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ANNUAL AUDITED REPORT FORM X-17A-5 PART III

SEC FILE NUMBER
8- 20153

NOV 28 2008

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Washington DC Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 10-1-2007 AND ENDING 9-30-2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: FIRST LINCOLN INVESTMENTS, INC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1701 South 17th Street, Suite 2B

(No. and Street)

Lincoln

Nebraska

68502

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Dana F. Cole & Company, LLP

(Name - if individual, state last, first, middle name)

1248 O Street, Suite 500

Lincoln

Nebraska

68508

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

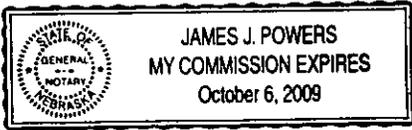
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Michael J. Rooney, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of First Lincoln Investments, Inc., as of September 30, 2008, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



James J. Powers
Notary Public

Signature: Michael J. Rooney
Title: President

This report ** contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

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FIRST LINCOLN INVESTMENTS, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

DANA F. COLE & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

FIRST LINCOLN INVESTMENTS, INC.
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DANA F. COLE & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS
1248 O STREET, SUITE 500
LINCOLN, NEBRASKA 68508

INDEPENDENT AUDITORS' REPORT

Board of Directors
First Lincoln Investments, Inc.
Lincoln, Nebraska

We have audited the accompanying statement of financial condition of First Lincoln Investments, Inc. as of September 30, 2008, and the related statements of income, changes in stockholder's equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. 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 auditing standards generally accepted in the United States of America. 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 First Lincoln Investments, Inc. as of September 30, 2008, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information on pages 11 through 12 are presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dana F. Cole + Company, LLP

Lincoln, Nebraska
November 25, 2008

FIRST LINCOLN INVESTMENTS, INC.
STATEMENT OF FINANCIAL CONDITION
SEPTEMBER 30, 2008

ASSETS

CURRENT ASSETS	
Cash in bank	17,065
Commissions receivable	14,459
Prepaid expenses	<u>288</u>
Total current assets	<u>31,812</u>
FURNITURE AND EQUIPMENT	
Office equipment	49,605
Less accumulated depreciation	<u>(44,945)</u>
Total furniture and equipment	<u>4,660</u>
OTHER ASSETS	
Deposit with clearing organization	<u>11,311</u>
TOTAL ASSETS	<u>47,783</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES	
Commissions payable	5,860
Payroll taxes payable	<u>295</u>
Total current liabilities	<u>6,155</u>
STOCKHOLDER'S EQUITY	
Capital stock - authorized 10,000 shares; \$1 par value common; 1,000 shares issued and outstanding	1,000
Additional paid-in capital	101,000
Retained earnings (deficit)	<u>(60,372)</u>
Total stockholder's equity	<u>41,628</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>47,783</u>

See accompanying notes to financial statements.

FIRST LINCOLN INVESTMENTS, INC.
STATEMENT OF INCOME
YEAR ENDED SEPTEMBER 30, 2008

REVENUES	
Commissions	165,526
Miscellaneous	<u>12,278</u>
Total revenues	<u>177,804</u>
EXPENSES	
Advertising	1,484
Commissions	89,467
Clearing	17,077
Correspondent fees	2,971
Depreciation	1,239
Donations	1,783
Dues and subscriptions	6,750
Insurance	3,342
Investment expense	2,360
Licensing	50
Miscellaneous	4,988
Postage	694
Professional fees	2,988
Quotation expense	13,813
Rent	15,921
Salaries	13,875
Supplies	3,987
Taxes	1,619
Telephone	<u>4,867</u>
Total expenses	<u>189,275</u>
INCOME FROM OPERATIONS	(11,471)
OTHER INCOME	
Interest income	<u>281</u>
NET INCOME	<u>(11,190)</u>

See accompanying notes to financial statements.

FIRST LINCOLN INVESTMENTS, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
YEAR ENDED SEPTEMBER 30, 2008

COMMON STOCK	
Balance at beginning of year	2,000
Reclassification of treasury stock	<u>(1,000)</u>
Balance at end of year	<u>1,000</u>
ADDITIONAL PAID-IN CAPITAL	
Balance at beginning of year	115,000
Reclassification of treasury stock	<u>(14,000)</u>
Balance at end of year	<u>101,000</u>
RETAINED EARNINGS (DEFICIT)	
Balance at beginning of year	(49,182)
Net income (deficit) for the year	<u>(11,190)</u>
Balance at end of year	<u>(60,372)</u>
TREASURY STOCK	
Balance at beginning of year	(15,000)
Reclassification of treasury stock	<u>15,000</u>
Balance at end of year	<u>- 0 -</u>
TOTAL STOCKHOLDER'S EQUITY	<u>41,628</u>

See accompanying notes to financial statements.

FIRST LINCOLN INVESTMENTS, INC.
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
YEAR ENDED SEPTEMBER 30, 2008

SUBORDINATED LIABILITIES, October 1, 2007	- 0 -
Increases	
None	- 0 -
Decreases	
None	<u>- 0 -</u>
SUBORDINATED LIABILITIES, September 30, 2008	<u>- 0 -</u>

See accompanying notes to financial statements.

FIRST LINCOLN INVESTMENTS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Commissions received	163,670
Miscellaneous receipts	12,278
Interest received	<u>281</u>
Cash provided by operating activities	<u>176,229</u>
Cash paid for salaries and commissions	104,078
Cash paid for operating expenses	<u>85,062</u>
Cash disbursed for operating activities	<u>189,140</u>
Net cash used in operating activities	<u>(12,911)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed asset	<u>(3,550)</u>
Net cash used in investing activities	<u>(3,550)</u>
NET DECREASE IN CASH	(16,461)
CASH, beginning of year	<u>33,526</u>
CASH, end of year	<u>17,065</u>

FIRST LINCOLN INVESTMENTS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2008

Reconciliation of Net Income to Net Cash
Used in Operating Activities

Net income	<u>(11,190)</u>
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation and amortization	1,239
(Increase) Decrease in:	
Commissions receivable	(1,856)
Prepaid expenses	192
Deposit with clearing organization	(281)
Increase (Decrease) in:	
Commissions payable	(736)
Payroll taxes payable	<u>(279)</u>
Total adjustments	<u>(1,721)</u>
Net cash used in operating activities	<u>(12,911)</u>

See accompanying notes to financial statements.

FIRST LINCOLN INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

First Lincoln Investments, Inc., (Company) is registered as a broker-dealer in securities under the Securities Exchange Act of 1934.

The Company is a small brokerage firm located in Lincoln, Nebraska, whose principal business activity is the trading of securities and mutual funds on behalf of clients. The Company's revenues are derived primarily from commission revenues from the trading of these securities and mutual funds.

Organization

First Lincoln Investments, Inc. is organized as a Corporation in the State of Nebraska.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At September 30, 2008, the Company had no cash equivalents.

Accounts Receivable

Accounts receivable have been adjusted for all known uncollectible accounts. No allowance for bad debts is considered necessary at year end.

Property and Equipment

Property and equipment are stated at cost. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

FIRST LINCOLN INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

The Company provides for depreciation of property and equipment using annual rates which are sufficient to amortize the cost of depreciable assets using the straight-line method over their estimated useful lives which range from five to seven years.

For federal and state income tax purposes, depreciation is computed under the modified accelerated cost recovery system.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due or refundable.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$1,484 for the year ended September 30, 2008.

NOTE 2. LEASES

The Company leases office space from The Sowers Club of Lincoln, Inc. The lease is a five-year lease expiring December 31, 2009.

The following is a schedule of future minimum rental payments required under the lease as of September 30, 2008:

2009	<u>3,917</u>
------	--------------

NOTE 3. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that members' equity may not be withdrawn if the resulting net capital ratio would exceed 10 to 1). At September 30, 2008, the Company had net capital of \$36,677, which was \$31,677 in excess of its required net capital. The Company's net capital ratio was 0.17 to 1.

FIRST LINCOLN INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4. PROVISION (BENEFIT) FOR (FROM) INCOME TAXES

The following are the Company's unused income tax net operating loss carryforwards available for deduction from taxable income in future years and their respective years of expiration.

<u>Year of Expiration</u>	<u>Operating Loss</u>
9-30-22	24,588
9-30-23	34,156
9-30-24	4,183
9-30-26	2,387
9-30-28	<u>11,190</u>
Total	<u>76,504</u>

Carryforwards which give rise to a deferred tax asset are as follows:

Deferred tax asset	19,126
Valuation allowance	<u>(19,126)</u>
Total deferred tax asset	<u>- 0 -</u>

ACCOMPANYING INFORMATION

FIRST LINCOLN INVESTMENTS, INC.
 COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1
 AS OF SEPTEMBER 30, 2008

NET CAPITAL	
Total stockholder's equity	<u>41,628</u>
Total stockholder's equity qualified for net capital	41,628
Deductions and/or charges	
A. Nonallowable assets	
Accounts receivable trails	3
Prepaid expenses	288
Furniture and equipment	<u>4,660</u>
Net capital before haircuts on securities positions	<u>36,677</u>
NET CAPITAL	<u>36,677</u>
AGGREGATE INDEBTEDNESS	
Items included in statement of financial condition	
Commissions payable	5,860
Payroll taxes payable	<u>295</u>
Total aggregate indebtedness	<u>6,155</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT	
Minimum net capital required	
Company	<u>5,000</u>
Excess net capital at 1500%	<u>31,677</u>
Excess net capital at 1000%	<u>36,061</u>
Ratio: Aggregate indebtedness to net capital	<u>.17 to 1</u>
RECONCILIATION WITH COMPANY'S COMPUTATION	
Net capital, as reported in Company's Part II (unaudited)	
FOCUS report	36,612
Adjustments	
Commissions receivable	12
Payroll taxes payable	<u>53</u>
Net capital per audited financial statements	<u>36,677</u>

FIRST LINCOLN INVESTMENTS, INC.
STATEMENT ON EXEMPTION UNDER SEC. RULE 15c3-3
AS OF SEPTEMBER 30, 2008

First Lincoln Investment, Inc. is exempt from rule 15c3-3 under its following rule section:

C(K)(2)(ii) - All customer transactions are cleared through another broker-dealer on a fully disclosed basis.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE REQUIRED BY SEC RULE 17a-5

Board of Directors
First Lincoln Investments, Inc.
Lincoln, Nebraska

In planning and performing our audit of the financial statements and supplemental schedules of First Lincoln Investments, Inc. (the Company), as of and for the year ended September 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts verifications, and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at September 30, 2008 to meet the SEC's objectives.

This report is intended solely for the information and use of management, the Securities and Exchange Commission, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Dana F Cole + Company, LLP

Lincoln, Nebraska
November 25, 2008