of record for the purpose of overseeing the proper disposition of the Company and its remaining assets and liabilities, the Company issued First Union Venture Group, LLC, a Nevada Limited Liability Company, Thirty Million (30,000,000) newly issued common shares as consideration for their services. In addition, the Company canceled any and all outstanding options, warrants, and/or debentures not exercised to date. The Company further nullified any and all salaries, bonuses, and benefits including severance pay and accrued salaries to Stanley A. Young and Michael Dewar.

On November 12, 2003, the Company approved the spin-off of the two subsidiaries of the Company and any and all remaining assets of the Company, including any intellectual property, to enable the Company to pursue a suitable merger candidate. In addition, the Company approved a 30 to 1 reverse split of all existing outstanding common shares of the Company. Following the 30 to 1 reverse split, the Company had 1,857,137 shares of common stock outstanding.

On November 15, 2003, a change in control of the Company occurred when the Company went through a reverse merger with PMI Wireless, Inc., a Delaware corporation with corporate headquarters located in Cordova, Tennessee. The acquisition, took place on December 1, 2003 for the aggregate consideration of fifty thousand dollars ($50,000) which was paid to the U.S. Internal Revenue Service for the Company's prior obligations, plus assumption of the Company's existing debts, for 9,938,466 newly issued common shares of the Company. Under the said reverse merger, the former Shareholders of PMI Wireless ended up owning an 84.26% interest in the Company.

On December 10, 2003, the Company entered into an Acquisition Agreement to acquire one hundred percent (100%) of Mound Technologies, Inc. ("Mound"), a Nevada corporation with its corporate headquarters located in Springboro, Ohio. The acquisition was a stock for stock exchange in which the Company acquired all of the issued and outstanding common stock of Mound in exchange for 1,256,000 newly issued shares of its common stock. As a result of this transaction, Mound became a wholly owned subsidiary of the Company.

In May 2004, the Company changed its name from International Wireless, Inc. to our current name, Heartland, Inc.

On December 27, 2004, the Company entered into an Acquisition Agreement to acquire 100% of Monarch Homes, Inc. ("Monarch"), a Minnesota corporation with its corporate headquarters located in Ramsey, MN for $5,000,000. The acquisition price was made up of:

- $100,000 at closing,
- a promissory note of $1,900,000 payable on or before February 15, 2005 which, if not paid by that date, interest shall be due from then to actual payment at 8%, simple interest, compounded annually, and
- six hundred sixty-seven thousand (667,000) restricted newly issued shares of the Company's common stock provided at closing.

In the event the common stock of the Company not is trading at a minimum of $5.00 as of December 27, 2005, the Company was required to compensate the original Monarch shareholders for the difference in additional stock. As a result of the aforementioned, the Company has agreed to isssue the former Monarch shareholders 333,000 shares of common stock. Monarch is a wholly owned subsidiary of the Company.

On December 30, 2004, the Company entered into an Acquisition Agreement to acquire 100% of Evans Columbus, LLS ("Evans"), an Ohio corporation with its corporate headquarters located in Blacklick, OH for $3,005,000. The acquisition price was paid as follows:

- $5,000 at closing, and
- 600,000 restricted newly issued shares of the Company's common stock provided at closing.

In the event the common stock of the Company is not trading at a minimum of $5.00 as of December 30, 2005, the Company was required to compensate the original Evans shareholders for the difference in additional stock. As a result of the aforementioned, the Company is in dispute with Evans who claims as of January 2006 that his acquisition contract is null and void. Evans is a wholly owned subsidiary of the Company.

On December 31, 2004, the Company entered into an Acquisition Agreement to acquire 100% of Karkela Construction, Inc., a Minnesota corporation with its corporate headquarters located in St. Louis Park, MN for $3,000,000. The acquisition price consisted of the following:

- $100,000 at closing,
- a short term promissory note payable of $50,000 on or before January 31, 2005,
- a promissory note of $1,305,000 payable on or before March 31, 2005 which, if not paid by that date, interest is due from December 31, 2004 to actual payment at 8%, simple interest, compounded annually and
- 500,000 restricted newly issued shares of the Company's common stock provided at closing.

In the event the common stock of the Company is not trading at a minimum of $4.00 as of December 31, 2005, the Company was required to compensate the original Karkela shareholders for the difference in additional stock. As a result of the aforementioned, the Company issued the former Karkela shareholders 262,500 shares of common stock on March 15, 2006. Karkela is a wholly owned subsidiary of the Company.

On July 29, 2005, the Company entered into a binding Stock Purchase Agreement with Steven Persinger, an individual, to acquire all the issued and outstanding shares of common stock of Persinger Equipment, Inc., a Minnesota corporation ("Persinger") for $4,735,000. The acquisition price consists of the following:

- $2,000,000 in cash on or before February 1, 2006, and
- $2,735,000, payable in cash or 911,667 non-restricted shares of common stock of the Company at the Company's option payable at closing.

In the event the common stock of the Company is not trading at a minimum of $3.00 as of July 29, 2006, the Company is required to compensate Mr. Persinger for the difference in additional stock. In connection with the Stock Purchase Agreement, the Company and Mr. Persinger will enter into an employment agreement for a period of 5 years with an annual base salary of $120,000 per year, which includes various incentive based provisions. Also in connection with the Stock Purchase Agreement, Persinger will continue leasing from Mr. Persinger the real estate that Persinger operates in its business for as long as Mr. Persinger is employed by Persinger. Persinger has the right and option to purchase this real estate during Mr. Persinger's employment for $600,000.

On September 12, 2005, the Company entered into a binding Agreement for Purchase and Sale of Shares with Calvin E. Bergman, Lynn E. Bergman, Jerry L. Bergman, Barbara A. Vance and Marvin Bergman, individually, to acquire all the issued and outstanding shares of common stock of Ney Oil Company, an Ohio corporation ("Ney Oil Company") for $5,000,000. The acquisition price consisted of:

- $3,000,000 at closing, and
- 1,333,300 shares of common stock of the Company valued three business days prior to the closing to not be less than $2,000,000.

In the event the value is less than $2,000,000, the number shall increase accordingly.

On September 12, 2005, the Company entered into a Letter of Intent with Terry Robbins, President of Ohio Valley Lumber, to acquire all the issued and outstanding shares of common stock of NKR, Inc, d.b.a. Ohio Valley Lumber, a Delaware corporation ("NKR") for $8,000,000.00. The acquisition price was made up of:

- $4,000,000 in cash,
- 2,000,000 shares of common stock of the Company and
- $2,000,000 in cash for the reduction of NKR's debt.

The Company is still negotiating the terms of the definitive documentation.

On September 21, 2005, the Company entered into a binding Acquisition Agreement with Terry L. Lee and Gary D. Lee, individually, to acquire all the issued and outstanding shares of common stock of Lee Oil Company, Inc., a Virginia corporation, Lee Enterprises, Inc., a Kentucky corporation and Lee's Food Marts LLC, a Tennessee Limited Liability Company, (collectively hereinafter "Lee Oil Company") for $6,000,000.00. The acquisition price shall consist of:

- $5,000,000.00 at closing and
- $1,000,000.00, payable in common stock of the Company valued at the date of closing.

On September 26, 2005, the Company entered into a binding Acquisition Agreement with Robert Daniel, Karol K. Hart-Bendure, M. Lucille Daniel, and Joe M. Daniel, individually, to acquire all the issued and outstanding shares of common stock of Schultz Oil Company, Inc., an Ohio Corporation ("Schultz Oil Company") for $3,500,000 consisting of $1,500,000 in cash at closing and 1,000,000 of common stock. In the event the common stock of the Company does not have a value of at least $2.00 as of September 26, 2007, the Company is required to compensate the shareholders for the difference with the issuance of additional shares.

RESULTS OF OPERATIONS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2005 AND 2004

OVERVIEW

Heartland, Inc. is an operating conglomerate with operations in steel fabrication, manufacturing, construction and property management. Total consolidated revenues for the year ended December 31, 2004 was $50,007,763 versus $4,428,836 for the year ended December 31, 2003. The Company incurred operating expenses of $49,280,468 for the year ended December 31, 2004 and $5,401,779 for the year ended December 31, 2003.

In fiscal year ended December 31, 2004 the company incurred a net income from continuing operations of $753,279 or a gain of $0.04 per share compared to a net loss of $ (1,510,450) or a loss of $(0.12) per share in fiscal year ended December 31, 2003. The primary factor contributing to the net earnings increase were from higher sales from the acquisitions of Monarch Homes, Karkela and Evans and improved leverage of selling, general and administrative expenses.

		2005		2004 Restated
Net sales	$	40,674,714	$	7,389,064
Cost and expenses				
Cost of good sold		29,018,150		6,498,641
Selling, general and administrative expense		13,271,877		1,398,493
Stock Based Compensation		1,652,985		63,767
Depreciation and amortization		615,846		102,756
Total Cash and Expenses		44,558,857		8,063,677
Operating Income		(3,884,143)		(674,613)
Net Other Income		(748,990)		161,105
Net Income(loss)from continuing operations		(4,663,133)		(513,508)
Total Discontinued Operations - Loss				
Income before taxes		(4,663,133)		(513,508)
Income Taxes		22,000		---
Net Loss			$	$(513,508)

SALES

Sales increased in fiscal year ended December 31, 2005 by 550% to $40,674,7147 from $7,389,064 in fiscal year ended December 31, 2004 due to the acquisitions in late December 2004 of Evans Columbus, Karkela Construction and Monarch Homes.

INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEM

Pre-tax loss was $4,633,133 in fiscal year ended December 31, 2005 and $513,508 in fiscal year ended December 31, 2004. Reflecting the acquisitions of Evans Columbus, Karkela Construction and Monarch Homes which occurred in the final month of fiscal year ended December 31, 2004.

INTEREST EXPENSE

Interest expense was $858,707 during the fiscal year ended December 31, 2005 as compared to $45,583 in fiscal year ended December 31, 2004.

LIQUIDITY AND CAPITAL RESOURCES

As presented in the Consolidated Statement of Cash Flows, net cash used by operating activities was $xxxxx in fiscal 2005. The significant changes in working capital were an $xxxxx increase in accounts receivable, a $xxxxx increase in inventory. Working capital requirements are not anticipated to increase substantially in fiscal 2006.

During fiscal 2004, the Company used cash of $xxxx to acquire companies. The Company received net cash of $xxxx from the issue of certain promissory convertible notes.

The level of capital expenditures is expected to increase moderately in fiscal 2006, and the source of funds for such expenditures is expected to be cash from operations.

At December 31, 2005 the Company's total debt was $23,428,164 as compared to $15,565,1737 at December 31, 2004. The Company believes that its funding sources are adequate for its anticipated requirements.

Shareholders' equity was $5,860,999 at December 31, 2005 compared to $7,061,271 at December 31, 2004. The decrease is due to increase in net loss and the positive shareholders equity from the acquisitions.

Our businesses are seasonally working capital intensive and require funding for purchases of raw materials used in production, replacement parts inventory, capital expenditures, expansion and upgrading of existing facilities, as well as for financing receivables from customers. We believe that cash generated from operations, together with our bank credit lines, and cash on hand, will provide us with a majority of our liquidity to meet our operating requirements. We believe that the combination of funds available through future anticipated financing arrangements, as discussed below, coupled with forecasted cash flows, will be sufficient to provide the necessary capital resources for our anticipated working capital, capital expenditures, and debt repayments for at least the next twelve months.

We are seeking to raise up to $5 million of additional capital from private investors and institutional money managers in the next few months, but there can be no assurance that we will be successful in doing so. If we are not successful in raising any of this additional capital, our current cash resources may not sufficient to fund our current operations.

We may experience problems, delays, expenses, and difficulties sometimes encountered by an enterprise in our stage of development, many of which are beyond our control. For potential acquisitions, these include, but are not limited to, unanticipated problems relating to the identifying partner(s), obtaining financing, culminating the identified partner due to a number of possibilities (prices, dates, terms, etc). Due to limited experience in operating the combined entities for the Company, we may experience production and marketing problems, incur additional costs and expenses that may exceed current estimates, and competition.

Our businesses are seasonally working capital intensive and require funding for purchases of raw materials used in production, replacement parts inventory, capital expenditures, expansion and upgrading of existing facilities, as well as for financing receivables from customers. During the year ended December 31, 2004, the Company has not

engaged in:

- o Material off-balance sheet activities, including the use of structured finance or special purpose entities;

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- o Trading activities in non-exchange traded contracts; or
- o Transactions with persons or entities that benefit from their non-independent relationship with the Company.

Inflation

We are subject to the effects of inflation and changing prices. As previously mentioned, we experienced rising prices for steel and other commodities during fiscal 2005 that had a negative impact on our gross margins and net earnings. In fiscal 2006, we expect average prices of steel and other commodities to be higher than the average prices paid in fiscal 2005. We will attempt to mitigate the impact of these anticipated increases in steel and other commodity prices and other inflationary pressures by actively pursuing internal cost reduction efforts and introducing price increases.

Critical Accounting Policies and Estimates

In preparing our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, we must make decisions that impact the reported amounts of assets, liabilities, revenues and expenses, and related disclosures. Such decisions include the selection of the appropriate accounting principles to be applied and the assumptions on which to base accounting estimates. In reaching such decisions, we apply judgments based on our understanding and analysis of the relevant circumstances, historical experience, and actuarial valuations. Actual amounts could differ from those estimated at the time the consolidated financial statements are prepared.

Our significant accounting policies are described in Note A to the consolidated financial statements. Some of those significant accounting policies require us to make difficult subjective or complex judgments or estimates. An accounting estimate is considered to be critical if it meets both of the following criteria: (i) the estimate requires assumptions about matters that are highly uncertain at the time the accounting estimate is made, and (ii) different estimates that reasonably could have been used, or changes in the estimate that are reasonably likely to occur from period to period, would have a material impact on the presentation of our financial condition, changes in financial condition or results of operations.

Accounts Receivable Valuation. We value accounts receivable, net of an allowance for doubtful accounts. Each quarter, we estimate our ability to collect outstanding receivables that provides a basis for an allowance estimate for doubtful accounts. In doing so, we evaluate the age of our receivables, past collection history, current financial conditions of key customers, and economic conditions. Based on this evaluation, we establish a reserve for specific accounts receivable that we believe are uncollectible, as well as an estimate of uncollectible receivables not specifically known. A deterioration in the financial condition of any key customer or a significant slow down in the economy could have a material negative impact on our ability to collect a portion or all of the accounts and notes receivable. We believe that an analysis of historical trends and our current knowledge of potential collection

problems provide us with sufficient information to establish a reasonable estimate for an allowance for doubtful accounts. However, since we cannot predict with certainty future changes in the financial stability of our customers, our actual future losses from uncollectible accounts may differ from our estimates. In the event we determined that a smaller or larger uncollectible accounts reserve is appropriate we would record a credit or charge to selling, general, and administrative expense in the period that we made such a determination.

ITEM 7. FINANCIAL STATEMENTS (RESTATED)

Reference is made to the Consolidated Financial Statements of the Company, beginning with the index thereto on page F-1

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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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 consolidated balance sheets of Heartland, Inc. and subsidiaries as of December 31, 2005 and 2004 (restated) and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows (restated 2004) for each of the two years in the period ended December 31, 2005. These consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2005 and 2004 (restated), and the results of its operations and its cash flows (restated 2004) for each of the two years in the period ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note A to the consolidated financial statements, the Company has negative working capital of $4,568,118, an accumulated deficit of $10,728,899, and there are existing uncertain conditions which the Company faces relative to its obtaining capital in the equity markets. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note A. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Meyler & Company, LLC

Middletown, NJ
May 19, 2006
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HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

CONSOLIDATED BALANCE SHEETS

	December 31, 2005	December 31, 2004 (Restated)
CURRENT ASSETS		
Cash	$ 685,387	$ 603,451
Accounts receivable net of allowance for doubtful accounts of $219,663 and $684,829, respectively	4,070,242	3,467,970
Costs in excess of billings on uncompleted contracts	332,396	187,621
Inventory	10,291,050	4,932,629
Prepaid expenses and other	143,619	120,583
Total Current Assets	15,522,694	9,312,254
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation of $,073,661 and $816,069, respectively	3,374,949	5,403,107
OTHER ASSETS		
Advances to related party	61,688	202,965
Goodwill	1,291,390	7,217,268
Other intangible assets	447,125	520,000
Investments	9,000	
Acquisition deposits	59,867	
Security deposits	240,920	13,787
Other assets		63,241
	2,109,990	8,017,261
Total Assets	$ 21,007,633	$ 22,732,622

See accompanying notes to financial statements.

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

CONSOLIDATED BALANCE SHEETS (CONTINUED)

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	December 31, 2005	December 31, 2004 (Restated)
CURRENT LIABILITIES		
Bank lines of credit	$ 1,351,423	$ 810,989
Notes payable - land purchases	5,740,160	1,965,698
Convertible promissory notes payable	2,250,500	1,026,550
Current portion of notes payable	660,841	120,687
Current portion of capitalized lease obligations	121,934	115,423
Accounts payable	4,762,224	2,985,455
Acquisition notes payable to related parties	3,250,000	3,300,000
Obligations to related parties		670,907
Accrued payroll taxes	516,969	693,630
Accrued expenses	738,117	591,134
Billings in excess of costs on uncompleted contracts	521,952	153,379
Customer deposits	12,770	21,068
Deferred income taxes	163,922	408,003
Total Current Liabilities	20,090,812	12,862,923
LONG-TERM OBLIGATIONS		
Notes payable, less current portion	2,836,835	2,137,928
Capitalized lease obligations, less current portion	148,072	269,100
Notes payable to individual		150,000
Non-controlling interest of Variable Interest Entities	352,445	251,400
Total Long Term Liabilities	3,337,352	2,808,428
STOCKHOLDERS' EQUITY (DEFICIT)		
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; issued and outstanding 23,746,024 and 18,244,801 shares at December 31, 2005 and 2004, respectively	23,746	18,244
Additional paid-in capital	16,012,903	13,161,421
Accumulated deficit	(18,457,179)	(6,118,394)
Total Stockholders' Equity (Deficit)	(2,420,530)	7,061,271
Total Liabilities and Stockholders' Equity (Deficit)	$ 21,007,634	$ 22,732,622

See accompanying notes to financial statements.

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HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31, 2005	2004 (Restated)
REVENUE - SALES	$ 40,674,714	$ 7,389,064
COSTS AND EXPENSES		
Cost of goods sold	29,018,150	6,498,641
Selling, general and administrative expenses	13,249,248	1,398,493
Stock based compensation	1,652,985	63,787
Adjustment of value of securities issued in connection with 2004 acquisitions		7,719,000
Impairment of goodwill	387,000	
Depreciation and amortization	238,126	102,756
Total Costs and Expenses	52,264,509	8,063,677
NET OPERATING LOSS	(11,589,795)	(674,613)
OTHER INCOME (EXPENSE)		
Rental income	101,204	197,806
Other income	15,207	11,371
Loss on disposal of equipment	(6,634)	(2,489)
Interest expense	(858,707)	(45,583)
Total Other Income (Expense)	(748,990)	161,105
NET LOSS	$ (12,338,785)	$ (513,508)
NET LOSS PER COMMON SHARE		
Basic	$ (0.22)	$ (.04)
Fully diluted	$ (0.22)	$ (.03)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic	21,158,951	13,744,692
Fully diluted	21,306,293	15,101,692

See accompanying notes to financial statements.

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Year Ended December 31, 2005	2004 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (12,338,785)	$ (513,508)
Adjustments to reconcile net loss to cash flows used in operating activities:		
Stock based compensation	1,652,985	63,787
Impairment and reduction in goodwill	8,106,000	
Loss on disposal of equipment	94,000	2,489
Depreciation and amortization	238,126	58,336
Changes in assets and liabilities:		
Increase in accounts receivable	(602,272)	(243,757)
Increase in costs in excess of billings on uncompleted contracts	(144,775)	(113,724)
(Increase) decrease in inventory	(1,583,960)	109,895
Increase in prepaids and other	(23,046)	(6,990)
Increase (decrease) in accounts payable	1,853,959	(453,644)
(Decrease) increase in accrued payroll taxes	(176,661)	95,172
Increase in accrued expenses	217,036	63,971
Increase (decrease) in billings in excess of costs on uncompleted contracts	368,573	(147,565)
(Decrease) increase in other accruals	(379,401)	36,126
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	(2,718,221)	(1,049,412)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital additions	(10,000)	
Cash paid for acquisition of subsidiaries	(205,000)	
Decrease in advances to related parties	141,277	134,936
Other investments	(578,064)	
Proceeds on disposition of property and equipment	21,000	7,450
Cash paid for security deposits	(223,758)	(10,520)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(649,545)	(73,134)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received in acquisition of subsidiaries	458,433	
Proceeds from issuance of promissory convertible notes payable	1,303,950	1,026,550
Payment on acquisition note	(50,000)	
Payments on capitalized leases	(114,517)	
Increase in bank borrowings	540,434	
Increase in notes payable, net	570,229	(46,241)
Payments on obligations to related parties	(62,668)	
Proceeds from issuance of common stock	1,035,734	345,000
	3,285,830	1,721,074

NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES				
INCREASE IN CASH		81,936		598,528
CASH, BEGINNING OF PERIOD		603,452		4,923
CASH, END OF PERIOD	$	685,388	$	603,451

See accompanying notes to financial statements

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	For the Year Ended December 31, 2005	2004 (Restated)
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$ 185,752	$ 164,347
Taxes paid	55,625	40,533
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Land acquired by:		
Assuming loan payable		150,000
Issuance of common stock		94,000
Transportation equipment acquired with notes payable		61,094
Issuance of common stock in payment of obligation to related party		15,000
Issuance of common stock as stock based compensation		63,787
Assets acquired and liabilities assumed in acquisition of subsidiaries:		
Cash acquired		458,433
Accounts receivable		2,084,011
Costs in excess of billings on uncompleted contracts		73,897
Inventory		4,423,332
Prepaids and other		110,265
Property, plant and equipment		452,364
Advance to related party		281,122
Goodwill		9,253,147
Security deposits		2,267
Line of credit		(810,989)
Notes payable		(2,012,205)
Obligation under capital lease		(384,523)
Accounts payable		(1,431,033)
Acquisition notes payable		(3,300,000)
Obligations to related parties		(205,095)
Accrued expenses		(122,611)
Billings in excess of costs on uncompleted contracts		(144,437)
Customer deposits		(21,068)
Deferred income taxes		(371,877)
Issuance of common stock		(830,490)

See accompanying notes to financial statements.

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
For the Years Ended December 31, 2005 and 2004 (Restated)

	Capital Stock		Additional Paid - In	Retained	
	Shares	Capital	Capital	Earnings	Total
Balance, December 31, 2003	13,077,758	13,077	4,313,801	(5,604,886)	(1,278,008)
Correction of shares issued in reverse merger	703,082	703	(703)		
Shares issued for services rendered at $0.05 per share	1,105,730	1,106	54,181		55,287
Shares issued in connection with law suit settlement	170,000	170	8,330		8,500
Shares issued for cash at a price ranging from $0.16 to $1.00	1,204,396	1,204	343,796		345,000
Shares issued to acquire property at $0.47 per share	200,000	200	93,800		94,000
Shares issued to settle loan @ $0.89 per share	16,835	17	14,983		15,000
Issuance of common stock in connection with acquisitions at $0.47 per share		1,767,000	1,767	8,333,233	8,335,000
Net loss for the year ended December 31, 2004				(513,508)	(513,508)
	18,244,801	18,244	13,161,421	(6,118,394)	(7,061,271)
Issuance of common stock to Chief Executive Officer @$0.46 per share		1,500,000	1,500	688,500	690,000
Issuance of common stock for cash at $0.50 to $1.00 per share	1,696,236	1,696	1,034,037		1,035,733
Issuance of common stock for conversion of convertible notes at $0.50 per share	100,000	100	79,900		80,000
Issuance of common stock for settlement of accounts payable obligation @$1.03 per share	75,000	75	77,115		77,190

See accompanying notes to financial statements.

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)(CONTINUED)
For the Years Ended December 31, 2005 and 2004 (Restated)

	Capital Stock		Additional Paid - In	Retained	
	Shares	Capital	Capital	Earnings	Total
Issuance of common stock for services rendered to the Company at $0.50 to $1.00 per share	875,770	876	650,452		651,328
Issuance of common stock for acquisitions @$0.50 per share	783,000	783	8,217		9,000
Issuance of common stock to settle various legal disputes @$0.50 to $1.00 per share	467,064	467	311,190		311,657
Issuance of common stock for interest payments	4,153	5	2,070		2,075
Loan for year ended December 31, 2005				(12,338,785)	(4,610,505)
	23,746,024	$ 23,746	$ 16,566,152	$ (18,457,179)	$ 2,420,530

See accompanying notes to financial statements.

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE A - PRINCIPLES OF CONSOLIDATION AND NATURE OF BUSINESS

The consolidated financial statements include the accounts of Heartland, Inc. (formerly International Wireless, Inc.) ("Heartland") and its wholly owned subsidiaries, Mound Technologies, Inc. ("Mound") a steel fabricator acquired in December 2003, Evans Columbus, LLC ("Evans") a steel drum manufacturer, Monarch Homes, Inc. ("Monarch") a residential home builder and Karkela Construction, Inc. ("Karkela") a commercial construction contractor, all of which were acquired in December 2004. As indicated in Note D, the consolidated financial statements also include the accounts of three entities deemed to be Variable Interest Entities (VIEs), PAR Investments, LLC, which owns the land and building rented to Evans Columbus as its headquarters, Mundus Environmental Products, Inc. and Wyncrest Group, Inc., Investment Companies.

Merger and Reverse Merger

On December 1, 2003, PMI Wireless, Inc., a private company, in a change of control, acquired 9,938,466 shares of International Wireless, Inc. common stock for $71,000 cash and the assumption of the Company's liabilities, thereby obtaining control of the company. Simultaneously, the Company authorized a 30 for 1 reverse split. Subsequent to this split, PMI Wireless, Inc. controlled 84% of the outstanding common stock of the Company.

On December 15, 2004, the Company reverse merged with Mound through the issuance of 1,256,000 shares of its common stock in exchange for all of the issued and outstanding shares of Mound. Prior to the merger, International Wireless, Inc. was a non-operating shell corporation. Pursuant to Securities and Exchange Commission rules, the merger of a private operating company (Mound) into a non-operating public shell corporation with nominal net assets (International Wireless, Inc.) is considered a capital transaction. Accordingly, for accounting purposes, the merger has been treated as a reverse merger of Mound with the Company and a recapitalization of the Company.

Going Concern Uncertainty and Management's Plans

As reflected in the accompanying financial statements, the Company has current liabilities of $4,568,118 in excess of current assets resulting in negative working capital and an accumulated deficit of $10,728,899. Management is presently seeking to raise permanent equity capital in the capital markets or some form of long-term debt instrument to eliminate the negative working capital. Additionally, the Company is seeking to acquire additional profitable companies. Failure to raise equity capital or secure some other form of long-term debt arrangement will cause the Company to further increase its negative working capital deficit. However, there are no assurances that the Company will succeed in the obtaining of equity financing or some form of long-term debt instrument.

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 and accompanying notes. Actual results could differ from those estimates.

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HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Net Loss Per Common Share

The Company computes per share amounts in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share". SFAS No. 128 requires presentation of basic and diluted EPS. Basic EPS is computed by dividing the income (loss) available to Common Stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS is based on the weighted-average number of shares of Common Stock and Common Stock equivalents outstanding during the periods.

Business Combinations and Goodwill

The Company follows the purchase method of accounting for business combinations as required under SFAS No. 141 and SFAS No. 142 for Goodwill and Other Intangible Assets.

Property, Plant and Equipment and Depreciation

Property, plant and 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 property, plant and 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.

Stock-Based Compensation

SFAS No. 123, "Accounting for Stock-Based Compensation" prescribes accounting and reporting standards for all stock-based compensation plans, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights. SFAS No. 123 requires employee compensation expense to be recorded (1) using the fair value method or (2) using the intrinsic value method as prescribed by accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB25") and related interpretations with pro forma disclosure of what net income and earnings per share would have been if the Company adopted the fair value method. The Company accounts for employee stock based compensation in accordance with the provisions of APB 25. For non-employee options and warrants, the company uses the fair value method as prescribed in SFAS 123.

The Company accounts for stock issued for services using the fair value method. In accordance with the Emerging Issues Task Force ("EITF") 96-18, the measurement date of shares issued for service is the date at which the counterparty's performance is complete.

Allowance for Doubtful Accounts

It is the company’s policy to provide an allowance for doubtful accounts when it believes there is a potential for non-collectibility.

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

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

Revenue Recognition

The Company recognizes revenue when the product is manufactured and shipped. Revenues from fixed-price and modified fixed-price construction contracts are recognized on the percentage-of-completion method, measured by the percentage of total cost incurred to date to estimated total cost for each contract. This method is used because management considers expended total cost to be the best available measure of progress on these contracts. Revenues from cost-plus-fee contracts are recognized on the basis of costs incurred during the period plus the fee earned, measured by the cost-to-cost method.

Contracts to manage, supervise, or coordinate the construction activity of others are recognized only to the extent of the fee revenue. The revenue earned in a period is based on the ratio of total cost incurred to the total estimated total cost required by the contract.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation costs. Selling, general, and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions, and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined. Profit incentives are included in revenues when their realization is reasonably assured. An amount equal to contract costs attributable to claims is included in revenues when realization is probable and the amount can be reliably estimated.

The asset, “Costs in excess of billings on uncompleted contracts,” represents revenues recognized in excess of amounts billed. The liability, “Billings in excess of costs on uncompleted contracts,” represents billings in excess of revenues recognized.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeded the fair value of the assets.

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

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

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.

In May 2005, the FASB issued SFAS no. 154, “Accounting Changes and Error Corrections (“SFAS No. 154”) which replaces APB Opinion No. 20, “Accounting Changes” and SFAS No. 3, “Reporting Accounting Changes in Interim Financial Statements-An Amendment of ABP Opinion No. 28. SFAS No. 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. Specially, this statement requires “retrospective application” of the direct effect for a voluntary change in accounting principle to prior periods’ financial statements, if it is practical to do so. SFAS No. 154 also strictly defines the term “restatement” to mean the correction of an error revising previously issued financial statements. Although, SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005, the Company has adopted this SFAS in the current year.

NOTE C - ACQUISITIONS

2004

On December 27, 2004, the Company acquired 100% of Monarch Homes Inc. (“Monarch”). The acquisition price consisted of 1) $100,000 in cash, 2) a promissory note of $1,900,000 payable on or before February 15, 2005 which, if not paid by that date will include interest at 8% to payment date, and 3) 667,000 restricted shares of the Company’s common stock. The original agreement indicated that

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE C - ACQUISITIONS (CONTINUED)

should the common stock of the Company not be trading at a minimum of $5 per share as of December 27, 2005, the Company must compensate the seller for the difference in additional shares of common stock. On December 30, 2005, the agreement was amended to require issuance of an additional 333,000 of restricted shares of common stock.

On December 30, 2004, the Company acquired 100% of Evans Columbus, LLC ("Evans"). The acquisition price consisted of 1) $5,000 in cash, and 2) 600,000 restricted shares of the Company's common stock. The original agreement indicated that should the common stock not be trading at a minimum of $5 per share as of December 30, 2005, the Company must compensate the seller for the difference in additional shares of common stock. See Note T Subsequent Events as to status of this agreement at May 19, 2006.

On December 31, 2004, the Company acquired 100% of Karkela Construction, Inc. ("Karkela"). The acquisition price consisted of 1) $100,000 in cash, 2) a promissory note payable of $50,000 due on or before January 31, 2005, 3) a promissory note of $1,350,000 payable on or before March 31, 2005 which if not paid by that date, will include interest from December 31, 2005 at 8% to payment date, and 4) 500,000 restricted shares of the Company's common stock. The original agreement indicated that should the common stock of the Company not be trading at a minimum of $4 per share as of December 31, 2005, the company must compensate the seller for the difference in additional shares of common stock. On December 31, 2005, the agreement was modified to require an additional cash payment of $55,000 and issuance of an additional 350,000 shares of common stock.

The allocation of the purchase price (restated) for these acquisitions was as follows:

	Monarch	Evans Columbus	Karkela
Cash payment	$ 100,000	$ 5,000	$ 100,000
Promissory notes	1,900,000	1,400,000	
Common stock shares	667,000	600,000	500,000
Value per share	0.47	0.47	0.47
Total Common Stock	313,490	282,000	235,000
Total value of contingent shares to be issued	3,021,510	2,718,000	1,765,000
Total Purchase Price	$ 5,335,000	$ 3,005,000	$ 3,500,000
Fair value of net assets acquired:			
Cash	$ 150,996	$ 114,016	$ 193,421
Intangibles			
Loan receivable	202,965	78,157	
Accounts receivable		637,060	1,446,951
Costs in excess of billings			73,897
Inventory	3,843,570	579,762	
Property, plant and equipment	160,834	460,586	34,655
Other assets		39,446	76,414
Liabilities assumed	(2,556,762)	(1,622,027)	(1,431,228)

Customer list		257,500	22,500
Tradename	240,000		
Goodwill	3,293,397	840,481	3,083,390
	$ 5,335,000	$ 3,005,000	$ 3,500,000

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HEARTLAND, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE C - ACQUISITIONS (CONTINUED)

Condensed Financial Information at December 31, 2004 and for the year then ended for the 2004 acquisitions is as follows:

	Monarch	Evans Columbus	Karkela
Sales	$ 22,913,341	$ 7,921,792	$ 11,783,566
Total costs and expenses	21,987,553	7,878,659	11,476,049
Net operating income	925,788	43,133	307,517
Other income (expenses)	(45,349)	(59,155)	(14,986)
Income (loss) before taxes	880,349	(16,022)	292,531
Deferred Federal and State income taxes	84,170		
Net Income (loss)	$ 796,269	$ (16,022)	$ 292,531
Total current assets	$ 1,368,017	$ 1,787,355	$ 3,994,566
Property, plant and equipment, net	388,734	35,944	160,834
Other assets	80,424		202,965
Investment in subsidiaries			
Total Assets	$ 1,837,175	$ 1,823,299	$ 4,358,365
Total current liabilities	$ 1,315,720	$ 1,325,049	$ 2,556,762
Total long-term liabilities	306,307		
Stockholders' Equity (Deficit)			
Common stock		100	10,000
Additional paid-in capital		900	
Accumulated deficit	215,148	497,250	1,791,603
Total Stockholders' Equity	215,148	498,250	1,801,603
Total Liabilities and Stockholders' Equity	$ 1,837,175	$ 1,823,299	$ 4,358,365

HEARTLAND, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE C - ACQUISITIONS (CONTINUED)

Condensed pro forma consolidating statements for the 2004 acquisitions are as follows:

	Heartland	Evans Columbus	Karkela	Monarch	Eliminating Adjustments	Consolidated
Sales	$ 7,389,064	$ 7,921,792	$ 11,783,566	$ 22,913,341		$ 50,007,763
Total costs and expenses	7,938,207	7,878,659	11,476,049	21,987,553		49,280,468
Net operating income	(549,143)	43,133	307,517	925,788		727,295
Other income (expenses)	145,474	(59,155)	(14,986)	(45,349)		25,984
Income (loss) before taxes	(403,669)	(16,022)	292,531	880,439		753,279
Deferred Federal and State income taxes				84,170	$ 328,240	412,410
Net income (loss)	$ (403,669)	$ (16,022)	$ 292,531	$ 796,269	$ (328,240)	340,869

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HEARTLAND, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE C - ACQUISITIONS (CONTINUED)

	Heartland	Evans Columbus	Karkela	Monarch	Eliminating Adjustments		Consolidated
Total current assets	$ 2,116,891	$ 1,368,017	$ 1,787,355	$ 3,994,566			$ 9,266,829
Property plant and equipment, net	1,219,321	388,734	35,944	160,834	$ 71,852	*3,4*	1,876,685
Goodwill					9,253,147	*1,2,3,4,5*	9,253,147
Other assets	11,520	80,424		202,965	294,909		
Investment in subsidiaries	4,335,490				(4,335,490)	*1,2,3*	
Total Assets	$ 7,683,222	$ 1,837,175	$ 1,823,299	$ 4,358,365	$ (2,515,001)		$ 20,691,570
Total Current Liabilities	$ 7,326,390	$ 1,315,720	$ 1,325,049	$ 2,556,762			$ 12,523,921
Total Long-Term Liabilities	690,232	306,307					996,539
Stockholders' equity (deficit)							
Common stock	18,244		100	10,000	$ (10,000)	*1,2*	18,244
Additional paid-in capital	5,656,911		900		(900)	*1,5*	13,161,421
Accumulated deficit	(6,008,555)	215,148	497,250	1,791,603	(2,504,001)		(6,008,555)
Total Stockholders' Equity (Deficit)	(333,400)	215,148	498,250	1,801,603	(2,515,001)		(7,171,110)
Total Liabilities and Stockholders' Equity (Deficit)	$ 7,683,222	$ 1,837,175	$ 1,823,299	$ 4,358,365	$ (2,515,001)		$ 20,691,570

1 To record good will and eliminate investment in Karkela Construction, Inc.
2 To record good will and eliminate investment in Monarch Homes, Inc.
3 To record negative good will and eliminate investment in Evans Columbus, LLC.
4 To adjust reduce costs of property, plant and equipment and negative goodwill in Evans Columbus, LLC.
5 To record additional goodwill arising from valuation of contingent shares to be issued in connection with acquisition of Karkela, Monarch and Evans
Columbus.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE C - ACQUISITIONS (CONTINUED)

2005

During the year ended December 31, 2005, the Company announced the following proposed acquisitions, none of which has been consummated to date:

On July 29, 2005, the Company entered into a binding stock purchase agreement to acquire Persinger Equipment, Inc. for $4,735,000 payable 1) $2,000,000 in cash before February 1, 2006 or the agreement becomes null and void 2) $2,735,000 in cash or 911,667 non-restricted shares of common stock at the Company's option at closing. Should the common stock not be trading at a minimum of $3 per share twelve months after closing, the Company must compensate the seller for the difference in additional shares of common stock. Under the terms of the agreement, the Company is to deposit 100,000 restricted shares of common stock to be retained by Persinger should the Company default on the agreement. The agreement further calls for a 5 year employment agreement with Steven Persinger for a base salary of $120,000 per year.

On September 12, 2005, the Company entered into a binding agreement to acquire Ney Oil Company for $5,000,000 payable 1) $3,000,000 in cash 2) 1,333,000 shares of common stock to be valued at not less than $2,000,000 three business days prior to closing or the number shall be increased accordingly.

On September 26, 2005, the Company entered into a binding acquisition agreement to acquire Schulz Oil Company, Inc. for $3,500,000 payable 1) $1,500,000 in cash 2) 1,000,000 shares of common stock which shall have a value of at least $2 per share at the end of 2 years or the Company will pay the difference.

On September 12, 2005, the Company entered into a letter of intent to acquire NKR, Inc. doing business as Ohio Valley Lumber for 1) $4,000,000 in cash 2) 2,000,000 shares of common stock 3) an infusion of $2,000,000 into the Company to reduce debt.

On September 21, 2005 the Company entered into a binding agreement to acquire Lee Oil Company for $6,000,000 payable 1) $5,000,000 in cash 2) $1,000,000 in common stock valued at the closing date but not less than 1,000,000 common shares.

HEARTLAND, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE C - ACQUISITIONS (CONTINUED)

Condensed unaudited Financial Information at December 31, 2005 and for the year then ended for these contemplated acquisitions is as follows:

	Persinger (November 2005)	Schulz	Ohio Valley Lumber (June 2005)	Ney Oil	Lee Oil
Total current assets	$ 2,804,940	$ 1,185,690	$ 5,975,668	$ 2,850,748	$ 5,878,247
Property plant and equipment, net	38,718	646,573	5,136,814	2,794,917	5,347,498
Other assets	212,737	329,811	1,534,354	554,362	44,467
Total Assets	3,056,395	2,162,074	12,646,836	6,200,027	11,270,212
Total Current Liabilities	1,896,117	722,763	6,501,606	2,287,674	2,743,822
Total Long-Term Liabilities	361,930	1,062,114	3,878,587	1,889,873	4,819,059
Stockholders’ equity					
Common stock	40,000	22,831	1,933	120,000	1,000
Additional paid-in capital	105,000	1,577,627	57,708		
Treasury stock	(600,000)				
Accumulated earnings	1,253,347	354,366	687,083	1,902,480	3,648,623
Total Stockholders’ Equity	798,347	377,197	2,266,643	2,022,480	3,707,331
Total Liabilities and Stockholders’ Equity	3,056,394	2,162,074	12,646,836	6,200,027	11,270,212
Sales	11,988,474	17,268,691	6,543,453	54,480,538	79,092,224
Total costs and expenses	11,850,756	17,112,980	6,406,916	54,410,701	78,357,415
Net operating income	137,718	155,711	136,537	69,837	734,809
Other income (expenses)	38,151	(96,344)	(87,240)	293,284	(15,784)
Income before taxes	175,869	59,367	49,297	363,121	719,025
Federal and State income taxes	(64,557)		(10,886)	(21,000)	(129,355)
Net income	111,312	59,367	38,411	342,121	589,670

Condensed pro forma consolidating statements for 2005 for the above proposed acquisitions are as follows:

	Heartland	Proposed Acquisitions	2005 Eliminating Adjustments	Pro Forma Consolidated

Sales	40,674,714	169,373,380	210,048,094
Total costs and expenses	44,558,857	168,138,768	212,697,625
Net operating income	(3,884,143)	1,234,612	(2,649,531)
Other income (expenses)	(748,990)	132,067	(616,923)
Income (loss) before taxes	(4,633,133)	1,366,679	(3,266,454)
Deferred Federal and State income taxes	(22,628)	(225,798)	(248,426)
Net income (loss)	(4,610,505)	1,592,477	(3,018,028)

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HEARTLAND, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE D - VARIABLE INTEREST ENTITIES

In January 2003, the FASB issued FIN 46 and in December 2003, it issued a revised interpretation of FIN 46 (FIN 46-R), which supersedes FIN 46 and clarifies and expands current accounting guidance for determining whether certain entities should be consolidated in the Company's consolidated financial statements. An entity is subject to FIN 46 and is called a Variable Interest Entity (VIE) if it has (1) equity that is insufficient to permit the entity to finance its activities without additional subordinated financial support from other parties, or (2) equity investors that cannot make significant decisions about the entity's operations, or that do not absorb the expected losses or receive the expected returns of the entity. A VIE is consolidated by its primary beneficiary, which is the party that has a majority of the expected losses or a majority of the expected residual returns of the VIE, or both.

The Company has concluded that three entities, Mundus Environmental Products, Inc. ("Mundus") and Wyncrest Group, Inc. ("Wyncrest") and PAR Investments, LLC are deemed to be VIEs under FIN 46 and accordingly they have been consolidated in the financial statements for 2005 and 2004.

Mundus , acquired in 2005, has assets of $12,866, liabilities of $142,425 and an accumulated deficit of $2,339,692 at December 31, 2005 and a net loss of $260,603 for the year then ended. Wyncrest had assets of $44,840 and $19,291, liabilities of $623,043 and $121,143 and an accumulated deficit of $749,058 and $290,559 at December 31, 2005 and 2004 and net losses of $476,351 and $188,707 for the years then ended, respectively. These companies, which are in the investment business, had no revenues during these years. Expenses consisted primarily of compensation, consulting expense and professional fees. Par Investments, LLC., a real estate holding company had assets of $2,003,385 and $1,993,740, liabilities of $1,711,750 and $1,750,326 and retained earnings of $204,127 and $125,906 at December 31, 2005 and 2004 and net income of $78,221 and $78,868 for the years then ended, respectively.

NOTE E - INVENTORY

Inventory consists of the following at December 31,

	2005	2004
Raw material	$ 1,155,336	$ 959,692
Work in process - manufacturing	135,539	125,658
Work in process - home construction	2,464,384	1,108,892
Land held for development	6,530,942	2,734,677
Finished goods	4,850	3,710
	$ 10,291,051	$ 4,932,629

HEARTLAND, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE F - PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consists of the following at December 31,

		2005		2004	Years of Average Uselful Life
Land	$	473,400	$	717,400	
Leasehold improvements		87,715		44,724	5
Buildings		2,362,600		2,362,600	30
Furniture and fixtures		172,149		194,074	10
Machinery and equipment		2,530,108		950,587	10-15
Automotive equipment		360,960		331,061	7
		5,986,932		4,600,446	
Less: accumulated depreciation		1,264,165		816,069	
	$	4,722,767	$	3,784,377	

NOTE G - BANK LINES OF CREDIT

A Company subsidiary has a $2,000,000 revolving line of credit with a bank through July 2006 of which $939,011 is available at December 31, 2005. The line bears interest at 1.85% plus the London InterBank Offered Rate ("LIBOR"). At December 31, 2005, the LIBOR was 3.10%. The line is limited to 80% of eligible accounts receivable plus 50% of eligible inventory. The line is collateralized by substantially all of the subsidiary's assets and a $1,500,000 life insurance policy on the life of a stockholder. At December 31, 2005, the Company had an outstanding balance due of $1,060,989 on this line.

A Company subsidiary has a $300,000 line of credit with a bank through July 2006 of which $0 is available at December 31, 2005. The line bears interest at prime plus 0.75% and is collateralized by the assets of the subsidiary. At December 31, 2005, the Company had an outstanding balance of $300,000.

NOTE H - NOTES PAYABLE - LAND PURCHASES

The Monarch Homes, Inc. subsidiary acquires improved building lots for future home construction. The purchases are financed through two financial institutions - Contractors Capital Corporation and Premier Funding of Minnesota, or by developers. The Company's outstanding indebtedness aggregated $5,740,160 and $1,965,698 at December 31, 2005 and 2004, respectively. The loans are secured by the land. See Note E - Inventory - land held for development. The notes bear interest at a rate of 1% - 2% over prime and are repayable at the time the constructed homes are sold.

NOTE I - CONVERTIBLE PROMISSORY NOTES PAYABLE

The Company issued $1,680,700 in convertible promissory notes to various individuals and organizations. The notes are unsecured, due within 1 year from date of issue, and bear interest at the rate of 10%. The notes can be converted into common stock of the Company. Of the $1,026,550 outstanding, $695,550 are convertible at $1.00 per share and $331,000 are convertible at $.50 per share. Subsequent to December 31, 2005, $1,218,921 in notes and accrued interest were converted into 2,437,839 shares of the Company.

HEARTLAND, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE J - NOTES PAYABLE

Notes payable consist of the following at December 31:

	2005	2005
Note payable to bank due December 2009, payable in 59 monthly principal installments of $775 plus interest at prime (5.25% at December 31, 2005). The note is collateralized by substantially all of the subsidiary's assets and a $1,500,000 life insurance policy on a Company stockholder	$ 35,760	$ 46,507
Notes payable to banks due February 2010 and March 2010, payable in 72 monthly installments of $734 and $284 including interest at 6.18% and 6.27%, respectively The notes are collateralized by transportation equipment		54,645
Mortgage notes payable to a bank due March 2017 and May 2017, payable in 180 monthly installments of $2,260 and $2,739 including interest at 7.50% and 7.25%, respectively. The notes are collateralized by buildings		485,294
Notes payable to banks due November 2012, payable monthly installments of $7,563 bearing interest at 6.49%. The notes are collateralized by the land and building of a subsidiary	1,633,593	
Unsecured notes payable	1,323,653	
Note payable to a bank due April 2006, payable in 60 monthly installments of $512 bearing no interest. The note was collateralized by transportation equipment and was paid-in-full in 2005		
	3,497,676	586,446
Less: current portion	(660,841)	45,133
Long-term portion	$ 2,836,835	$ 541,313

The Company is in default of a loan agreement with one of its subsidiaries as the agreement does not allow for a change in ownership without the bank’s approval.

NOTE K - NOTE PAYABLE TO AN INDIVIDUAL

In June 2005, an individual contributed four parcels of land to the Company in exchange for 200,000 shares of the Company’s common stock and the assumption of a note in the amount of $150,000. The note is non-interest bearing and has no specific repayment date.

NOTE L - CAPITAL LEASE OBLIGATION

A subsidiary of the Company entered into a sale/leaseback arrangement with a bank in November 2004 on all of its property and equipment. The arrangement was for 36 monthly payments of $11,141 each including interest at an effective rate of 5.5% with a final payment of $40,500 due November 2007.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE L - CAPITAL LEASE OBLIGATION (CONTINUED)

		2005		2004
Total minimum lease payments	$	285,602	$	419,294
Less: amount representing interest		(16,502)		34,771
Net minimum lease payments		269,100		384,523
Less: current maturities		121,934		115,423
Long-term portion	$	147,166	$	269,100

Minimum future lease payments as of December 31, 2005 were as follows:

Year	Amount
2006	133,692
2007	151,910
Total	$ 285,602

NOTE M - PURCHASE COMMITMENTS

Monarch Homes has 3 refundable land deposits in VIEs for $221,800. The Company is not the primary beneficiary as the deposits are refundable. The Company has future purchase commitments of $2,326,500 related to these deposits.

NOTE N - RELATED PARTY TRANSACTIONS

Advances to Related Party

Evans Columbus, LLC, acquired by the Company in December 2005, advanced the former owner a net amount of $78,157 to cover operating costs of the manufacturing facility owned by the former stockholders and currently leased to Evans Columbus, LLC.

Monarch Homes, Inc. has a loan to a joint venture partnership in the amount of $202,965 in which Monarch's former owner has a one third interest. The joint venture was created to construct a restaurant.

Obligations to Related Parties

In connection with the acquisition of Mound Technologies, Inc. in December 2003, the Company assumed a loan of $470,907 payable to the former stockholder who currently is a significant stockholder of the Company.

In connection with the acquisition of Karkela Construction, Inc., the former principal stockholder of Karkela declared a $200,000 dividend prior to the effective date of the acquisition, which was paid in January 2005.

Monarch Homes, Inc. sold a home to its President for $135,000.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE N - RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions With Related Parties

Compensation and consulting fees totaling $503,350 and $86,900 during the years ended December 31, 2005 and 2004, respectively, were paid to officers and major shareholders from Mundus, and Wyncrest (Consolidated VIEs see Note D).

NOTE O STOCKHOLDERS' EQUITY (DEFICIT)

During the year 2004, the Company realized that the number of shares issued in connection with the reverse merger had to be adjusted. Accordingly, in 2004, 703,082 shares were issued to adjust the issuance of the reverse merger shares.

During the year 2004, the Company issued 1,105,730 shares of its common stock to individuals for services rendered. The shares were valued at $0.05 per share. Accordingly, stock based compensation in the amount of $55,287 was recorded.

In 2004, the Company settled an outstanding law suit by issuing 170,000 shares of its common stock valued at $0.05 per share. Accordingly, stock based compensation of $8,500 was recorded.

During the year 2004 at various dates, the Company issued 1,204,396 shares of its common stock for cash. The shares were issued at various prices ranging from $0.16 per share to $1.00 per share. The total consideration received aggregated $345,000.

During 2004, the Company acquired three parcels of land having an appraised value of approximately $600,000 for the issuance of 200,000 shares of its common stock and the assumption of debt aggregating $150,000. The shares were valued at $0.47 per share.

In December 2004, the Company completed three acquisitions. Part of the acquisition cost was the issuance of 1,767,000 shares of its common stock valued at $0.47 per share or a consideration of $830,490.

In 2004, the Company settled an outstanding indebtedness of $15,000 by issuing 16,835 shares of its common stock valued at $0.89 per share.

In January 2005, the company approved the issuance of 1,500,000 shares of common stock to its President and Chief Executive Officer. The shares were valued at $0.46 per share. Accordingly, stock based compensation in the amount of $690,000 was recorded.

At various times during the year, the Company sold 1,696,236 shares of its common stock under private placement arrangements at prices ranging from $0.50 to $1.00 per share.

During the year, convertible promissory note holders converted $80,000 of notes to common stock. The Company issued 100,000 shares of its common stock relating to the conversion.

In June 2005, the Company settled an old outstanding obligation in the amount of $77,190 for the issuance of 75,000 shares of its common stock.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE O - STOCKHOLDERS' EQUITY (DEFICIT) (CONTINUED)

At various times during the year, the Company issued 875,770 shares of its common stock to individuals for services rendered to the Company and approved by the Board of Directors. The shares were valued at prices ranging from $0.50 to $1.00 per share. Accordingly, stock based compensation in the amount of $651,328 was recorded.

In December 2005, the Company issued 783,000 shares of its common stock to settle the contingent stock issuances relating to the December 2004 acquisitions. The shares were valued at $0.72 per share. The aggregate consideration was $562,250.

At various times during the year, the Company issued 467,064 shares of its common stock to settle legal disputes against the Company. The shares were valued at $0.50 per share. Accordingly, stock based compensation in the amount of $311,657 was recorded.

The Company used 4,153 shares for interest relating to the conversion of its convertible promissory notes.

NOTE P - INCOME TAXES

The Company has not elected as at December 31, 2005, to file a consolidated Federal income tax return. Accordingly, the only carryforward losses available to the Company are losses incurred in the parent corporation, Heartland, Inc., aggregating approximately $450,000 to offset future tax liabilities of the parent corporation. This net operating loss expires in 2019.

Temporary differences which give rise to deferred taxes are summarized as follows for the year ended December 31, 2005:

Timing difference relating to the payment of taxes due to differences in tax and financial reporting fiscal year ends	$	408,003
Net operating loss and other carry forwards		135,000
Valuation allowance		(135,000)
Net deferred tax	$	408,003

The parent company has recorded a full valuation allowance to reflect the estimated amount of deferred tax assets that may not be realized since the generation of future taxable income is not assured beyond a reasonable doubt.

There is no difference between the effective income tax rates for deferred income taxes from the statutory Federal income tax rate.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE Q - OPERATING SEGMENTS

The Company presently organizes its business units into three reportable segments: steel fabrication, manufacturing and construction, and property management. The steel fabrication segment focuses on the fabrication of metal products. The manufacturing segment manufactures steel drums and also manufactures products for the heavy machinery industry. The construction and property management segment builds custom residential homes in the State of Minnesota and functions as a general contractor in the greater St. Paul and Minneapolis, Minnesota area. It also owns and manages industrial property in Ohio.

The Company's reportable business segments are strategic business units that offer different products and services. Each segment is managed separately because they require different technologies and market to different classes of customers.

		Reportable Segments			
Year ended December 31, 2005:	Parent Company	Steel Fabrication	Manufacturing	Construction and Property Management	Total
REVENUES (there are no inter-segment revenues)		$ 7,764,997	$ 9,384,192	$ 23,525,525	$ 40,674,714
NET INCOME (LOSS)	$ (5,095,008)	682,977	177,778	(376,252)	(4,610,505)
TOTAL ASSETS	11,604,362	3,486,987	2,362,399	11,835,415	29,289,163
OTHER SIGNIFICANT ITEMS					
Depreciation expense		23,738	93,662	63,575	180,975
Interest expense	722,395	40,460	67,999	27,913	858,767
Expenditures for assets					

		Reportable Segments			
Year ended December 31, 2004:	Parent Company	Steel Fabrication	Manufacturing	Construction and Property Management	Total
		$ 7,389,064			$ 7,389,064

REVENUES (there are no inter-segment revenues)			
NET INCOME (LOSS)	$ (476,129)	72,460	(403,669)
TOTAL ASSETS	380,594	2,646,848	3,027,442
OTHER SIGNIFICANT ITEMS			
Depreciation expense		21,729	21,729
Interest expense	18,886	5,256	24,142
Expenditures for assets		56,776	56,776

NOTE R - COMMITMENTS AND CONTINGENCIES

In June of 2004, an individual, in an exchange for 200,000 shares of the Company's stock and the assumption of a note for $150,000, transferred four parcels of land to the Company with an appraised value of $600,000. (See Note K) One of the parcels was given as collateral to the Internal Revenue Service for unpaid payroll taxes relating to the Mound Technologies acquisition in 2003.

A subsidiary of the Company leases its manufacturing facility from a related party. The lease calls for monthly lease payments of $20,000 and expires on September 30, 2007. Renewal options are for four terms of five years each. The subsidiary has guaranteed the related party's obligation under its mortgage obligation on the facility. Management believes that the value of the premises pledged as collateral for the guaranteed obligation are in excess of any future amount of the payments that may be required pursuant to the terms of the guarantee. Minimum future lease payments under the lease are as follows:

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE R - COMMITMENTS AND CONTINGENCIES (CONTINUED)

For the Years Ending December 31,	Amount
2006	$ 27,136
2007	27,648
2008	28,160
2009	28,672
Total	$ 111,616

Three of the facilities are rented on a month to month basis from stockholders of the Company. Rent expense amounted to $280,082 and $522,782 for the years ended December 31, 2005 and 2004, respectively.

The Company is obligated under the terms of a lease dated February 25, 2005 with the Receivership of Mound Properties, LP in Springboro, Ohio owned by a related party on behalf of Mound for a month to month term beginning January 2005 at a monthly rent of $16,250. Each party has the right to terminate this lease with 30 days notice. Under the terms of the lease, the Company is responsible for utilities, personal property taxes, and repairs and maintenance.

The Company is also obligated under the terms of a five year lease terminating December 31, 2009 in Plymouth, Minnesota for annual rents of $26,624, $27,136, $27,648, $28,160 and $28,672, respectively. Under the terms of the lease the Company is responsible for a pro rata share of real estate taxes and operating expenses as additional rental.

As indicated in Note C - Acquisitions, the Company is liable for interest and promissory notes if not paid by due dates and additional shares of stock if the common stock of the Company is not trading at minimum share prices in the future.

NOTE S - RESTATEMENT - 2004

The financial statements for 2004 have been restated in order to account for the issuance of 1,256,000 shares of common stock in exchange for all the issued and outstanding shares of Mound as a capital transaction equivalent to the issuance of stock by Mound for the net monetary assets of the Company accompanied by a recapitalization. Accordingly no goodwill was recorded and the accumulated deficit of the Company after the transaction is equal to the accumulated deficit of Mound. The accumulated deficit of the Company at the date of acquisition was eliminated with an offsetting entry to additional paid-in capital.

The consolidated statement of operations for the year ended December 31, 2004 has been restated to eliminate sales and expenses for the three acquisitions referred to in Note C showing instead this information separately in Note C.

HEARTLAND, INC. AND SUBSIDIARIES
(Formerly International Wireless, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005

NOTE S - RESTATEMENT - 2004 (CONTINUED)

The Balance Sheet at December 31, 2005 has been restated to reflect the additional contingent shares that would be required to be issued at December 31, 2005 should the shares issued at December 31, 2005 not reach minimum trading values at that date. (See Note C). The effect of this was to increase paid-in capital and goodwill by $7,504,510 at December 31, 2004.

NOTE T - SUBSEQUENT EVENTS

On March 15, 2006, Mundus Environmental Products, Inc. (“Mundus”), a consolidated VIE (“Twin Hills”) (See Note D) entered into an agreement to acquire Twin Hills Acquisitions and Twin Hills Collectibles, companies engaged in the business of NASCAR Collectibles, in exchange for 1,333,000 newly issued shares of Mundus and a non-interest bearing promissory note for $75,000 payable within two years. If the common stock of Mundus is not selling for at least $2.50, 30 days prior to the expiration of the two year period, the Company is required to repurchase up to 100% of 1,000,000 of the shares. At January 31, 2006 Twin Hills had current assets of $1,708,031, total assets of $2,028,849, current liabilities of $1,863,770, total liabilities of $1,866,327 and retained earnings of $296,616. Unaudited operating results for the year ended January 31, 2006 reflected a loss of $233,698.

At May 19, 2006, Ron Evans, former owner of Evans Columbus, LLC has advised the Company he intends to rescind the original agreement because the Company has not fulfilled its contractual obligations. This matter is presently under negotiation.

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ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 8A. <u>Controls and Procedures</u>

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal controls over financial reporting. The Company's internal control system over financial reporting is a process designed under the supervision of the Company's chief executive officer and chief financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions.

As of the end of the period covered by this report, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. This evaluation was done under the supervision and with the participation of our principal executive officer and principal financial officer. Based on their evaluation of our disclosure controls and procedures (as defined in the Exchange Act Rule 13a-15e), our principal executive officer and principal financial officer have concluded that during the period covered by this report, such disclosure controls and procedures were not effective to detect the inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of our internal control over financial reporting that adversely affected our disclosure controls and that may be considered to be "material weaknesses." The Public Company Accounting Oversight Board has defined a material weakness as a "significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected."

We identified deficiencies in our internal controls and disclosure controls related to the accounting of our acquisitions.

As a result of the identification of the misapplication of US GAAP rules, our management has concluded that, as of December 31, 2005, our internal control over financial reporting was not effective.

Remediation of Material Weaknesses

We have formulated a program to remedy the material weaknesses identified above. In the first phase of the program, to be implemented during the second and third quarters of 2006, we intend to hire a Chief Financial Officer, a Controller and a Senior Accountant to augment our accounting, financial reporting and financial control function in our finance department.

In the second phase of the program, we expect to increase our auditor's review work quarterly, as well as, increase the areas reviewed and discussed with the audit committee and auditors beforehand, on any changes in accounting principles or revenue or expense recognition.

Changes in Internal Control Over Financial Reporting

Except as set forth above, there have been no changes in our internal control over financial reporting that occurred during the year ended December 31, 2005 that have materially affected, or are reasonably likely to materially affect,

our internal control over financial reporting.

Item 8B. Other Information

None.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS: COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

The directors and officers of our Company and its subsidiaries, as of October 12, 2005, are set forth below. The directors hold office for their respective term and until their successors are duly elected and qualified. Vacancies in the existing Board are filled by a majority vote of the remaining directors. The officers serve at the will of the Board of Directors.

Name	Age	With Company Since	Director/Position
Trent Sommerville	39	12/2003	Chief Executive Officer, Chairman of the Board, and Director
Jerry Gruenbaum	51	01/2001	Secretary, General Counsel and Director
Kenneth B. Farris	46	01/2004	Director

MR. TRENT SOMMERVILLE - CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE BOARD

Mr. Sommerville was elected as Director, Chairman of the Board and appointed as our Chief Executive Officer in December 1, 2003. Mr. Sommerville attended Perkingston College. Mr. Sommerville worked at Anjet where he obtained NASD Series 22 and Series 63 licenses. Following his experience there, Mr. Sommerville started IGE Capital where he has been actively involved in many venture capital opportunities including FYBX Corporation, Cyber Operations, Way Cool 3D, and PMI Wireless.

JERRY GRUENBAUM - CORPRATE SECRETARY, GENERAL COUNSEL AND DIRECTOR

Mr. Gruenbaum is our Corporate Secretary, General Counsel, and member of our Board of Directors. He was appointed as our Corporate Secretary and General Counsel in December 2001 and was elected to our board on November 12, 2003. He has been admitted to practice law since 1979 and is a licensed attorney in various states including the State of Connecticut where he maintains his practice as a member of SEC Attorneys, LLC, specializing in Securities Law, Mergers and Acquisitions, Corporate Law, Tax Law, International Law and Franchise Law. He is the CEO of a licensed brokerage firm in Westport, Connecticut where he maintains a Series 7, 24, 27 63 and 65 licenses. He is a former President and Chairman of the Board of Directors of a multinational publicly-traded company with operations in Hong Kong and the Netherlands. He previously worked for the tax departments for Peat Marwick Mitchell & Co. (now KPMG Peat Marwick LLP) and Arthur Anderson & Co. He has served as Compliance Director for CIGNA Securities, a division of CIGNA Insurance. He has lectured and taught at various Universities throughout the United States in the areas of Industrial and financial Accounting, taxation, business law, and investments. Attorney Gruenbaum graduated with a B.S. degree from Brooklyn College - C.U.N.Y. Brooklyn, New York; has a M.S. degree in Accounting from Northeastern University Graduate School of Professional Accounting, Boston, Massachusetts; has a J.D. degree from Western New England College School of Law, Springfield, Massachusetts; and an LL.M. in Tax Law from the University of Miami School of Law, Coral Gables, Florida.

DR. KENNETH B. FARRIS - DIRECTOR

Dr. Farris was appointed a director of our Company on January 8, 2004. Dr. Farris, a resident of New Orleans, Louisiana is a graduate of Tulane University's School of Medicine where he received his MD and MPH degrees in1975. He is a graduate of Carnegie-Mellon University where he received his BS degree in 1971. Dr. Farris is board certified in Pathology. He has been teaching at Tulane University School of Medicine since 1975 where he has received numerous awards for outstanding teaching. Since 1991 he has held the position of Clinical Associate Professor, Department of Pathology and Clinical Associate Professor Department of Pediatrics. In addition, Dr Ferris holds the position of Director of Pathology at West Jefferson Medical Center in Marrero, Louisiana, and Medical Director, Laboratory at Pendleton Memorial Methodist Hospital. Dr. Farris is a member of various medical societies and has published extensively. Among his many accomplishments in his field, as of 1982 he holds the position of Laboratory Accreditation Program Inspector for the College of American Pathologists. He is a founding member and past President of the Greater New Orleans Pathology Society. He is currently a Delegate to the House of Delegates to the American Medical Association. He has held various positions including past President, Speaker to the House of Delegates, member of the Board of Governors and a current Delegate to the House of Delegates to the Louisiana State Medical Society. He has held the position of President, Vice President, Secretary and Treasurer for the Tulane Medical Alumni Association. He is a former Drug Control Crew Chief to the United States Olympic Committee.

Our bylaws currently provide for a board of directors comprised of such number as is determined by the Board.

FAMILY RELATIONSHIPS

None.

BOARD COMMITTEES

We currently have no compensation committee, audit committee or other board committee performing equivalent functions. Currently, all members of our board of directors participate in all discussions concerning the company.

LEGAL PROCEEDINGS

No officer, director, or persons nominated for such positions, promoter or significant employee has been involved in legal proceedings that would be material to an evaluation of our management.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and persons who own more then 10 percent of our Common Stock, to file with the SEC the initial reports of ownership and reports of changes in ownership of common stock. Officers, directors and greater than 10 percent stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

Specific due dates for such reports have been established by the Commission and we are required to disclose any failure to file reports. Except as otherwise set forth herein, based solely on review of the copies of such forms furnished to us, or written representations that no reports were required, we believe that to date all required forms have been filed, and that there was no failure to comply with Section 16(a) filing requirements applicable to our officers, directors and ten percent stockholders.

CODE OF ETHICS

Because we are an early stage company with limited resources, we have not yet adopted a "code of ethics", as defined by the SEC, that applies to the Company's Chief Executive Officer, Chief Financial Officer, principal accounting

officer or controller and persons performing similar functions. We are in the process of drafting and adopting a Code of Ethics

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ITEM 10. EXECUTIVE COMPENSATION

The following table provides summary information for the years 2003, 2004 and 2005 concerning cash and noncash compensation paid or accrued by us to or on behalf of the president and the only other employee(s) to receive compensation in excess of $100,000.

SUMMARY COMPENSATION TABLE

Name/ Position	Year	Salary	Bonus	Stock	Other	Total
Trent Sommerville	2005	$ 205,000	$ 0	$ 690,000	$ 0	$ 895,000
Chairman and CEO	2004	$ 164,976	$ 0	$ 0	$ 0	$ 164,976
	2003	$ 0	$ 0	$ 0	$ 0	$ 0
Jerry Gruenbaum	2005	$ 25,000	$ 0		$ $0	$ 25,000
Secretary, General Counsel	2004	$ 109,500	$ 0	$ 25,000	$ 0	$ 134,500
	2003	$ 0	$ 0	$ 0	$ 0	$ 0

COMPENSATION AGREEMENTS

The Company has no employment agreement with employees and officers of the company as of this date.

No other annual compensation, including a bonus or other form of compensation; and no long-term compensation, including restricted stock awards, securities underlying options, LTIP payouts, or other form of compensation, were paid to these individuals during this period.

BOARD COMPENSATION

Members of our Board of Directors do not receive cash compensation for their services as Directors, although some Directors are reimbursed for reasonable expenses incurred in attending Board or committee meetings. All corporate actions are conducted by unanimous written consent of the Board of Directors.

STOCK OPTION PLAN

The Company has no Stock Option Plan as of this date.

WARRANTS

The Company has no Warrants outstanding as of this date.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of October 12, 2005, information with respect to the beneficial ownership of the Company's Common Stock by (i) each person known by the Company to own beneficially 5% or more of such stock, (ii) each Director of the Company who owns any Common Stock, and (iii) all Directors and Officers as a group, together with their percentage of beneficial holdings of the outstanding shares.

The information presented below regarding beneficial ownership of our voting securities has been presented in accordance with the rules of the Securities and Exchange Commission and is not necessarily indicative of ownership for any other purpose. Under these rules, a person is deemed to be a "beneficial owner" of a security if that person has

or shares the power to vote or direct the voting of the security or the power to dispose or direct the disposition of the security. A person is deemed to own beneficially any security as to which such person has the right to acquire sole or shared voting or investment power within 60 days through the conversion or exercise of any convertible security, warrant, option or other right. More than one person may be deemed to be a beneficial owner of the same securities. The percentage of beneficial ownership by any person as of a particular date is calculated by dividing the number of shares beneficially owned by such person, which includes the number of shares as to which such person has the right to acquire voting or investment power within 60 days, by the sum of the number of shares outstanding as of such date plus the number of shares as to which such person has the right to acquire voting or investment power within 60 days. Consequently, the denominator used for calculating such percentage may be different for each beneficial owner. Except as otherwise indicated below and under applicable community property laws, we believe that the beneficial owners of our common stock listed below have sole voting and investment power with respect to the shares shown.

SECURITY OWNERSHIP OF BENEFICIAL OWNERS (1):

Title of Class	Name	Shares	Percent
Common Stock	The Good One Inc.	1,700,000(2)	6.77%
	Lavonne Adams	1,155,000	4.60%
	John Zavoral	1,125,000	4.48%
	First Union Venture Group, LLC	1,500,000(3)	5.97%

SECURITY OWNERSHIP OF MANAGEMENT:

Title of Class	Name	Shares	Percent
Common Stock	Trent Sommerville	4,500,100	17.91%
	Jerry Gruenbaum	1,000,000(4)	3.98%
	Kenneth B. Farris	50,000	0.20%
	Thomas Miller	1,200,000	4.78%
All Directors and Executive Officers as a group (4 persons)		6,750,100	26.86%

(1) These tables are based upon 25,128,858 shares outstanding as of May 17, 2006 and information derived from our stock records. Unless otherwise indicated in the footnotes to these tables and subject to community property laws where applicable, we believes unless otherwise noted that each of the shareholders named in this table has sole or shared voting and investment power with respect to the shares indicated as beneficially owned. For purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares which such person has the right to acquire within 60 days as of October 12, 2005. For purposes of computing the percentage of outstanding shares held by each person or group of persons named above on October 12, 2005 any security which such person or group of persons has the right to acquire within 60 days after such date is deemed to be outstanding for the purpose of computing the percentage ownership for such person or persons, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

(2) The Good One, Inc. owns 1,500,000 directly and 200,000 indirectly through its sole shareholder June Stevens.

(3) First Union Venture Group, LLC is owned one half by Atty. Jerry Gruenbaum, Secretary, General Counsel and Director of the Company and one half by another individual who is not related to Atty. Gruenbaum or under his control. In addition Jerry Gruenbaum owns 500,000 shares in his own name.

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(4) Jerry Gruenbaum holds 500,000 shares as a result of a 50% interest in First Union Venture Group, LLC. and 500,000 directly in his own name.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

No director, executive officer or nominee for election as a director of our company, and no owner of five percent or more of our outstanding shares or any member of their immediate family has entered into or proposed any transaction in which the amount involved exceeds $60,000 except as set forth below.

Our management is involved in other business activities and may, in the future become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between our business and their other business interests. We have not and do not intend in the future to formulate a policy for the resolution of such conflicts.

In Springboro, Ohio we lease approximately 39,000 square feet on a month to month lease for $8,500 per month from a major shareholder of our company. The facilities include 34,000 square feet which is used for manufacturing and 5,000 square feet for office space. The space is used by Mound.

In Columbus, Ohio we lease approximately 70,000 square feet on a five (5) year term from January 1, 2002 through December 31, 2007 for $20,000 per month from Par Investments, a company related to the president of Evans. The facilities include approximately 67,000 square feet for manufacturing and 3,000 square feet for offices. The space is used by Evans.

In Ramsey, Minnesota we lease approximately 3,000 square feet on a month to month lease for $7,000 per month from Brad Fritch, the President of Monarch. The facilities include approximately 1,800 square feet of office space and 1,200 square feet for storage. The space is used by Monarch.

In St. Louis Park, Minnesota we lease approximately 6,975 square feet on a 63 month lease beginning January 1, 2005. The facilities are used as offices for our Karkela employees. The lessor is Larry Karkela, the President of the Karkela subsidiary. The lease required an initial security deposit of $5,356. We pay our proportionate share of utilities and real estate tax based upon our percentage of occupancy which is 60.1%.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

Exhibit Number	Document Description
3.1	Certificate of Incorporation of Origin Investment Group, Inc. as filed with the Maryland Secretary of State on April 6, 1999, incorporated by reference to the Company's Registration Statement on Form 10-KSB filed with the Securities and Exchange Commission on August 16, 1999.
3.2	Amended Certificate of Incorporation of International Wireless, Inc. as filed with the Maryland Secretary of State on June 12, 2003, incorporated by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 12, 2003.
3.3	

	Amended Certificate of Incorporation of International Wireless, Inc. to change name to Heartland, Inc. as filed with the Maryland Secretary of State on June 12, 2003, incorporated by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 15, 2004.
3.4	Bylaws of Origin Investment Group, Inc., incorporated by reference to the Company's Registration Statement on Form 10-SB filed with the Securities and Exchange Commission on August 16, 1999.

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10.1	Acquisition Agreement between Evans Columbus, LLS (“Evans”) and Heartland to acquire Evans dated December 30, 2004, incorporated by reference to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on January 4, 2005.
10.2	Acquisition Agreement between Karkela Construction, Inc. (“Karkela”) and Heartland to acquire Karkela dated December 31, 2004, incorporated by reference to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on January 6, 2005.
10.3	Acquisition Agreement between Monarch Homes, Inc. (“Monarch”) and Heartland to acquire Monarch dated December 30, 2004, incorporated by reference to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on January 4, 2005.
10.4	Acquisition Agreement between Persinger’s Equipment, Inc. (“Persinger”) and Heartland to acquire Persinger dated July 14, 2005, incorporated by reference to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on August 3, 2005.
10.5	Acquisition Agreement between Lee Oil Company, Inc. (“Lee Oil”) and Heartland to acquire Lee Oil dated August 3, 2005, incorporated by reference to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on September 22, 2005.
10.6	Acquisition Agreement between Ney Oil Company (“Ney Oil”) and Heartland to acquire Persinger dated September 12, 2005, incorporated by reference to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on September 22, 2005.
10.7	Acquisition Agreement between Shultz Oil Company, Inc. (“Schultz”) and Heartland to acquire Schultz dated September 21, 2005, incorporated by reference to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on September 27, 2005.
10.8	Letter of Intent between NKR, Inc. d.b.a. Ohio Valley Lumber (“Ohio Valley Lumber”) and Heartland to acquire Ohio Valley Lumber dated September 12, 2005, incorporated by reference to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on September 27, 2005.
31.1	Certification of Chief Executive Officer and the Principal Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act.
32.1	Certification of Chief Executive Officer and the Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth fees billed to us by our auditors during the fiscal years ended December 31, 2004 and December 31, 2003 for: (i) services rendered for the audit of our annual financial statements and the review of our quarterly financial statements, (ii) services by our auditor that are reasonably related to the performance of the audit or review of our financial statements and that are not reported as Audit Fees, (iii) services rendered in connection with tax compliance, tax advice and tax planning, and (iv) all other fees for services rendered.

(i) Audit Fees

FIRM	FISCAL YEAR 2005	FISCAL YEAR 2004
Meyler & Company, LLC	$190,000	$ 100,000

(ii) Audit Related Fees

None

(iii) Tax Fees

None

(iv) All Other Fees

None

TOTAL FEES

FIRM	FISCAL YEAR 2005	FISCAL YEAR 2004
Meyler & Company, LLC	$190,000	$ 100,000

AUDITFEES.	Consists of fees billed for professional services rendered for the audit of our consolidated financial statements and review of the interim consolidated financial statements included in quarterly reports and services that are normally provided in connection with statutory and regulatory filings or engagements.
AUDIT-RELATED FEES.	Consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under "Audit Fees." There were no Audit-Related services provided in fiscal 2004 or 2003.
TAX FEES.	Consists of fees billed for professional services for tax compliance, tax advice and tax planning.
ALL OTHER FEES.	Consists of fees for products and services other than the services reported above.

POLICY ON AUDIT COMMITTEE PRE-APPROVAL OF AUDIT AND PERMISSIBLE NON-AUDIT SERVICES OF INDEPENDENT AUDITORS

The Company currently does not have a designated Audit Committee, and accordingly, the Company's Board of Directors' policy is to pre-approve all audit and permissible non-audit services provided by the independent auditors. These services may include audit services, audit-related services, and tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent auditors and management are required to periodically report to the Company's Board of Directors regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date. The Board of Directors may also pre-approve particular services on a case-by-case basis.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

HEARTLAND INC.
(Registrant)

Date: May 19, 2006

By: /s/Trent Sommerville
Trent Sommerville
Chief Executive Officer, Principal
Financial Officer and
Chairman of the Board

Date: May 19, 2006

By: /s/ Jerry Gruenbaum,
Esq.
Jerry Gruenbaum, Esq.
Secretary and Director

Date: May 19, 2006

By: /s/ Dr. Kenneth B. Farris
Dr. Kenneth B. Farris
Director

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	NAME	TITLE	DATE
/s/Trent Sommerville	Trent Sommerville	CEO, Principal Financial Officer & Chairman of the Board	May 19, 2006
/s/ Jerry Gruenbaum	Jerry Gruenbaum	Secretary & Director	May 19, 2006
/s/ Kenneth B. Farris	Kenneth B. Farris	Director	May 19, 2006