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

SEC Mail Processing  
Section

SEC FILE NUMBER
8- 39904

FEB 28 2012

FACING PAGE

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

Washington, DC

REPORT FOR THE PERIOD BEGINNING 01/01/11 AND ENDING 12/31/11  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: FIRST LONG ISLAND INVESTORS, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

ONE JERICHO PLAZA- SUITE 201

(No. and Street)

JERICHO

NEW YORK

11753

(City)

(State)

(Zip Code)

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

STEPHEN J. JUCHEM

(516) 935-1200

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

BERDON LLP

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

ONE JERICHO PLAZA

JERICHO

NY

11753

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

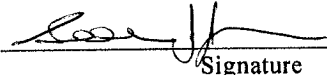
**FOR OFFICIAL USE ONLY**

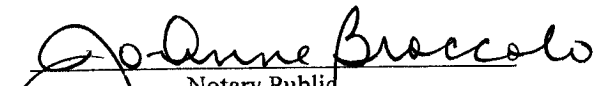
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, STEPHEN J. JUCHEM, 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 LONG ISLAND INVESTORS, LLC, as of DECEMBER 31, 20 11, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature  
Sr. V.P. & CFO  
Title

  
Notary Public

JO-ANNE BROCCOLO  
Notary Public, State of New York  
No. 4938754  
Qualified in Queens County  
Cert. Filed in Nassau County  
Commission Expires July 25, 2014

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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FEB 28 2012

Washington, DC  
110

**FIRST LONG ISLAND INVESTORS, LLC**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2011**



## INDEPENDENT AUDITORS' REPORT

To the Members of  
First Long Island Investors, LLC

We have audited the accompanying statement of financial condition of First Long Island Investors, LLC as of December 31, 2011 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement of financial position presents fairly, in all material respects, the financial position of First Long Island Investors, LLC as of December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants

Jericho, New York  
February 10, 2012

**FIRST LONG ISLAND INVESTORS, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2011**

**ASSETS**

Cash	\$ 311,604
Accounts receivable	194,250
Furniture and fixtures - at cost (net of accumulated depreciation of \$134,262)	134,151
Cash surrender value of key man life insurance	252,974
Investments in partnerships	<u>-</u>
	<u>\$ 892,979</u>

**LIABILITIES AND MEMBERS' EQUITY**

LIABILITIES AND ACCRUED EXPENSES	\$ 40,907
MEMBERS' EQUITY (Net of members' loans of \$13,894)	<u>852,072</u>
	<u>\$ 892,979</u>

The accompanying notes to statement of financial condition are an integral part of this statement.

# FIRST LONG ISLAND INVESTORS, LLC

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

First Long Island Investors, LLC (the "Company") was organized on August 1, 1998 under Delaware State Law. The Company is a diversified financial services firm rendering both investment management and advisory services and is registered with the United States Securities and Exchange Commission as an investment advisor under the Investment Advisors Act of 1940. In addition, the Company is registered as a broker/dealer with the United States Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA"). FINRA is the successor to the National Association of Securities Dealers.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus accounts receivable do not bear interest.

The Company makes judgments as to the collectability of accounts receivable based on historical trends and future expectations. Management estimates an allowance for doubtful accounts, which represents the collectability of accounts receivable. This allowance adjusts gross accounts receivable downward to its estimated net realizable value. To determine the allowance for doubtful accounts, management reviews specific customer risks and the Company's accounts receivable aging. Management considers accounts past due on a customer by customer basis. No allowance for doubtful accounts was provided as of December 31, 2011, as management believed that there were no material, additional, probable losses at that date.

#### (b) Investment in Partnerships

The Company has an equity interest in several limited partnerships, which are recorded at fair value. The Company was not required to make capital contributions into any of the partnerships and receives distributions only if the limited partners achieve certain returns. Accordingly, there were no distributions in 2011.

#### (c) Furniture and Fixtures

Furniture and fixtures is stated at cost. Depreciation is computed, using the straight-line method over the estimated useful lives of the assets, which ranges from five to seven years.

#### (d) Income Tax Policy

As a limited liability company, the Company has elected to be treated as a partnership under the provisions of the Internal Revenue Code (IRC). Under those provisions, the Company does not pay federal or state income taxes on its taxable income. Instead, the members are liable for individual federal and state income taxes on their respective share of the Company's taxable income.

Accounting principles generally accepted in the United States of America ("GAAP") requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are more-likely-than-not of being sustained upon examination by the applicable tax authority, based on the technical merits of the tax position. Management believes any such positions would be immaterial to the overall financial statements. The Company's federal and state income tax returns for the years after 2007 remain subject to examination by the taxing authorities.

(continued)

## FIRST LONG ISLAND INVESTORS, LLC

### NOTES TO STATEMENT OF FINANCIAL CONDITION

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Use of Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies, if any, at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

(f) Member Loans

In accordance with GAAP, outstanding member loans that are not paid by the financial statements issuance date are offset against the members' equity. As a result, the Company offsets \$13,894 of the outstanding members' loans against members' equity as of December 31, 2011. The loans bear interest at the rate of 6% per annum, and require annual payments of interest and principal through 2012.

(g) Subsequent Events

The Company has evaluated subsequent events after December 31, 2011 through February 10, 2012, the date that the financial statements are considered available to be issued.

#### NOTE 3 - FAIR VALUE MEASUREMENT

GAAP defines fair value, establishes a framework for measuring fair value, and a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by GAAP, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the entity has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or the liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Investments in partnerships have been determined to be a Level 3 asset. They are primarily investments in investment partnerships that invest in illiquid operating real estate or real estate development projects that are not anticipated to generate any return to the Company. Accordingly these investments have been valued at zero.

**FIRST LONG ISLAND INVESTORS, LLC**

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

**NOTE 4 - RETIREMENT PLAN**

The Company maintains a defined contribution simplified plan under Section 401(k) of the IRC. All full-time employees are eligible for voluntary participation upon employment. Under this plan, employees may contribute any amount of their base pay, subject to IRC limitations. Contributions by employees are not taxable until retirement. The Company does not match the employee's contribution.

The Company also maintains a profit sharing plan. Contributions to this plan are discretionary and are determined by the Company's management. A portion of the contributions are invested in the FLI Select Equity Fund L.P. and FLI Partners Fund, funds managed by the Company, and a portion is held in interest-bearing cash accounts which are managed by the Company.

**NOTE 5 - COMMITMENTS AND CONTINGENCIES**

(a) Operating Leases

The Company is obligated under noncancelable operating leases for the rental of office space, office equipment and automobiles. Generally, leases covering office space include renewal options and are subject to rent escalations based on increased operating costs and real estate taxes.

Future minimum rental payments required to be paid under these leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2012	\$ 350,368
2013	338,857
2014	346,997
2015	89,643
	<u>\$ 1,125,865</u>

(b) Litigation

The Company is a defendant in a lawsuit arising in the ordinary course of business. In the opinion of management, there are adequate legal defenses and/or insurance coverage with respect to this action and its ultimate resolution will not materially affect the financial position of the Company.

**NOTE 6 - KEY MAN LIFE INSURANCE**

The Company is the owner and beneficiary of a key man life insurance policy carried on the life of a member bearing an aggregate face value of \$600,000. No loans are outstanding against the policy. There are no restrictions in the policy with regard to loans.

**NOTE 7 - RELATED PARTY TRANSACTIONS**

The Company receives management fees from an entity in which it has ownership interests and certain entities related to the Company by common ownership.



**FIRST LONG ISLAND INVESTORS, LLC**

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

**NOTE 8 - NET CAPITAL REQUIREMENT**

The Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) under the Securities Exchange Act of 1934, which requires that the Company's aggregate indebtedness, as defined, shall not exceed fifteen times net capital, as defined. At December 31, 2011, the Company had net capital of \$523,671, which was \$518,671 in excess of its required net capital of \$5,000. The Company's net capital ratio was .08 to 1.



## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

To the Members of  
First Long Island Investors, LLC

In planning and performing our audit of the financial statements of First Long Island Investors, LLC (the "Company") as of and for the year ended December 31, 2011, 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 the 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, 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 an 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 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.

-7-

**Berdon LLP**  
CPAs and Advisors

**IPA** International Association  
of Practicing Accountants

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Fax: 212.371.1159  
[www.BERDONLLP.com](http://www.BERDONLLP.com)



Because of inherent limitations in internal control and the practices and procedures referred to above, errors 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 deficiency in internal control 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 and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of significant deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

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 previously.

We noted certain matters that we reported to management of First Long Island Investors, LLC in a separate letter dated February 10, 2012.

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, as described in the second paragraph of this report, were adequate at December 31, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the managing member, management, the SEC, the Financial Industry Regulatory Authority 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 and should not be used by anyone other than these specified parties.

*Berdon LLP*

Certified Public Accountants

Jericho, New York  
February 10, 2012