

HEARTLAND, INC.
Form 8-K/A
June 30, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: **December 31, 2004**

(Date of earliest event reported)

HEARTLAND, INC.

(Exact name of registrant as specified in its charter)

Maryland

000-27045

36-4286069

(State of Incorporation)

(Commission File Number)

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

3300 Fernbrook Lane, Suite 180

Plymouth, Minnesota 55447

(Address of principal executive offices) (Zip Code)

(866) 838-0600

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

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

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

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

1

SECTION 2 FINANCIAL INFORMATION

Item 2.01 Completion of Acquisition or Disposition of Assets.

FORWARD-LOOKING STATEMENTS. This current 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 Registrant (Heartland, Inc., a Maryland corporation, and its subsidiaries) 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 limitation; 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 Registrant'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.

On December 31, 2004, the Registrant acquired Karkela Construction, Inc. a Minnesota corporation (hereinafter "Karkela") for Three Million (\$3,000,000) Dollars, payable:

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1. One Hundred Thousand (\$100,000) Dollars in certified funds, which was paid at the closing.
2. A short term Promissory Note for Fifty Thousand (\$50,000) dollars payable on or before January 31, 2005.
3. A Promissory Note for One Million Three Hundred Fifty Thousand (\$1,350,000) dollars payable on or before March 31, 2005, which if not paid by that date, interest shall be due from December 31, 2004 to actual payment at eight percent (8%) simple interest compounded annually.
4. Five-hundred thousand (500,000) shares of common stock of the Registrant which was issued to Larry W. Karkela, a Minnesota resident, the seller at closing. Should the common stock of the Registrant shall not be trading at a minimum of Four Dollars (\$4.00) per share per share twelve (12) months after the December 31, 2004 date of closing, then the seller shall be compensated for the difference in additional stock.

Karkela (www.karkela.com), a profitable company with annual sales of around 12 million US Dollars, was originally founded in 1983 and incorporated in 1990. Karkela is located at 3280 Gorham Avenue South, St. Louis Park, Minnesota, a suburb of the greater Minneapolis - St. Paul Area, in a 4,000 square foot which along with additional storage space, it leases from Larry W. Karkela at \$4,898 per month.

Karkela is a general contractor in the greater St. Paul - Minneapolis, Minnesota area specializing in the commercial and industrial space. It has over the years has further specialized in constructing facilities for the medical and dental industry.

2

SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits.

Financial Statements:

On or about December 31, 2004 the Registrant submitted Form 8K describing the acquisition of Karkela Construction, Inc. a Minnesota corporation, with its corporate headquarters located in St. Louis, Minnesota.

The audited financial statements were not available at the time of the initial filing on Form 8K are provided in this Form 8K-A.

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(a) Financial Statements of Business Acquired

Page

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM 1

KARKELA CONSTRUCTION, INC. FINANCIAL STATEMENTS DECEMBER 31, 2004

Balance Sheet 2

Statement of Operations and Retained Earning 3

Statement of Cash Flows 4

NOTES TO FINANCIAL STATEMENTS 5

(b) Pro Forma Financial Information.

Pro forma Consolidated Balance Sheet as of December 31, 2004. 11

3

MEYLER & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

ONE ARIN PARK

1715 HIGHWAY 35

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MIDDLETOWN, NJ 07748

Report of Independent Registered Public Accounting Firm

To the Board of Directors

Heartland, Inc.

Plymouth, MN

We have audited the accompanying balance sheet of Karkela Construction, Inc. as of December 31, 2004 and the related statements of operations and retained earnings, and cash flows for the year ended December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2004, and the results of its operations and its cash flows for the year ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

/s/ Meyler & Company, LLC

Middletown, NJ

March 20, 2005

KARKELA CONSTRUCTION, INC.

BALANCE SHEET

December 31, 2004

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	193,421
Accounts receivable net of allowance for doubtful accounts of \$230,083		1,446,951
Costs in excess of billings on uncompleted contracts		73,897
Prepaid expenses and other		73,086
Total Current Assets		1,787,355

PROPERTY, PLANT AND EQUIPMENT, net of accumulated

depreciation of \$49,382		35,944
Total Assets	\$	1,823,299

LIABILITIES AND STOCKHOLDER S EQUITY

CURRENT LIABILITIES

Accounts payable	\$	936,975
Obligation to related party		200,000
Billings in excess of costs on uncompleted contracts		144,437
Deferred income taxes		43,637
Total Current Liabilities		1,325,049

STOCKHOLDER S EQUITY

Common stock, \$0.10 par value, 200,000 shares authorized, 1,000 shares issued and outstanding		100
Additional paid-in capital		900
Retained Earnings		497,250
Total Stockholder s Equity		498,250
Total Liabilities and Stockholder s Equity	\$	1,823,299

See accompanying notes to financial statements.

5

KARKELA CONSTRUCTION, INC.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

For the Year Ended December 31, 2004

REVENUE - SALES	\$11,783,566	
COSTS AND EXPENSES		
Cost of goods sold	11,041,924	
Selling, general and administrative expenses	402,212	
Depreciation and amortization	31,913	
Total Costs and Expenses	11,476,049	
NET OPERATING INCOME	307,517	
OTHER EXPENSE		
Loss on disposal of equipment	(14,986)
INCOME BEFORE INCOME TAXES	292,531	
PROVISION FOR INCOME TAXES	84,170	
NET INCOME	208,361	
RETAINED EARNINGS Beginning of year	488,889	
DIVIDENDS/DISTRIBUTIONS	(200,000)
RETAINED EARNINGS End of year	\$ 497,250	
NET LOSS PER COMMON SHARE		
Basic and fully diluted	\$ 208.36	
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		

Basic and fully diluted

1,000

See accompanying notes to financial statements.

6

KARKELA CONSTRUCTION, INC.**STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$	208,361	
Adjustments to reconcile net income to cash flows provided by operating activities:			
Loss on disposal of equipment		14,986	
Depreciation and amortization		31,913	
Changes in assets and liabilities:			
Decrease in accounts receivable		546,386	
Decrease in costs in excess of billings on uncompleted contracts		63,450	
Increase in prepaid expenses and other		(17,498))
Increase in advances to related party		143,434	
Decrease in accounts payable		(599,882))
Decrease in accrued expenses		(23,752))
Decrease in billings in excess of costs on uncompleted contracts		(68,990))
Increase in deferred income taxes		43,637	
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		342,045	

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CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds on disposition of property, plant, and equipment	31,937	
Payments for purchase of property, plant, and equipment	(13,895)
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	18,042	