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FIRST NATIONAL PANEL COMPANY INC
FINANCIAL STATEMENTS
September 30, 2006

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Cardona and Associates, Ltd.
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Fridley MN 55432
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FIRST NATIONAL PANEL COMPANY INC
13290 NEWLANDER AVE
LINDSTROM, MN 55045

ACCOUNTANTS' REPORT
ON COMPILATION OF FINANCIAL STATEMENTS

We have compiled the accompanying balance sheet of FIRST NATIONAL PANEL COMPANY INC (a Corporation) as of September 30, 2006, and the related statements of income and retained earnings for the 1 Quarter then ended and the accompanying supplementary information, which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements or supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

We certify that these financial statements were prepared based upon the information provided by management and that these financial statements were prepared according to Generally Accepted Accounting Principles.

Cardona and Associates, Ltd.

November 16, 2006

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATIONS

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this Section and elsewhere in this report regarding matters that are not historical facts are forward-looking statements.

Because such forward-looking statements include risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. All statements, which address operating performance, events or developments that management expects or anticipated to occur in the future, including statements relating to sales and earnings growth are statements expressing general optimism about future operating results, are forward-looking statements. The forward-looking statements are based upon management's current views and assumptions regarding future events and operating performance. Many factors could cause actual results to differ materially from estimates contained within this Section and elsewhere in this report.

The Issuer operates a precast concrete manufacturing facility. The Issuer produces various concrete products that are used in commercial, residential building and development. In addition, the Issuer does a limited amount of development and property investment. The Issuer's products and business are described in depth on their corporate website www.fnpc.net. Investors, potential investors and current shareholders are urged to review the information contained on the Issuer's website as well as any available hardcopy information.

The financials were prepared based upon information provided by the Issuer. The Accounting Firm certifies that the Issuer provided the financial information used to complete the financial statements. The Issuer has had its financial statements prepared according to Generally Accepted Accounting Principles (GAAP) and the Issuer certifies the same.

FIRST NATIONAL PANEL COMPANY, INC.

BY: Ricci D. Null

President/CEO/Chairman

9/16/2006

FIRST NATIONAL PANEL COMPANY INC

Statement of Stockholders Equity
September 30, 2006

	Shares	Outstanding Stock Amount	Paid in Capital	Retained Earnings	Total Equity
Balance, December 31, 2005					
Preferred Stock	2,000,000	\$0			
Common Stock	16,925,377	\$556,705			
Total	18,925,377	\$556,705			(\$108,000)
Net Income (Loss) for 1st Quarter 2006					
Balance, March 31, 2006					
Preferred Stock	2,000,000	\$0			
* ** Common Stock	18,202,673	\$967,862			
Total	20,202,673	\$967,862			\$271,565
Net Income (Loss) for 2nd Quarter 2006					
Balance, June 30, 2006					
Preferred Stock	2,000,000	\$0			
Common Stock	18,202,673	\$967,862			
Total	20,202,673	\$967,862			\$231,936
Net Income (Loss) for 3rd Quarter 2006					
Balance, September 30, 2006					
Preferred Stock	2,000,000	\$0			
Common Stock	18,202,673	\$967,862			
Total	20,202,673	\$967,862			\$204,734

* Forward Split (1.010 for 1) of Issued and Outstanding Common Stock on February 3, 2006 with shareholders holding under 500 shares rounded up to 500 shares. CEDE is still awaiting final count.

** Debt Conversion \$411,157 for 1,000,000 shares of Common Stock on March 10, 2006

FIRST NATIONAL PANEL COMPANY INC
BALANCE SHEET
As of September 30, 2006

ASSETS

CURRENT ASSETS

Cash in Bank - Premier Business	\$ 38.18
Cash in Bank-Free Small Business	41.48
Deposit	2,000.00
inventory	<u>147,832.29</u>

Total Current Assets 149,911.92

PROPERTY AND EQUIPMENT

Office Equipment	18,218.72
Plant Equipment	480,975.39
Plant Furniture & Fixtures	19,554.00
Vehicles	8,000.00
Building	325,000.00
Land	75,000.00
Less: Accumulated Depreciation	<u>(85,370.00)</u>

Net Property and Equipment 859,378.11

TOTAL ASSETS \$ 1,018,990.03

NOV-15-2006 14:40

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P.04/07

FIRST NATIONAL PANEL COMPANY INC
BALANCE SHEET
As of September 30, 2006

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Accounts Payable - Trade	\$ 17,144.88
Note Payable	3,000.00
Note Payable	6,600.00
Note Payable	4,800.00
Note Payable	3,260.00
Accrued Interest	18,237.32
Accrued Income Taxes	100.00
FICA Withheld	1,657.51
Federal tax withheld	1,050.00
State Withholding	400.00
Federal Unemployment Taxes	58.00
Total Current Liabilities	<u>68,295.71</u>
LONG-TERM LIABILITIES	
Note Payable	75,000.00
Note Payable	60,376.83
Mortgage Payable	632,683.20
Total Long-Term Liabilities	<u>767,960.03</u>
Total Liabilities	<u>814,255.74</u>
STOCKHOLDERS' EQUITY	
Common Stock	967,862.75
Net Income(Loss)	-98,423.35
Retained Earnings	(664,705.11)
Total Stockholders' Equity	<u>204,734.29</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,018,990.03</u>

NOV-15-2006 14:40

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P.05/07

FIRST NATIONAL PANEL COMPANY INC
INCOME STATEMENT
For the 1 Quarter and 3 Quarters Ended September 30, 2006

	1 Quarter Ended September 30, 2006	%	3 Quarters Ended September 30, 2006	%
Sales				
Sales	\$ 0.00	0.00	\$ 8,350.00	100.00
Less Returns & Allowances	0.00	0.00	0.00	0.00
Total Sales	<u>0.00</u>	<u>0.00</u>	<u>8,350.00</u>	<u>100.00</u>
Cost of Goods Sold				
Purchases	0.00	0.00	3,423.50	41.00
Total Cost of Goods Sold	<u>0.00</u>	<u>0.00</u>	<u>3,423.50</u>	<u>41.00</u>
Gross Profit	<u>0.00</u>	<u>0.00</u>	<u>4,926.50</u>	<u>59.00</u>
Operating Expenses				
Office Supplies	34.06	0.00	973.44	11.66
Postage	0.00	0.00	219.62	2.63
Other Supplies	126.64	0.00	1,696.37	20.30
Rent	2,000.00	0.00	3,200.00	38.32
Internet Fees	0.00	0.00	221.22	2.66
Telephone	300.00	0.00	2,905.73	34.80
Utilities	0.00	0.00	1,016.63	12.16
Marketing/Promotion	0.00	0.00	1,078.64	12.92
Insurance - General	0.00	0.00	126.00	1.50
Licenses and Permits	0.00	0.00	36.60	0.47
Dues & Subscriptions	0.00	0.00	183.30	2.20
Books	0.00	0.00	117.03	1.40
Research & Development	0.00	0.00	12,000.00	143.71
News Release Fees	0.00	0.00	1,024.80	12.27
Fuel	164.97	0.00	2,499.66	29.94
Auto & Truck Expense	0.00	0.00	266.66	3.22
Depreciation	15,525.00	0.00	46,577.00	557.61
Hotel	0.00	0.00	1,016.26	12.16
Travel	0.00	0.00	2,073.44	24.83
Bank Charges	(20.70)	0.00	1,076.16	12.91
Prior Period Payroll Taxes	1,266.47	0.00	1,293.47	15.49
Total Operating Expenses	<u>19,416.64</u>	<u>0.00</u>	<u>79,606.12</u>	<u>953.39</u>
Operating Income (Loss)	<u>(19,416.64)</u>	<u>0.00</u>	<u>(74,681.62)</u>	<u>(894.39)</u>
Other Income/Expense				
Interest Expense	(7,786.44)	0.00	(23,741.73)	284.33
Total Other Income (Loss)	<u>(7,786.44)</u>	<u>0.00</u>	<u>(23,741.73)</u>	<u>(284.33)</u>
Net Income (Loss)	<u>\$ (27,203.08)</u>	<u>0.00</u>	<u>\$ (98,423.35)</u>	<u>(1,178.72)</u>

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NOV-15-2006 14:40

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P.06/07

FIRST NATIONAL PANEL COMPANY INC INCOME STATEMENT

	3 Quarters Ended September 30, 2006	3 Quarters Ended September 30, 2005
Sales		
Sales	\$ 8,350.00	\$ 0.00
Less: Returns & Allowances	<u>0.00</u>	<u>0.00</u>
Total Sales	<u>8,350.00</u>	<u>0.00</u>
Cost of Goods Sold		
Purchases	<u>3,423.50</u>	<u>0.00</u>
Total Cost of Goods Sold	<u>3,423.50</u>	<u>0.00</u>
Gross Profit	<u>4,926.50</u>	<u>0.00</u>
Operating Expenses		
Wages	0.00	10,533.34
Casual Labor	0.00	5,192.64
Office Supplies	973.44	2,496.01
Postage	219.82	68.56
Other Supplies	1,695.37	2,029.80
Rent	3,200.00	354.00
Equipment Rental	0.00	10,684.10
Shipping	0.00	9,808.50
Internet Fees	221.22	771.24
Telephone	2,905.73	953.19
Utilities	1,015.63	31.95
Repairs & Maintenance	0.00	2,852.90
Marketing/Promotion	1,076.94	30,785.35
Advertising	0.00	1,211.20
Insurance - General	125.00	0.00
Payroll Taxes	0.00	897.76
Licenses and Permits	39.50	560.75
Dues & Subscriptions	183.30	304.37
Books	117.03	69.36
Research & Development	12,000.00	0.00
Stock Subscription	0.00	2,513.64
News Release Fees	1,024.80	199.80
Fuel	2,499.58	1,536.28
Auto & Truck Expense	268.66	0.00
Depreciation	46,577.00	0.00
Laundry & Uniforms	0.00	298.10
Hotel	1,018.25	24,196.71
Travel	2,073.44	25,462.64
Bank Charges	1,078.15	401.20
Prior Period Payroll Taxes	<u>1,293.47</u>	<u>0.00</u>
Total Operating Expenses	<u>79,808.12</u>	<u>134,523.47</u>
Operating Income	<u>(74,881.62)</u>	<u>(134,523.47)</u>
Other Income/Expenses		
Interest Expense	<u>(23,741.73)</u>	<u>(9,199.17)</u>
Total Other Income	<u>(23,741.73)</u>	<u>(9,199.17)</u>
Net Income	<u>\$ (98,623.35)</u>	<u>\$ (143,722.64)</u>

See Accountants' Compilation Report

FIRST NATIONAL PANEL COMPANY INC
STATEMENT OF CASH FLOWS
For the 3 Quarters Ended September 30, 2006

	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	\$ (98,423.35)
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:	
Depreciation and Amortization	46,577.00
Losses (Gains) on sales of Fixed Assets	0.00
Decrease (Increase) in Operating Assets:	
Inventory	(27,532.28)
Other	(2,000.00)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	1,948.93
Accrued Liabilities	<u>35,577.32</u>
Total Adjustments	<u>54,570.98</u>
Net Cash Provided By (Used in) Operating Activities	(43,852.37)
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital Expenditures	(3,000.00)
Proceeds From Sale of Fixed Assets	<u>0.00</u>
Net Cash Provided By (Used in) Investing Activities	(3,000.00)
CASH FLOWS FROM FINANCING ACTIVITIES	
Notes Payable Borrowings	156,255.59
Notes Payable Repayments	(520,565.79)
Proceeds From Sale of Stock	<u>411,157.44</u>
Net Cash Provided By (Used in) Financing Activities	<u>46,857.24</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4.86
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>74.78</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 79.64</u>