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INTERNATIONAL ASSOCIATION
OF FIRE FIGHTERS
AND ITS
SUBSIDIARY AND AFFILIATES

Consolidated Financial Statements
and
Independent Auditor's Report

September 30, 2008

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
International Association of Fire Fighters

We have audited the accompanying consolidated balance sheet of the International Association of Fire Fighters (the Association) and its subsidiary and affiliates as of September 30, 2008, and the related consolidated statements of changes in unrestricted net assets/equity and changes in net assets/equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Association, subsidiary, and affiliates' September 30, 2007 balance sheets and in our reports, with various dates, we expressed an unqualified opinion on those balance sheets.

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 our audit provides 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 International Association of Fire Fighters and its subsidiary and affiliates as of September 30, 2008 and the changes in their net assets/equity and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Stokes & Company, P.C.

STOKES & COMPANY, P.C.
Washington, D.C.

February 3, 2009

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2008
With comparative totals for September 30, 2007

FUNDS

ASSETS

CURRENT ASSETS

Cash and cash equivalents (notes B and L)
Temporary investments (notes B and G2)
Loans to affiliates, net of allowance for doubtful accounts (note D)
Grants receivable (note A9)
Accounts receivable (note A9)
Prepaid expenses
Inventories (note A5)
Interfund receivables (note Q3)

Total current assets

LOANS TO AFFILIATES, net of current portion
(note D)

INVESTMENTS (note A6)
IAFF Financial Corporation
United Unions, Inc.

PROPERTY AND EQUIPMENT - at cost (note A7)

Furniture and equipment, net of accumulated depreciation of
\$2,678,323 and \$2,499,981 for 2008 and 2007, respectively
Leasehold improvements, net of accumulated amortization of
\$1,358,861 and \$1,298,959 for 2008 and 2007, respectively

COLLECTIONS (note A8)

OTHER ASSETS

Deferred compensation investments (note F)
Deposits

Total assets

	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	Other	Eliminating Entries	TOTAL	2007 TOTAL
	\$ 5,706,827	\$ 1,328,558	\$ -	\$ 1,280,899	\$ 29,653	\$ 122,999	\$ 139,281	\$ 1,650,631	\$ -	\$ 10,258,848	\$ 9,625,539
	10,913,761	-	-	-	-	-	-	1,599,955	-	12,513,696	11,550,641
	-	482,791	-	-	-	-	131,577	-	-	614,368	464,383
	1,679	-	691,468	-	-	-	-	105,356	-	798,503	1,951,056
	1,441,224	-	-	45,933	-	-	-	221,085	-	1,708,242	1,739,213
	250,308	-	141,580	11,771	-	-	-	19,967	-	423,626	290,786
	110,880	-	-	-	-	-	-	12,231	-	123,111	119,364
	3,207,408	-	-	653,562	-	-	409,837	1,405,225	(5,676,032)	-	-
	21,632,087	1,811,349	833,048	1,992,165	29,653	122,999	680,695	5,014,430	(5,676,032)	26,440,394	25,740,982
	-	1,037,779	-	-	-	-	-	-	-	1,037,779	1,069,333
	89,368	-	-	-	-	-	-	-	(89,368)	-	-
	1,988,583	-	-	-	-	-	-	-	-	1,988,583	1,837,910
	435,479	-	21,177	-	-	-	-	28,096	-	484,752	542,738
	254,167	-	-	-	-	-	-	2,175	-	256,342	317,486
	-	-	-	-	-	-	-	423,953	-	423,953	423,953
	2,476,763	-	-	-	-	-	-	-	-	2,476,763	2,504,386
	-	-	-	-	-	-	-	-	-	-	862
	26,876,447	2,849,128	854,225	1,992,165	29,653	122,999	680,695	5,468,654	(5,765,400)	33,108,566	32,437,650
	\$ 26,876,447	\$ 2,849,128	\$ 854,225	\$ 1,992,165	\$ 29,653	\$ 122,999	\$ 680,695	\$ 5,468,654	\$ (5,765,400)	\$ 33,108,566	\$ 32,437,650

FUNDS

LIABILITIES AND NET ASSETS/EQUITY

CURRENT LIABILITIES

	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	Other	Eliminating Entries	TOTAL	2007 TOTAL
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Bank overdraft	3,355,062	30	220,585	287,393	-	918	-	186,011	-	4,045,999	1,617,102
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	367,641	-	80,340	-	-	-	-	8,841	-	456,822	316,041
Salaries and wages	86,014	-	-	-	-	-	-	-	-	86,014	59,533
Employee expense reimbursements	1,789,252	-	-	-	-	-	-	3,360	-	1,792,612	1,579,176
Vacation and sick leave (note E)	713,947	-	-	-	-	-	-	-	-	713,947	646,384
Severance (note E)	17,072	-	-	-	-	-	-	-	-	17,072	14,401
Compensatory time (note E)	27,369	-	741	-	-	-	-	-	-	28,110	55,862
Payroll taxes and withholdings	-	-	-	-	-	-	-	-	-	-	-
401(k) withholding (note F)	1,416,635	-	-	-	-	-	-	-	-	1,416,635	529,465
Accrued pension liability (note F)	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues (note A9)	401,000	-	513,794	-	-	-	-	68,991	-	983,785	759,641
Promises to give	-	-	-	-	-	-	-	-	-	-	97,128
Line of credit (note G2)	-	-	-	-	-	-	-	-	-	-	-
Interfund payables (note Q3)	-	402,739	1,811,099	1,601,295	-	66,275	-	1,794,624	(5,676,032)	-	-
Total current liabilities	8,173,992	402,769	2,641,528	1,888,688	-	67,193	-	2,061,827	(5,676,032)	9,559,965	5,677,767

LONG-TERM LIABILITIES

Accrued pension liability, net current portion (note F)	12,749,713	-	-	-	-	-	-	-	-	12,749,713	4,765,184
Deferred compensation liability (note F)	2,476,763	-	-	-	-	-	-	-	-	2,476,763	2,504,386
Total liabilities	23,400,468	402,769	2,641,528	1,888,688	-	67,193	-	2,061,827	(5,676,032)	24,786,441	12,947,337

COMMITMENTS AND CONTINGENCIES (note G)

EQUITY

Capital stock	-	-	-	-	-	-	-	-	-	-	-
Paid-in capital	-	-	-	-	-	-	-	89,363	(89,363)	-	-
Retained earnings	-	-	-	-	-	-	-	596,910	-	596,910	283,975

NET ASSETS (notes A3 and O)

Unrestricted	-	2,446,359	-	-	-	-	-	-	-	2,446,359	2,427,353
Designated	3,278,836	-	(1,787,303)	-	-	-	2,618	2,306,670	-	3,800,821	13,611,955
Undesignated	-	-	-	-	-	-	-	-	-	-	-
Total unrestricted net assets	3,278,836	2,446,359	(1,787,303)	-	-	-	2,618	2,306,670	-	6,247,180	16,039,308
Total equity	-	-	-	-	-	-	-	686,278	(89,368)	596,910	283,975
Temporarily restricted	197,143	-	-	103,477	29,653	55,806	678,077	(10,074)	-	1,054,082	2,743,077
Permanently restricted	-	-	-	-	-	-	-	423,953	-	423,953	423,953
Total net assets/equity	3,475,979	2,446,359	(1,787,303)	103,477	29,653	55,806	680,695	3,406,827	(89,368)	8,322,125	19,490,313
Total liabilities and net assets/equity	\$ 26,876,447	\$ 2,849,128	\$ 854,225	\$ 1,992,165	\$ 29,653	\$ 122,999	\$ 680,695	\$ 5,468,654	\$ (5,765,400)	\$ 33,108,566	\$ 32,437,650

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

With comparative totals for September 30, 2007

With comparative totals for September 30, 2007																		
ASSETS																		
CURRENT ASSETS																		
Cash and cash equivalents (notes B and L)	\$	502,500	\$	130,181	\$	51,986	\$	10,245	\$	911,497	\$	35,470	\$	8,752	\$	1,650,631	\$	2,659,806
Temporary investments (notes B and G2)	-	-	-	-	-	73,541	-	333,003	-	554,614	-	-	-	638,777	-	1,599,935	-	1,524,721
Loans to affiliates, net of allowance for doubtful accounts (note D)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants receivable (note A9)	-	-	-	105,356	-	-	-	-	-	-	-	-	-	-	-	105,356	-	314,600
Accounts receivable (note A9)	-	208,500	5,788	-	-	-	-	2,727	-	4,070	-	-	-	-	-	221,085	-	235,491
Prepaid expenses	-	9,228	10,739	-	-	-	-	-	-	-	-	-	-	-	-	19,967	-	15,813
Inventories (note A5)	-	-	12,231	-	-	-	-	-	-	-	-	-	-	-	-	12,231	-	7,261
Interfund receivables (note Q3)	-	-	-	-	-	-	-	-	-	-	-	1,405,225	-	-	-	1,405,225	-	9,500
Total current assets		720,228	264,295			125,527		345,975		1,470,181		1,440,695		647,529		5,014,430		4,767,192
LOANS TO AFFILIATES, net of current portion (note D)																		
INVESTMENTS (note A6)																		
IAFF Financial Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United Unions, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROPERTY AND EQUIPMENT - at cost (note A7)																		
Furniture and equipment, net of accumulated depreciation of \$21,958 and \$13,906 for 2008 and 2007, respectively		15,269	12,827			-		-		-		-		-		28,096		33,521
Leasehold improvements, net of accumulated amortization of \$1,029 and \$869 for 2008 and 2007, respectively		-	-			-		-		-		2,175		-		2,175		2,336
COLLECTIONS (note A8)		-	-			-		-		-		423,953		-		423,953		423,953
OTHER ASSETS																		
Deferred compensation investments (note F)		-	-			-		-		-		-		-		-		-
Deposits		-	-			-		-		-		-		-		-		862
Total assets	\$	735,497	\$	277,122	\$	125,527	\$	345,975	\$	1,470,181	\$	1,866,823	\$	647,529	\$	5,468,654	\$	5,227,864

LIABILITIES AND NET ASSETS/EQUITY

	IAFF Financial Corporation	International Association of Fire Fighters Burn Foundation	John P. Redmond Memorial Foundation	The New York September 11 Firefighters Counseling Support Foundation	International Association of Fire Fighters Disaster Relief Fund	IAFF Fallen Fire Fighter Memorial Fund, Inc.	W.H. "Howie" McClenman Scholarship Fund	2007 TOTAL
CURRENT LIABILITIES								
Bank overdraft	\$ 11,313	\$ 118,778	\$ -	\$ 35,920	\$ 20,000	\$ -	\$ -	\$ 95,718
Accounts payable	-	-	-	-	-	-	-	-
Accrued expenses	8,841	-	-	-	-	-	-	8,841
Salaries and wages	3,360	-	-	-	-	-	-	3,360
Employee expense reimbursements	-	-	-	-	-	-	-	-
Vacation and sick leave (note E)	-	-	-	-	-	-	-	-
Severance (note E)	-	-	-	-	-	-	-	-
Compensatory time (note E)	-	-	-	-	-	-	-	-
Payroll taxes and withholdings	-	-	-	-	-	-	-	-
401(k) withholding (note F)	-	-	-	-	-	-	-	-
Accrued pension liability (note F)	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	3,034
Deferred revenues (note A9)	25,338	43,653	-	-	-	-	-	438,071
Promises to give	-	-	-	-	-	-	-	97,128
Line of credit (note G2)	-	-	-	-	-	-	-	-
Interfund payables (note Q3)	367	94,304	214,311	5,844	1,402,298	-	77,500	1,290,568
Total current liabilities	49,219	256,735	214,311	41,764	1,422,298	-	77,500	1,925,946
LONG-TERM LIABILITIES								
Accrued pension liability, net current portion (note F)	-	-	-	-	-	-	-	-
Deferred compensation liability (note F)	-	-	-	-	-	-	-	-
Total liabilities	49,219	256,735	214,311	41,764	1,422,298	-	77,500	1,925,946
COMMITMENTS AND CONTINGENCIES (note G)								
EQUITY								
Capital stock	\$	-	-	-	-	-	-	\$
Paid-in capital	89,363	-	-	-	-	-	-	89,363
Retained earnings	596,910	-	-	-	-	-	-	283,975
NET ASSETS (notes A3 and O)								
Unrestricted	-	-	-	-	-	-	-	-
Designated	-	30,461	(88,784)	304,211	47,883	1,442,870	570,029	2,518,771
Undesignated	-	-	-	-	-	-	-	-
Total unrestricted net assets	-	30,461	(88,784)	304,211	47,883	1,442,870	570,029	2,518,771
Total equity	686,278	(10,074)	-	-	-	-	-	373,343
Temporarily restricted	-	-	-	-	-	-	-	(14,149)
Permanently restricted	-	-	-	-	-	-	-	423,953
Total net assets/equity	686,278	20,387	(88,784)	304,211	47,883	1,866,823	570,029	3,301,918
Total liabilities and net assets/equity	\$ 735,497	\$ 277,122	\$ 125,527	\$ 345,975	\$ 1,470,181	\$ 1,866,823	\$ 647,529	\$ 5,227,864

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED STATEMENT OF CHANGES IN UNRESTRICTED NET ASSETS/EQUITY
YEAR ENDED SEPTEMBER 30, 2008

	FUNDS									
	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	Other	Eliminations	TOTAL
UNRESTRICTED REVENUES AND OTHER SUPPORT (notes A9 and H)										
Per capita tax	\$ 28,725,772	\$ 1,101,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,219	\$ (133,219)	\$ 29,827,644
Conference and seminar registration fees	2,373,950	-	-	-	-	-	-	704,700	-	3,078,650
Contributions	-	-	-	-	-	-	-	2,444,810	(2,168,680)	276,130
Royalties	548,623	-	-	-	-	-	-	1,186,922	-	1,735,545
Initiation, reinstatement and charter fees	218,655	-	-	-	-	-	-	-	-	218,655
Investment income (note C)	550,103	38,456	-	-	-	-	-	88,572	-	677,131
Proceeds from sales	226	-	-	-	-	-	-	64,243	-	64,469
Reimbursed legal expenses	30,000	284,524	-	-	-	-	-	-	-	314,524
Other revenues	1,312,300	141	-	-	-	-	-	102,196	(176,000)	1,238,637
Total unrestricted revenues and other support	33,759,629	1,424,993	-	-	-	-	-	4,724,662	(2,477,899)	37,431,385
Net assets released from restrictions	-	-	5,576,075	8,860,602	20	152,405	709	772,752	-	15,362,563
Total unrestricted revenues and other support and net assets released from restrictions	33,759,629	1,424,993	5,576,075	8,860,602	20	152,405	709	5,497,414	(2,477,899)	52,793,948
EXPENSES (note K)										
Program services	15,035,061	1,397,009	5,720,743	8,853,010	20	152,405	-	3,971,545	(2,226,262)	32,903,531
Supporting services	17,724,792	-	-	-	-	-	-	663,294	(251,637)	18,136,449
Operating expenses	-	2,020	-	7,592	-	-	709	545,125	-	545,125
Foreign exchange (gain)/loss (note M)	(137,402)	-	-	-	-	-	-	291	-	(126,790)
Total expenses	32,622,451	1,399,029	5,720,743	8,860,602	20	152,405	709	5,180,255	(2,477,899)	51,458,315
Change in unrestricted net assets/equity before change in cumulative foreign currency translation and income taxes	1,137,178	25,964	(144,668)	-	-	-	-	317,159	-	1,335,633
Income taxes	-	-	-	-	-	-	-	(215,470)	-	(215,470)
Change in cumulative foreign currency translation (note M)	(240,078)	(6,958)	93	-	-	-	-	(855)	-	(247,798)
Change in unrestricted net assets/equity before effect of adoption of FASB Statement No. 158 (note F)	897,100	19,006	(144,575)	-	-	-	-	100,834	-	872,365
Effect of adoption of recognition provisions of FASB Statement No. 158 (note F)	(10,217,775)	-	-	-	-	-	-	-	-	(10,217,775)
Net assets/equity at beginning of year	11,757,605	2,427,353	(1,642,728)	-	-	-	2,618	2,892,114	(89,368)	15,347,594
As previously stated	975,689	-	-	-	-	-	-	-	-	975,689
Adjustment for understated investment (note A.6)	12,733,294	2,427,353	(1,642,728)	-	-	-	2,618	2,892,114	(89,368)	16,323,283
Balance at beginning of year, as restated	(133,783)	-	-	-	-	-	-	-	-	(133,783)
Transfers of net assets	-	-	-	-	-	-	-	-	-	-
Net assets/equity at end of year	\$ 3,278,836	\$ 2,446,359	\$ (1,787,303)	\$ -	\$ -	\$ -	\$ 2,618	\$ 2,992,948	\$ (89,368)	\$ 6,844,090

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED STATEMENT OF CHANGES IN UNRESTRICTED NET ASSETS/EQUITY - OTHER
YEAR ENDED SEPTEMBER 30, 2008

	IAFF Financial Corporation	International Association of Fire Fighters Burn Foundation	John P. Redmond Memorial Foundation	The New York September 11 Firefighters Counseling Support Foundation	International Association of Fire Fighters Disaster Relief Fund	IAFF Fallen Fire Fighter Memorial Fund, Inc.	W.H. "Howie" McClellan Scholarship Fund	TOTAL
UNRESTRICTED REVENUES AND OTHER SUPPORT (notes A9 and H)								
Allocated per capita tax	\$ -	\$ -	\$ 133,219	\$ -	\$ -	\$ -	\$ -	\$ 133,219
Conference and seminar registration fees	-	-	704,700	-	-	-	-	704,700
Contributions	-	496,585	-	1,632	38,592	1,906,207	1,794	2,444,810
Royalties	969,420	35,566	168,262	-	-	-	13,674	1,186,922
Initiation, reinstatement and charter fees	-	-	-	-	-	-	-	-
Investment income (note C)	9,348	186	3,305	15,560	32,161	-	28,012	88,572
Proceeds from sales	-	64,243	-	-	-	-	-	64,243
Reimbursed legal expenses	-	-	-	-	-	-	-	-
Other revenues	94,762	5,800	-	-	-	1,634	-	102,196
Total unrestricted revenues and other support	1,073,530	602,380	1,009,486	17,192	70,753	1,907,841	43,480	4,724,662
Net assets released from restrictions	-	772,752	-	-	-	-	-	772,752
Total unrestricted revenues and other support and net assets released from restrictions	1,073,530	1,375,132	1,009,486	17,192	70,753	1,907,841	43,480	5,497,414
EXPENSES (note K)								
Program services	-	915,357	930,635	151,710	1,513,997	359,846	100,000	3,971,545
Supporting services	-	271,695	98,758	134,315	1,433	147,979	9,114	663,294
Operating expenses	545,125	-	-	-	-	-	-	545,125
Foreign exchange (gain)/loss (note M)	-	-	291	-	-	-	-	291
Total expenses	545,125	1,187,052	1,029,684	286,025	1,515,430	507,825	109,114	5,180,255
Change in unrestricted net assets/equity before change in cumulative foreign currency translation and income taxes	528,405	188,080	(20,198)	(268,833)	(1,444,677)	1,400,016	(65,634)	317,159
Income taxes	(215,470)	-	-	-	-	-	-	(215,470)
Change in cumulative foreign currency translation (note M)	-	-	(855)	-	-	-	-	(855)
Change in unrestricted net assets/equity before effect of adoption of FASB Statement No. 158 (note F)	312,935	188,080	(21,053)	(268,833)	(1,444,677)	1,400,016	(65,634)	100,834
Effect of adoption of recognition provisions of FASB Statement No. 158 (note F)	-	-	-	-	-	-	-	-
Net assets/equity at beginning of year	373,343	(157,619)	(67,731)	573,044	1,492,560	42,854	635,663	2,892,114
Transfer of net assets/equity	-	-	-	-	-	-	-	-
Net assets/equity at end of year	\$ 686,278	\$ 30,461	\$ (88,784)	\$ 304,211	\$ 47,883	\$ 1,442,870	\$ 570,029	\$ 2,992,948

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY
YEAR ENDED SEPTEMBER 30, 2008

	FUNDS									
	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committee	Reward Fund	Alumni Association	PROP Fund	Other	Eliminations	TOTAL
CHANGES IN UNRESTRICTED NET ASSETS/EQUITY										
Revenues and other support and net assets released from restrictions (notes A9 and H)	\$ 33,759,629	\$ 1,424,993	\$ 5,576,075	\$ 8,860,602	\$ 20	\$ 152,405	\$ 709	\$ 5,497,414	\$ (2,477,899)	\$ 52,793,948
Expenses	(32,759,853)	(1,397,099)	(5,720,743)	(8,853,010)	(20)	(152,405)	-	(5,179,964)	2,477,899	(51,585,105)
Income taxes	-	-	-	-	-	-	-	(215,470)	-	(215,470)
Foreign exchange gain/(loss) (note M)	137,402	(2,020)	-	(7,592)	-	-	(709)	(291)	-	126,790
Change in cumulative foreign currency translation (note M)	(240,078)	(6,958)	93	-	-	-	-	(855)	-	(247,798)
Change in unrestricted net assets/equity before effect of adoption of FASB Statement No. 158 (note F)	897,100	19,006	(144,575)	-	-	-	-	100,834	-	872,365
Effect of adoption of recognition provisions of FASB Statement No. 158 (note F)	(10,217,775)	-	-	-	-	-	-	-	-	(10,217,775)
Net assets/equity at beginning of year, as restated	12,733,294	2,427,353	(1,642,728)	-	-	-	2,618	2,802,114	(89,368)	16,323,283
Transfers of net assets	(133,783)	-	-	-	-	-	-	-	-	(133,783)
Net assets/equity at end of year	\$ 3,278,836	\$ 2,446,359	\$ (1,787,303)	\$ -	\$ -	\$ -	\$ 2,618	\$ 2,992,948	\$ (89,368)	\$ 6,844,090
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS/EQUITY										
Revenues and other support (notes A9 and H)	\$ -	\$ -	\$ -	\$ 4,010,650	\$ -	\$ -	\$ 333,186	\$ -	\$ -	\$ 4,343,836
Allocated per capita tax	63,360	-	-	2,620,995	-	-	-	776,827	-	2,684,355
Contributions	-	-	5,576,005	-	-	-	-	-	-	6,352,832
Grants and contracts	-	-	70	37,841	74	5,029	-	-	-	43,014
Investment income (note C)	-	-	-	26,288	-	-	-	-	-	26,288
Other income	-	-	-	86,236	-	25,651	-	-	-	111,887
Proceeds from sales	-	-	-	(21,263)	-	-	(1,164)	-	-	(22,427)
Change in cumulative foreign currency translation (note M)	-	-	-	-	-	-	-	-	-	-
Total revenues and other support	63,360	-	5,576,075	6,760,747	74	30,680	332,022	776,827	-	13,539,785
Net assets released from restrictions	-	-	(5,576,075)	(8,860,602)	(20)	(152,405)	(709)	(772,752)	-	(15,362,563)
Change in temporarily restricted net assets/equity	63,360	-	-	(2,099,855)	54	(121,725)	331,313	4,075	-	(1,822,778)
Net assets/equity at beginning of year	-	-	-	2,203,332	29,599	177,531	346,764	(14,149)	-	2,743,077
Transfers of net assets	133,783	-	-	-	-	-	-	-	-	133,783
Net assets/equity at end of year	\$ 197,143	\$ -	\$ -	\$ 103,477	\$ 29,653	\$ 55,806	\$ 678,077	\$ (10,074)	\$ -	\$ 1,054,082
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS/EQUITY										
Revenues and other support (notes A9 and H)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allocated per capita tax	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Change in permanently restricted net assets/equity	-	-	-	-	-	-	-	-	-	-
Net assets/equity at beginning of year	-	-	-	-	-	-	-	-	-	-
Net assets/equity at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,953	\$ -	\$ 423,953
CHANGES IN TOTAL NET ASSETS/EQUITY										
Revenues and other support and net assets released from restrictions (notes A9 and H)	\$ 33,822,989	\$ 1,424,993	\$ 5,576,075	\$ 6,782,010	\$ 74	\$ 30,680	\$ 333,186	\$ 5,501,489	\$ (2,477,899)	\$ 50,993,597
Expenses	(32,759,853)	(1,397,099)	(5,720,743)	(8,853,010)	(20)	(152,405)	-	(5,179,964)	2,477,899	(51,585,105)
Income taxes	-	-	-	-	-	-	-	(215,470)	-	(215,470)
Foreign exchange gain/(loss) (note M)	137,402	(2,020)	-	(7,592)	-	-	(709)	(291)	-	126,790
Change in cumulative foreign currency translation (note M)	(240,078)	(6,958)	93	(21,263)	-	-	(1,164)	(855)	-	(270,225)
Change in net assets/equity before effect of adoption of FASB Statement No. 158 (note F)	960,460	19,006	(144,575)	(2,099,855)	54	(121,725)	331,313	104,909	-	(950,413)
Effect of adoption of recognition provisions of FASB Statement No. 158 (note F)	(10,217,775)	-	-	-	-	-	-	-	-	(10,217,775)
Net assets/equity at beginning of year, as restated	12,733,294	2,427,353	(1,642,728)	2,203,332	29,599	177,531	349,382	3,301,918	(89,368)	19,490,313
Transfers of net assets	-	-	-	-	-	-	-	-	-	-
Net assets/equity at end of year	\$ 3,475,979	\$ 2,446,359	\$ (1,787,303)	\$ 103,477	\$ 29,653	\$ 55,806	\$ 680,695	\$ 406,827	\$ (89,368)	\$ 8,322,125

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY - OTHER
YEAR ENDED SEPTEMBER 30, 2008

CHANGES IN UNRESTRICTED NET ASSETS/EQUITY									
Revenues and other support and net assets released from restrictions (notes A9 and H)	IAFF Financial Corporation	International Association of Fire Fighters Burn Foundation	John P. Redmond Memorial Foundation	The New York September 11 Firefighters Counseling Support Foundation	International Association of Fire Fighters Disaster Relief Fund	IAFF Fallen Fire Fighter Memorial Fund, Inc.	W. H. "Howie" McClellan Scholarship Fund	TOTAL	
Revenues	\$ 1,073,530	\$ 1,375,132	\$ 1,009,486	\$ 17,192	\$ 70,753	\$ 1,907,841	\$ 43,480	\$ 5,497,414	
Expenses	(545,125)	(1,187,052)	(1,029,393)	(286,025)	(1,515,430)	(507,825)	(109,114)	(5,179,964)	
Income taxes	(215,470)	-	(291)	-	-	-	-	(215,470)	
Foreign exchange (gain)/loss (note M)	-	-	(855)	-	-	-	-	(291)	
Change in cumulative foreign currency translation (note M)	-	-	(855)	-	-	-	-	(855)	
Change in unrestricted net assets/equity before effect of adoption of FASB Statement No. 158 (note F)	312,935	188,080	(21,053)	(268,833)	(1,444,677)	1,400,016	(65,634)	100,834	
Effect of adoption of recognition provisions of FASB Statement No. 158 (note F)	-	-	-	-	-	-	-	-	
Net assets/equity at beginning of year	373,343	(157,619)	(67,731)	573,044	1,492,560	42,854	635,663	2,892,114	
Transfers of net assets	-	-	-	-	-	-	-	-	
Net assets/equity at end of year	\$ 686,278	\$ 30,461	\$ (88,784)	\$ 304,211	\$ 47,883	\$ 1,442,870	\$ 570,029	\$ 2,992,948	
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS/EQUITY									
Revenues and other support (notes A9 and H)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Allocated per capita tax	-	-	-	-	-	-	-	-	
Contributions	-	-	-	-	-	-	-	-	
Grants and contracts	-	776,827	-	-	-	-	-	776,827	
Investment income (note C)	-	-	-	-	-	-	-	-	
Other income	-	-	-	-	-	-	-	-	
Net proceeds from sales	-	-	-	-	-	-	-	-	
Change in cumulative foreign currency translation (note M)	-	-	-	-	-	-	-	-	
Total revenues and other support	-	776,827	-	-	-	-	-	776,827	
Net assets released from restrictions	-	(772,752)	-	-	-	-	-	(772,752)	
Change in temporarily restricted net assets/equity	-	4,075	-	-	-	-	-	4,075	
Net assets/equity at beginning of year	-	(14,149)	-	-	-	-	-	(14,149)	
Net assets/equity at end of year	\$ -	\$ (10,074)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,074)	
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS/EQUITY									
Revenues and other support (notes A9 and H)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Allocated per capita tax	-	-	-	-	-	-	-	-	
Contributions	-	-	-	-	-	-	-	-	
Change in permanently restricted net assets/equity	-	-	-	-	-	-	-	-	
Net assets/equity at beginning of year	-	-	-	-	-	423,953	-	423,953	
Net assets/equity at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,953	\$ -	\$ 423,953	
CHANGES IN TOTAL NET ASSETS/EQUITY									
Revenues and other support and net assets released from restrictions (notes A9 and H)	\$ 1,073,530	\$ 1,379,207	\$ 1,009,486	\$ 17,192	\$ 70,753	\$ 1,907,841	\$ 43,480	\$ 5,501,489	
Expenses	(545,125)	(1,187,052)	(1,029,393)	(286,025)	(1,515,430)	(507,825)	(109,114)	(5,179,964)	
Income taxes	(215,470)	-	(291)	-	-	-	-	(215,470)	
Foreign exchange gain/(loss) (note M)	-	-	(855)	-	-	-	-	(291)	
Change in cumulative foreign currency translation (note M)	-	-	(855)	-	-	-	-	(855)	
Change in net assets/equity before effect of adoption of FASB Statement No. 158 (note F)	312,935	192,155	(21,053)	(268,833)	(1,444,677)	1,400,016	(65,634)	104,909	
Effect of adoption of recognition provisions of FASB Statement No. 158 (note F)	-	-	-	-	-	-	-	-	
Net assets/equity at beginning of year	373,343	(171,768)	(67,731)	573,044	1,492,560	466,807	635,663	3,301,918	
Transfers of net assets	-	-	-	-	-	-	-	-	
Net assets/equity at end of year	\$ 686,278	\$ 20,387	\$ (88,784)	\$ 304,211	\$ 47,883	\$ 1,866,823	\$ 570,029	\$ 3,406,827	

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2008

FUNDS

	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	Other	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES									
Per capita tax received from members	\$ 28,848,042	\$ 796,944	\$ -	\$ 4,532,974	\$ -	\$ -	\$ 1,873	\$ -	\$ 34,179,833
Grants and contributions received	61,681	-	7,508,483	2,463,976	-	-	-	3,696,926	13,731,066
Royalties received	-	-	-	26,288	-	-	-	13,674	39,962
Interest received	539,193	38,456	70	37,842	74	5,029	-	89,241	709,905
Net sales revenue	-	-	-	47,049	-	25,651	-	10,360	83,060
Other revenue received	4,517,207	284,666	(498,146)	-	-	-	-	69,997	4,373,724
Payments to vendors, suppliers and employees	(30,304,531)	(1,262,004)	(7,051,384)	(448,564)	(20)	(198,548)	(131,577)	(4,805,031)	(44,201,659)
Aid paid to affiliates	-	(134,976)	-	-	-	-	-	-	(134,976)
Political contributions paid	-	-	-	(6,499,289)	-	-	-	-	(6,499,289)
Net cash provided (used) by operating activities	3,661,592	(276,914)	(40,977)	160,276	54	(167,868)	(129,704)	(924,833)	2,281,626
CASH FLOWS FROM INVESTING ACTIVITIES									
Note and loan repayments received	-	388,341	-	-	-	-	-	-	388,341
New loans made to affiliates	-	(375,195)	-	-	-	-	-	-	(375,195)
Temporary investments									
New acquisitions	(8,804,117)	-	-	-	-	-	-	(20,268)	(8,824,385)
Proceeds from redemptions	7,888,315	-	-	-	-	-	-	(58,688)	7,829,627
Deferred compensation investments									
New acquisitions	(246,612)	-	-	-	-	-	-	-	(246,612)
United Union special assessment	(150,673)	-	-	-	-	-	-	-	(150,673)
Property and equipment									
New acquisitions	(121,745)	-	-	-	-	-	-	(5,651)	(127,396)
Proceeds from disposal of fixed assets	-	-	-	-	-	-	-	1,411	1,411
Net cash provided (used) by investing activities	(1,434,832)	13,146	-	-	-	-	-	(83,196)	(1,504,882)
EFFECT OF EXCHANGE RATE CHANGES ON CASH									
	(102,676)	(8,978)	93	(28,855)	-	-	(1,873)	(1,146)	(143,435)
CASH FLOWS FROM FINANCING ACTIVITIES									
Payments on line of credit	-	-	-	-	-	-	-	-	-
Net cash provided (used) by financing activities	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	2,124,084	(272,746)	(40,884)	131,421	54	(167,868)	(131,577)	(1,009,175)	633,309
CASH AND CASH EQUIVALENTS at beginning of year	3,582,743	1,601,304	40,884	1,149,478	29,599	290,867	270,838	2,659,806	9,625,539
CASH AND CASH EQUIVALENTS at end of year	\$ 5,706,827	\$ 1,328,558	\$ -	\$ 1,280,899	\$ 29,653	\$ 122,999	\$ 139,261	\$ 1,650,631	\$ 10,258,848

FUNDS

	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	Other	TOTAL
	\$ 960,460	\$ 19,006	\$ (144,575)	\$ (2,099,855)	\$ 54	\$ (121,725)	\$ 331,313	\$ 104,909	\$ (950,413)
Change in net assets/equity									
Adjustments									
Change in foreign currency	102,676	8,978	(93)	28,855	-	-	1,873	1,146	143,435
Depreciation and amortization	211,019	-	24,222	-	-	-	-	9,826	245,067
Unrealized (gain) loss on temporary investments	27,961	-	-	-	-	-	-	995	28,956
Realized (gain) loss on temporary investments	-	-	-	-	-	-	-	2,747	2,747
Effect of adoption of recognition principles of FASB No. 158	(10,217,775)	-	-	-	-	-	-	-	(10,217,775)
Changes in current assets									
Grants receivable	(1,679)	-	1,175,058	-	-	-	-	209,244	1,382,623
Accounts receivable	52,121	-	-	(134,455)	-	-	(131,577)	(1,390,819)	(1,604,730)
Prepaid expenses	(48,875)	-	(140,108)	60,297	-	-	-	(4,154)	(132,840)
Inventories	1,223	-	-	-	-	-	-	(4,970)	(3,747)
Deposits	-	-	-	-	-	-	-	862	862
Stock subscription	-	-	-	-	-	-	-	-	-
Interfund receivables	595,002	-	20,950	499,760	-	-	(331,313)	9,500	793,899
Changes in current liabilities									
Bank overdraft	-	-	14,969	-	-	-	-	-	14,969
Accounts payable	2,342,262	30	(127,297)	204,379	-	(530)	-	54,740	2,473,584
Promises to give	-	-	-	-	-	-	-	(61,208)	(61,208)
Accrued expenses	394,056	-	18,350	-	-	-	-	7,740	420,146
Deferred revenues	124,830	-	238,324	-	-	-	-	(369,080)	(5,926)
Interfund payables	-	(304,928)	(1,120,777)	1,601,295	-	(45,613)	-	503,689	633,666
Change in deferred/accrued pension cost	8,871,699	-	-	-	-	-	-	-	8,871,699
Change in deferred compensation liability	246,612	-	-	-	-	-	-	-	246,612
Net cash provided (used) by operating activities	\$ 3,661,592	\$ (276,914)	\$ (40,977)	\$ 160,276	\$ 54	\$ (167,868)	\$ (129,704)	\$ (924,833)	\$ 2,281,626

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED STATEMENT OF CASH FLOWS - OTHER
YEAR ENDED SEPTEMBER 30, 2008

	IAFF Financial Corporation	International Association of Fire Fighters Burn Foundation	John P. Redmond Memorial Foundation	The New York September 11 Firefighters Counseling Support Foundation	International Association of Fire Fighters Disaster Relief Fund	IAFF Fallen Fire Fighter Memorial Fund, Inc.	W.H. "Howie" McClellan Scholarship Fund	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES								
Per capita tax received from members	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions received	-	1,452,615	301,581	1,632	48,092	1,891,212	1,794	3,696,926
Royalties received	-	-	-	-	-	-	13,674	13,674
Interest received	-	186	3,690	17,800	36,196	-	31,369	89,241
Net sales revenue	-	10,360	-	-	-	-	-	10,360
Other revenue received	1,047,897	81,598	344,073	-	-	(1,403,571)	-	69,997
Payments to vendors, suppliers and employees	(746,437)	(1,987,987)	(1,041,895)	(361,975)	(142,116)	(491,807)	(32,814)	(4,805,031)
Aid paid to affiliates	-	-	-	-	-	-	-	-
Political contributions paid	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	301,460	(443,228)	(392,551)	(342,543)	(57,828)	(4,166)	14,023	(924,833)
CASH FLOWS FROM INVESTING ACTIVITIES								
Note and loan repayments received	-	-	-	-	-	-	-	-
New loans made to affiliates	-	-	-	-	-	-	-	-
Temporary investments	-	-	-	-	-	-	-	-
New acquisitions	-	-	(3,604)	(16,664)	-	-	-	(20,268)
Proceeds from redemptions	-	-	-	-	(27,382)	-	(31,306)	(58,688)
United Union special assessment	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-	-	-
New acquisitions	(2,898)	(2,753)	-	-	-	-	-	(5,651)
Proceeds (loss) from disposal	1,411	-	-	-	-	-	-	1,411
Net cash provided (used) by investing activities	(1,487)	(2,753)	(3,604)	(16,664)	(27,382)	-	(31,306)	(83,196)
EFFECT OF EXCHANGE RATE CHANGES ON CASH								
	-	-	(1,146)	-	-	-	-	(1,146)
CASH FLOWS FROM FINANCING ACTIVITIES								
Payments on line of credit	-	-	-	-	-	-	-	-
Net cash provided (used) by financing activities	-	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	299,973	(445,981)	(397,301)	(359,207)	(85,210)	(4,166)	(17,283)	(1,009,175)
CASH AND CASH EQUIVALENTS at beginning of year	202,527	576,162	449,287	369,452	996,707	39,636	26,035	2,659,806
CASH AND CASH EQUIVALENTS at end of year	\$ 502,500	\$ 130,181	\$ 51,986	\$ 10,245	\$ 911,497	\$ 35,470	\$ 8,752	\$ 1,650,631

RECONCILIATION OF CHANGE IN NET ASSETS/EQUITY
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

	IAFF Financial Corporation	International Association of Fire Fighters Burn Foundation	John P. Redmond Memorial Foundation	The New York September 11 Firefighters Counseling Support Fund	International Association of Fire Fighters Disaster Relief Fund	IAFF Fallen Fire Fighter Memorial Fund, Inc.	WH "Howie" McClellan Scholarship Fund	TOTAL
Change in net assets/equity	\$ 312,935	\$ 192,155	\$ (21,053)	\$ (268,833)	\$ (1,444,677)	\$ 1,400,016	\$ (65,634)	\$ 104,909
Adjustments								
Change in foreign currency	-	-	1,146	-	-	-	-	1,146
Depreciation and amortization	4,549	5,116	-	-	-	161	-	9,826
Unrealized (gain) loss on temporary investments	-	-	385	-	-	-	610	995
Realized (gain) loss on temporary investments	-	-	-	-	-	-	2,747	2,747
Effect of adoption of recognition principles of FASB No. 158	-	-	-	-	-	-	-	-
Changes in current assets								
Grants receivable	-	209,244	-	-	-	-	-	209,244
Accounts receivable	(32,221)	40,232	100	2,240	4,035	(1,405,205)	-	(1,390,819)
Prepaid expenses	149	(4,764)	-	461	-	-	-	(4,154)
Inventories	-	(4,970)	-	-	-	-	-	(4,970)
Deposits	-	-	-	-	-	862	-	862
Interfund receivables	-	-	-	-	9,500	-	-	9,500
Changes in current liabilities								
Accounts payable	1,720	43,824	-	(8,404)	18,800	-	(1,200)	54,740
Accrued expenses	7,740	-	-	-	-	-	-	7,740
Deferred revenues	6,588	(15,041)	(360,627)	-	-	-	-	(369,080)
Promises to give	-	-	-	(61,208)	-	-	-	(61,208)
Interfund payables	-	(909,024)	(12,502)	(6,799)	1,354,514	-	77,500	503,689
Change in deferred/acrued pension cost	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	\$ 301,460	\$ (443,228)	\$ (392,551)	\$ (342,543)	\$ (57,828)	\$ (4,166)	\$ 14,023	\$ (924,833)

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Notes to Consolidated Financial Statements

September 30, 2008

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

The International Association of Fire Fighters (the Association) is a labor union whose primary mission is to represent its members in disputes and negotiations with the state and local governments for which the members are employed. Primary sources of revenue are per capita tax paid by members, grants and contributions restricted as to purpose.

The IAFF Financial Corporation is a wholly-owned subsidiary of the Association organized and incorporated as of December 10, 2001 under the laws of the State of Delaware. It is primarily engaged in working through service vendors to provide financial services, investment options, college finance programs, and insurance protection to professional fire fighters and government employees. It is located in Washington, DC.

The International Association of Fire Fighters Burn Foundation was created in 1982 to promote and provide support for the establishment and continuation of burn treatment centers and their related purposes of burn injury-related research and burn prevention through education. The Foundation has also established an annual burn survivor camp, which provides a means to directly outreach to burn victims.

The John P. Redmond Memorial Foundation was organized for the purpose of research and curative processes for elimination, prevention and correction of occupational diseases of fire fighters. The Foundation hosts a biannual symposium, providing an educational forum for fire fighters and an inducement for involving medical personnel, fitness experts, and occupational safety and health experts in the problems associated with fire fighting.

The New York September 11 Firefighters Counseling Support Foundation was created in 2001 to provide for the immediate and long term counseling needs of career fire fighters, career emergency medical services personnel and their families, who require such services as a result of the destruction of the World Trade Center on September 11, 2001 as well as to meet future needs related to line of duty deaths.

The International Association of Fire Fighters Disaster Relief Fund was organized for the purpose of providing aid to fire fighters who suffered during large natural disasters. Following the tragic events of September 11, 2001, the Fund took on the additional role of sponsoring memorial and/or funeral services for fallen fire fighters.

The IAFF Fallen Fire Fighter Memorial Fund, Inc. was organized for the purpose of completing and maintaining memorials that honor fire fighters killed in the line of duty. Furthermore, the Fund holds annual memorial observances to honor fallen fire fighters.

The W.H. "Howie" McClellan Scholarship Fund was organized as a trust by the International Association of Fire Fighters on December 23, 1977. The Fund is recognized as a private foundation for tax purposes. It provides education-related financial aid to the children of fire fighters killed in the line of duty.

2. Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Association, its affiliates and its wholly-owned subsidiary. All material inter-entity accounts, transactions, and profits/losses are eliminated in consolidation.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

4. Fund accounting

The accounts of the Association are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. The Association maintains the following fund groups:

General Fund - represents the portion of unrestricted expendable funds available for the general expenses of the Association.

Emergency Disputes Fund - represents unrestricted funds designated to provide financial assistance in the resolution of emergency disputes in which the Association's affiliates become involved.

Grants and Contracts - represents temporarily restricted funds provided by the U.S. Government, principally the Department of Health and Human Services, Federal Emergency Management Agency and the Department of Transportation.

Political Action Committees - represents temporarily restricted funds received from contributors and amounts allocated from per capita tax receipts.

Reward Fund - represents temporarily restricted funds contributed by IAFF affiliates to reward individuals who provide information that leads to the arrest and conviction of persons responsible for major incidents of arson that cause death to the Association members.

Alumni Association - represents temporarily restricted funds to develop, establish and administer an alumni association for active-retired or active members who are no longer engaged in firefighting or related services.

Political Referendum Operations Partnership Fund (PROP Fund) - represents unrestricted funds designated to assist the Association's affiliates with supplemental funding, through interest-free loans, for referendum campaigns.

5. Inventories

Inventories consist of items held for sale to the Association's affiliates and are valued at the lower of cost or market value. Cost is determined using the first-in, first-out method. Cost of goods sold includes shipping and handling charges. Profits on sales of certain specialty inventory items are contributed to the Association Firepac Education Fund unless otherwise specified by the local making the purchase.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Notes to Consolidated Financial Statements (continued)

September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Investments

Investments in equity securities having readily determinable fair values and all debt securities are reported at fair value. Changes in fair value are included in investment income. Fair values are based on quoted market prices for the same or similar securities.

The investment in United Unions, Inc., of which the Association owns 13.433%, is accounted for under the cost method. This investment was previously accounted for under the equity method, which is not in accordance with generally accepted accounting principles. This is reported as a prior period adjustment, and increases the beginning investment value.

The investment in the IAFF Financial Corporation, of which the Association owns 100% and over which it exercises complete influence of operating and accounting policies, is consolidated.

7. Property and equipment

Property and equipment are recorded at cost. All of the Association's acquisitions with a cost greater than \$2,500 are capitalized at cost; similarly, all acquisitions made by the IAFF Fallen Fire Fighter Memorial Fund, Inc., the International Association of Fire Fighters Burn Foundation and the IAFF Financial Corporation with a cost greater than \$500 are capitalized at cost. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets or, where applicable, the terms of the leases, whichever are shorter. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation or amortization, and any gain or loss is reflected in income.

8. Collections

The IAFF Fallen Fire Fighter Memorial Fund, Inc. capitalizes its collections. Acquisitions are capitalized at cost if purchased and at appraised or fair value at date of acquisitions if received by donation. All maintenance costs incurred in relation to these collections and in excess of \$1,000 are capitalized. Gains and losses on disposals of donated collections are recorded based on the presence or absence of donor restrictions placed on items at the date of donation.

The IAFF Fallen Fire Fighter Memorial Fund, Inc. has title to and maintains two memorial statues and two memorial walls-of-honor. All memorials are held for public exhibition and are preserved by the Fund. The cost of these collections is as follows:

Memorial statues	\$313,355
Memorial walls-of-honor	<u>110,598</u>
	<u>\$423,953</u>

9. Revenue recognition

The Association recognizes per capita tax as revenue during the period in which it accrues. Actual receipts in advance of the date for which they are due are reflected as deferred revenues. Interest and other revenue are recognized as accrued to the Association. Accounts receivable for the Association arise primarily from per capita tax due from local affiliates located in the U.S. and Canada, registrations and supply sales revenue that have been earned but not received as of September 30, 2008. Management reviews accounts receivable to determine collectibility. An amount of \$63,676 has been estimated as an allowance for doubtful accounts as of September 30, 2008. This estimate is based on historical collectibility of accounts receivable.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Revenue recognition (continued)

Accounts receivable for the John P. Redmond Memorial Foundation and the International Association of Fire Fighters Burn Foundation includes program related revenue that has not been received as of September 30, 2008. No interest is accrued on these receivables. The Trustees review accounts receivable to determine collectibility. All amounts for these affiliates are deemed collectible as of September 30, 2008.

Accounts receivable for the IAFF Financial Corporation includes royalty and market support revenue that has not been received as of September 30, 2008. No interest is accrued on these receivables. IAFF Financial Corporation management reviews its accounts receivable to determine collectibility. All amounts for this wholly-owned subsidiary are deemed collectible as of September 30, 2008.

In accordance with Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. When a time restriction ends or a purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. All other revenue is recognized when earned and reported as an increase in net assets.

The IAFF Financial Corporation recognizes revenue as earned on a pro-rata basis during the period covered by guaranteed payments from its strategic alliance.

Grant and contract funds are reported as revenue when expenses are incurred. Funds received prior to being expended are reported as refundable advances and expenses incurred for which reimbursement has not been received are reported as receivables.

10. Advertising costs

The Association and its subsidiary and affiliates expense advertising costs as they are incurred.

11. Income taxes

The International Association of Fire Fighters is exempt from federal income taxes under Section 501(c)(5) of the Internal Revenue Code. However, the Association is subject to tax on net income generated by activities considered to be unrelated business income. As of September 30, 2008, the Association has no accrued tax liability.

The IAFF Financial Corporation is subject to federal income and District of Columbia franchise taxes. Income taxes are provided on income regardless of when such taxes are payable. Current tax and deferred tax assets and liabilities are recorded in accordance with enacted tax laws and rates. The amounts of deferred tax assets and liabilities at the end of each period are determined using the tax rates expected to be in effect when taxes are actually paid or recovered. Future tax benefits are recognized to the extent that realization of such benefits is more likely than not. As of September 30, 2008, IAFF Financial Corporation has no deferred tax asset or liability. Income tax expense for the year ended September 30, 2008 was \$215,470.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Notes to Consolidated Financial Statements (continued)

September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Income taxes (continued)

The International Association of Fire Fighters Burn Foundation, the John P. Redmond Memorial Foundation, The New York September 11 Firefighters Counseling Support Foundation, the International Association of Fire Fighters Disaster Relief Fund, the IAFF Fallen Fire Fighter Memorial Fund, Inc. and the W.H. "Howie" McClennan Scholarship Fund are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as publicly-supported organizations. However, the affiliates are subject to tax on income generated by unrelated business activities as provided for in the tax law. To date, these organizations have not engaged in such activities. The W.H. "Howie" McClennan Scholarship Fund is also subject to excise tax based on investment income.

12. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

13. Financial information as of September 30, 2007

The financial information as of September 30, 2007 is presented for balance sheet comparative purposes only and is not intended to represent complete financial statement presentation. This financial information includes all consolidated entities. Certain accounts in the prior year financial statements have been reclassified for comparative purposes in order to conform to the presentation of information in the current year financial statements. These previously issued financial statements have also been restated, increasing the United Unions, Inc. investment and the unrestricted net assets by \$975,689.

NOTE B - CASH AND TEMPORARY INVESTMENTS

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid debt instruments with original maturities of three months or less.

Temporary investments

Temporary investments consist of certificates of deposit having initial maturities of more than three months and an open-ended mutual fund that invests primarily in construction loans, mortgages, or mortgage-backed securities. These investments are carried at fair value. Changes in fair value are included in investment income. Fair values are based on quoted market prices for the same or similar securities.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2008

NOTE B - CASH AND TEMPORARY INVESTMENTS (continued)

Temporary investments (continued)

At September 30, 2008, the following amounts have been set-aside for specific purposes:

	<u>Cash and Cash Equivalents</u>	<u>Temporary Investments</u>
International Association of Firefighters		
United Unions reserve	\$ -	\$ 921,148
All other accounts	8,608,217	9,992,613
IAFF Financial Corporation	502,500	-
International Association of Fire Fighters Burn Foundation	130,181	-
John P. Redmond Memorial Foundation	51,986	-
John P. Redmond Memorial Foundation – AFL-CIO Housing Trust	-	73,541
The New York September 11 Firefighters Counseling Support Foundation	10,245	333,003
International Association of Fire Fighters Disaster Relief Fund	911,497	554,614
IAFF Fallen Fire Fighter Memorial Fund, Inc.	35,470	-
W.H. "Howie" McClennan Scholarship Fund	8,752	-
W.H. "Howie" McClennan Scholarship Fund – AFL-CIO Housing Trust	<u>-</u>	<u>638,777</u>
	<u>\$10,258,848</u>	<u>\$12,513,696</u>

NOTE C – INVESTMENT INCOME

A summary of investment income earned by all entities for the year ended September 30, 2008 is as follows:

Interest/dividends	\$ 751,848
Unrealized losses – temporary investments	<u>(31,703)</u>
	<u>\$ 720,145</u>

NOTE D - LOANS TO AFFILIATES

Loans to affiliated organizations consists of loans to provide financial assistance in conjunction with job actions, disciplinary actions against union officers for union-related activities, employer's refusal to implement an arbitration award, and such other occurrences as may be considered bona fide emergencies by the Executive Board of the Association. The loans are noninterest-bearing with repayments made primarily over sixty (60) months. The Executive Board reviews loans to affiliates to determine collectibility. As of September 30, 2008, \$14,767 was estimated as an allowance for doubtful accounts, based on historical analysis of loans not collected in previous years.

NOTE E - ACCRUED VACATION AND SICK LEAVE, SEVERANCE AND COMPENSATORY TIME

The balances in these accounts represent vested amounts due employees of the Association, its subsidiary and affiliates in accordance with the employees' respective labor contracts.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Notes to Consolidated Financial Statements (continued)

September 30, 2008

NOTE F – PENSION AND RETIREMENT PLANS

The Association has pension plans covering substantially all employees. Pursuant to action at the 41st Convention, pension coverage was expanded to include the District Vice-Presidents. During the fiscal year ended September 30, 1988, an Officers' Retirement Plan purchased annuities for all of its participants and beneficiaries of participants who were receiving benefit payments. Participants in that Officers' Retirement Plan who remained principal officers of the Association subsequent to September 30, 1988, had their vested retirement benefits merged into the Staff Representatives' Pension Plan during the year ended September 30, 1989. All current and future retirement contributions on behalf of principal officers are now made pursuant to an Officers' Non-Qualified Retirement Plan and Officers' Supplemental Benefits Plan. Contributions called for by the two officers' plans are allocated between a secular and a rabbi trust fund. The assets of the rabbi trust fund are subject to the general creditors of the Association and totaled \$2,891,286 at September 30, 2008.

In addition to the plans for principal officers, the Association maintains two qualified defined benefit plans, the Staff Representatives' Pension Plan and the Employees' Pension Plan. Plan benefits are based on years of service and employees' compensation. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. Contributions made and benefits paid were \$3,221,100 and \$1,438,026 to and from the Staff Representatives' plan and \$528,000 and \$228,139 to and from the Employees' plans. Assets of the plans are invested primarily in publicly-traded stocks, debt securities and money market funds.

Any differences between funding for the officers' and the other plans and expense as actuarially determined are reflected in deferred pension cost or accrued pension contributions.

The Association adopted FASB Statement No. 158 as of September 30, 2007. This statement requires an employer to recognize the funded status of a benefit plan, measured as the difference between the plan assets at fair value and the benefit obligation, in its statement of financial position. For a pension plan, the benefit obligation is the projected benefit obligation.

Accrued pension cost and pension expense related to the various pension plans as of September 30, 2008, and for the year then ended are as follows:

	<u>Accrued Pension Cost</u>	<u>Pension Expense</u>
Officers - rabbi trust	\$ 1,836,676	\$ 74,870
- secular trust	61,371	13,208
Staff representatives	6,900,147	1,420,202
Employees	<u>5,368,154</u>	<u>1,044,744</u>
	<u>\$ 14,166,348</u>	2,553,024
Other pension expense		
- IAFF 401(k) match		163,309
- IAFF Financial Corporation 401(k) match and administrative costs		<u>11,051</u>
Total pension expense		<u>\$ 2,727,384</u>

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2008

NOTE F – PENSION AND RETIREMENT PLANS (continued)

The following tables set forth the funded status of the plans and amounts recognized in the Association's September 30, 2008 financial statements.

	<u>Rabbi and Secular</u>	<u>Staff Representatives</u>	<u>Employees</u>	<u>Grand Total</u>
Actuarial present value of benefit obligations:				
Vested benefit obligations	<u>\$ 4,983,578</u>	<u>\$ 29,872,021</u>	<u>\$ 8,872,791</u>	<u>\$ 43,728,390</u>
Accumulated benefit obligations	<u>\$ 4,983,578</u>	<u>\$ 31,333,802</u>	<u>\$ 9,506,011</u>	<u>\$ 45,823,391</u>
Projected benefit obligations	\$ (5,453,629)	\$ (34,982,271)	\$ (14,387,078)	\$ (54,822,978)
Plan assets at fair value	<u>3,555,582</u>	<u>28,082,124</u>	<u>9,018,924</u>	<u>40,656,630</u>
Funded status	<u>\$ (1,898,047)</u>	<u>\$ (6,900,147)</u>	<u>\$ (5,368,154)</u>	<u>\$ (14,166,348)</u>
Net pension asset/(liability) at September 30, 2008:				
(Accrued)/prepaid pension obligation at September 30, 2007	\$ (417,700)	\$ (2,194,149)	\$ (2,682,800)	\$ (5,294,649)
Net periodic pension cost	(88,078)	(1,420,202)	(1,044,744)	(2,553,024)
Contribution made during the year	150,000	3,221,100	528,000	3,899,100
Increment effect of FAS 158	<u>(1,542,269)</u>	<u>(6,506,896)</u>	<u>(2,168,610)</u>	<u>(10,217,775)</u>
Net pension asset/(liability) at September 30, 2008	<u>\$ (1,898,047)</u>	<u>\$ (6,900,147)</u>	<u>\$ (5,368,154)</u>	<u>\$ (14,166,348)</u>
Net pension cost, year ended September 30, 2008:				
Service cost - benefits earned	\$ 152,294	\$ 1,245,104	\$ 920,926	\$ 2,318,324
Interest cost on projected benefit obligations	221,929	2,029,969	828,666	3,080,564
Expected return on plan assets	(286,145)	(1,930,471)	(691,948)	(2,908,564)
Net amortization and deferral	<u>-</u>	<u>75,600</u>	<u>(12,900)</u>	<u>62,700</u>
Net periodic pension cost	<u>\$ 88,078</u>	<u>\$ 1,420,202</u>	<u>\$ 1,044,744</u>	<u>\$ 2,553,024</u>

As of September 30, 2008, the weighted-average discount rate was 6% for all plans. The rates of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligations was 4.25% for the rabbi and secular plans and 3.50% for the staff representatives and employees plans. The expected long-term rate of return on assets was 8.5% for all plans.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2008

NOTE F – PENSION AND RETIREMENT PLANS (continued)

It is the Association's policy to invest pension plan assets in a diversified portfolio consisting of an array of stocks, debt securities and money market funds through the use of Alliance Investments commingled pools.

The weighted-average target allocation range for each pension plan is as follows:

	<u>Staff & Employees</u>	<u>Rabbi & Secular</u>
Cash Equivalents	0% - 10%	0%-5%
Select Equity Pool	45% - 55%	0%
Fixed Income Pool	40% - 50%	95%-100%

The plans' assets were allocated as follows:

	<u>Staff</u>	<u>Employees</u>	<u>Rabbi</u>	<u>Secular</u>
Cash Equivalents	15.23%	15.79%	1.43%	2.00%
Select Equity Pool	54.70%	52.88%	0.00%	0.00%
Fixed Income Pool	30.07%	31.33%	98.57%	98.00%

These rates of increase are estimated and are subject to change based upon future actions taken by the Board of Trustees.

The expected return on plan assets was determined by the Association together with its investment advisors. The rate is based primarily on expectations of future returns for the plan's investments, based on target asset allocations. Additionally, the historical returns on comparable equity and fixed income investments are considered in the estimate of the expected rate.

The following is a schedule of benefits expected to be paid in each of the next five years, and in the aggregate for the five fiscal years thereafter as of September 30, 2008. The expected benefit payments shown below are based on the same assumptions used to determine the Projected Benefit Obligation as of September 30, 2008 and includes benefits attributable to estimated future employee service.

	<u>Staff</u>	<u>Employees</u>	<u>Rabbi</u>
2009	\$1,560,488	\$ 344,430	\$ 132,620
2010	\$1,609,467	\$ 401,999	\$ 128,175
2011	\$1,692,324	\$ 405,451	\$ 122,777
2012	\$1,772,412	\$ 467,303	\$ 234,366
2013	\$1,897,127	\$ 484,459	\$ 219,320
2014-2018	\$9,082,548	\$2,200,318	\$ 861,417

The Association has an employee 401(k) plan that allows eligible employees to defer from their salaries an amount equal to a percentage of the contributing participant's compensation from 1 percent to 15 percent in increments of 1 percent. The Association matches 2% of the elective deferrals.

The Association has a 457(b) retirement plan covering eligible employees who choose to participate. Contributions to the plan are amounts deferred from the participating employees' salary and are limited to the lesser of the applicable dollar amount as defined in Code Section 457(e)(15)(A) or 100% of the participants' includible compensation.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2008

NOTE F – PENSION AND RETIREMENT PLANS (continued)

The IAFF Financial Corporation, a wholly-owned subsidiary of the Association, maintains a 401(k) plan for its employees. Employees are eligible for the plan after six months of employment. The plan allows each employee to self-direct their contributions. The plan provides 100% vesting of employee and matching employer contributions as the contributions are made. The plan calls for the employer to match the employee contribution up to a maximum of \$7,000. The 401(k) pension expense for the year was \$8,531 and administrative costs were \$2,520.

NOTE G - COMMITMENTS AND CONTINGENCIES

1. Operating leases

The Association has entered into lease agreements that are classified as operating leases. The leases are for office equipment, automobiles and office space. The future minimum lease payments are calculated based on the terms of current lease agreements and are subject to change. The following is a schedule, by fiscal years ending September 30, of future minimum lease payments as of September 30, 2008:

	<u>Equipment and Automobiles</u>	<u>Office Space</u>
2009	\$ 123,036	\$ 1,599,894
2010	69,244	1,602,563
2011	67,880	2,140,321
2012	5,657	2,200,495
2013	-	2,256,301
Later years	<u>-</u>	<u>12,019,776</u>
	<u>\$ 265,817</u>	<u>\$ 21,819,350</u>

The total rent expense incurred by the Association under all operating leases during the year ended September 30, 2008 was \$1,233,457.

The Association subleases one thousand square feet of its current space to the IAFF Financial Corporation. The lease term began April 1, 2005 and will continue on a month-to-month basis until the rental rate of \$3,000 monthly is renegotiated. IAFF Financial Corporation paid the Association a total of \$36,000 in sublease payments, which the Association recognized as other income during the year ending September 30, 2008.

As a partial owner of the leased office space, if the landlord (United Unions, Inc.) receives rents that are insufficient to meet the debt service requirements and other obligations on the building, the Association will pay its pro-rata share (13.433%) of the amount necessary to meet such debt service requirements and other obligations. These additional payments will be recognized as additional investment capital contributions.

2. Guarantor responsibilities

The IAFF Financial Corporation had access to a \$1,000,000 revolving line of credit that was guaranteed and secured by the Association. The credit line was available through January 31, 2008. The credit line was not renewed at that time. No interest expense was incurred during the year ended September 30, 2008.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2008

NOTE G - COMMITMENTS AND CONTINGENCIES (continued)

2. Guarantor responsibilities (continued)

During the August 2008 Convention, the Board of Directors made a motion to increase its interest in United Unions from 9% to 13.433%. This share increase came in to effect October 1, 2008.

During the 2007 fiscal year, the Association, as an owner of United Unions, Inc., became a co-guarantor of a loan agreement with Suntrust Bank, N.A. As of September 30, 2008, the Association is contingently liable for its share (25.98%) of United Unions, Inc.'s remaining principal balance of \$3,645,447. This loan bears an annual interest rate of 6.2%. United Unions, Inc. is making payments of \$66,171, including principal and interest, until December 2013, the maturity date.

In September 2008, United Unions obtained a \$24 million loan to purchase the shares of one tenant residing in the United Unions building. United Unions also obtained a \$15 million line of credit to assist in building improvements. As a shareholder of United Unions, Inc., the Association is contingently liable for its pro-rata share (13.433%).

3. Other commitments and contingencies

The Association and the International Association of Fire Fighters Burn Foundation participated in a federal grant program, which is subject to financial and compliance audits by federal agencies or their representatives. Management does not anticipate any significant adjustments as a result of such an audit.

The Association has an open letter of credit in the amount of \$1,818,000 to secure pension costs in Canada. As of September 30, 2008, no amount has been drawn and no interest has been incurred on the letter of credit.

The Association and the John P. Redmond Foundation have entered into agreements with hotels for future conventions and meetings. The Association has also entered into contracts with consultants for future services. In the event of the cancellation of these agreements, the Association and the Foundation will incur penalty charges. As of September 30, 2008, no cancellations are expected or foreseen by either organization.

The W.H. "Howie" McClennan Scholarship Fund has not filed solicitation forms in various states from which contributions are received. It is at least reasonably possible that penalties may be assessed, but an estimate of such fees cannot be made as of September 30, 2008.

NOTE H - PER CAPITA TAX

Resolutions made at the Association's conventions provide for the following allocations of monthly per capita tax, with all remaining per capita tax allocations to the General Fund:

Emergency Disputes Fund - effective September 1, 2008 - \$.34 per active member, \$.17 per retiree

John P. Redmond Memorial Foundation - effective September 1, 1986 - \$.04 per active member, \$.02 per retiree

Firepac Education Fund - effective September 1, 2008 - \$1.25 per active member, \$.62 per retiree

Political Referendum Operations Partnership Fund
- effective September 1, 2006 - \$.10 per active member, \$.05 per retiree

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Notes to Consolidated Financial Statements (continued)

September 30, 2008

NOTE I – POLITICAL ACTION COMMITTEES FUND

The Association has established five Political Action Committees for the purpose of contributing funds to state and federal candidates. The use of these funds is restricted to purposes described in Federal Election Commission regulations and various state statutes, and the Association has no immediate or future claims to these assets.

NOTE J – REWARD FUNDS

Pursuant to Executive Board action at its May 1989 board meeting, the Association established a reward fund to reward individuals who provide information that leads to the arrest and conviction of persons responsible for major incidents of arson that cause death to members of the Association. All amounts in this fund are considered restricted.

NOTE K – EXPENSES

The International Association of Fire Fighters was organized to protect and advance the interests and general welfare of fire fighters throughout the United States and Canada. Their objectives are to organize all fire fighters; to secure just compensation for their services; to promote a safe and healthy working environment; to promote the research and treatment of burns and other related health problems common to fire fighters; and to encourage the formation of local unions, state and provincial associations and joint councils. The costs of providing these programs, other Association activities, and the programs of the Association's affiliates have been summarized on a functional basis in this note and in the consolidated statement of changes in unrestricted net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs have been allocated as follows:

Program Services	
Education and Training	\$ 7,001,547
Government Affairs	10,997,864
Organizing	3,030,882
Technical Assistance and Labor Issues	4,123,468
Convention	3,337,546
Public Relations and Communications	2,350,919
Safety and Health	1,014,013
Motorcycle Group	59,737
Affiliates	<u>2,243,951</u>
Subtotal	<u>34,159,927</u>
Supporting Services	
Management and General	12,913,117
Accounting	1,784,184
Membership	1,278,012
Mailroom	237,425
Donated services 9-11 Fund	4,021
Affiliates	<u>663,294</u>
Subtotal	<u>16,880,053</u>
Operating Expenses	
Subsidiary	<u>545,125</u>
Total Program and Supporting Services and Operating Expenses	<u>\$51,585,105</u>

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Notes to Consolidated Financial Statements (continued)

September 30, 2008

NOTE L - CONCENTRATIONS OF CREDIT RISK

1. Concentrations of credit risk

The Association and its related entities maintain their cash and cash equivalent balances at several different financial institutions in the Washington, D.C. metropolitan area. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At September 30, 2008, the Association had deposits in excess of FDIC insurance limits of approximately \$12.4 million, and its related entities had combined deposits in excess of FDIC insurance limits of approximately \$1.7 million.

The Association and its related entities maintain their investment balances at several different financial institutions in the United States of America, most of which are located in Washington, D.C., and in Canada. Some investment deposits are insured by government agencies or the Securities Investor Protection Corporation. Many of these deposits may not be insured. The uninsured balance cannot be estimated as of September 30, 2008.

2. Concentrations of support

The Association maintains significant operations in both Canada and the U.S. Canadian net assets converted to U.S. dollars as of September 30, 2008 are approximately \$6,243,601 unrestricted and \$772,205 temporarily restricted. Concentrations of credit risk with respect to the Association's accounts receivables are limited due to the large number of local affiliates and their dispersion across different geographic locales.

A majority of the IAFF Fallen Fire Fighter Memorial Fund, Inc.'s support for operations comes in the form of contributions from the Association. All such contributions have been eliminated in accordance with the principles of consolidation in note A2.

The International Association of Fire Fighters Burn Foundation receives approximately 56% of its support from a single federal agency.

NOTE M – TRANSLATION TO U.S. DOLLARS

All amounts in the financial statements are stated in U.S. dollars. The Association has substantial activity denominated in Canadian dollars. Accordingly, all amounts denominated in Canadian dollars have been translated to U.S. dollars by applying the translation rate for assets and liabilities at September 30, 2008 of 96.36% and by applying the average translation rate for revenue and expenses for the year ended September 30, 2008 of 99.24%. Changes in the foreign currency translation rate subsequent to September 30, 2008 may materially affect unsettled foreign currency transactions as of that date. The Association does not reflect those effects in these financial statements.

NOTE N – DONATED PROPERTY

The City of Colorado Springs granted to the IAFF Fallen Fire Fighter Memorial Fund, Inc. a park license for its use of city land on which the memorials stand. Should the Fund ever misuse or abandon the land, it would be responsible for the costs incurred to restore the land to its original state. The term of this license ends August 30, 2013. At that date, the license may be renewed for an additional twenty-five years. As of September 30, 2008, it is the Fund's intention to renew this license. The value of this donated property has not been reflected in the financial statements.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Notes to Consolidated Financial Statements (continued)

September 30, 2008

NOTE O – NET ASSETS

1. Restrictions on Net Assets

The Association and its affiliates have net assets subject to temporary purpose restrictions. All restrictions are expected to be fulfilled within the next fiscal year.

The IAFF Fallen Fire Fighter Memorial Fund, Inc. imposed permanent restriction status on its collections. Permanently restricted net assets are defined as existing indefinitely in time and purpose.

2. General Fund Net Assets

As detailed in Note F, FASB Statement No. 158 has significantly impacted the Associations net asset balance. The following summarizes the General Fund's net asset allocation:

Net Assets before cumulative FASB 158 adjustment	\$ 25,695,239
Cumulative FASB 158 adjustment	<u>(22,219,260)</u>
General Fund net assets	<u>\$ 3,475,979</u>

NOTE P – STRATEGIC ALLIANCE

The IAFF Financial Corporation renegotiated a contract forming a strategic alliance to promote its product offering. This contract guarantees the corporation the following annual payments:

2009	\$ 879,000
2010	\$ 949,000
2011	\$1,025,000
2012	\$1,107,000

The contract calls for the other party to provide record keeping and to administer the co-branded products. Other strategic alliance contracts have been signed during the past several years offering members other products.

NOTE Q – RELATED PARTY TRANSACTIONS

1. Donated services

The Association contributes the services of its personnel to carry out the activities of the following affiliates: W.H. "Howie" McClennan Scholarship Fund, IAFF Fallen Fire Fighter Memorial Fund, Inc. (Memorial Fund), John P. Redmond Memorial Foundation, International Association of Fire Fighters Disaster Relief Fund (Disaster Fund), The New York September 11 Firefighters Counseling Support Foundation, and the International Association of Fire Fighters Burn Foundation (Burn Foundation). The value of these contributed services is only recognized by the affiliates when the services are distinguishable from activities normally carried on by the Association. The Memorial Fund is the only affiliate that reflected these services as an increase to contribution revenue and an increase to various expenses in the amounts of \$498,455. The Burn Foundation generally pays for services that are specific to grants, and for personnel solely designated by the Association to the Burn Foundation. The value of these services has been reflected in the financial statements.

The Association also donated accounting and administrative services to the New York Firefighters 9-11 Disaster Relief Fund. Based on the Association's standard salary expenses, \$4,021 was recorded as expense for the year ended September 30, 2008. The New York Firefighters 9-11 Disaster Relief Fund is not included in the consolidated financial statements.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Notes to Consolidated Financial Statements (continued)

September 30, 2008

NOTE Q – RELATED PARTY TRANSACTIONS (continued)

2. Board of Trustees

Members of the Association's Board of Trustees are also officers of the following affiliates: W.H. "Howie" McClennan Scholarship Fund, John P. Redmond Memorial Foundation, International Association of Fire Fighters Disaster Relief Fund, The New York September 11 Firefighters Counseling Support Foundation, International Association of Fire Fighters Burn Foundation, and IAFF Fallen Fire Fighter Memorial Fund, Inc. Similarly, several officers and members of the Association's Board of Trustees are also officers and Board members of the IAFF Financial Corporation. The Board members are not compensated by the Association for services rendered in their capacity as Trustees/officers for these entities.

3. Accounts receivable/payable from/to related parties

Amounts due to the Association's subsidiary and affiliates consist of unremitted contributions, royalty income, per capita tax allocations, registration fees, proceeds from merchandise sales, and reimbursements for expenses. Amounts due from the subsidiary and affiliates are for expenses paid for by the Association. During the year, the net amount of these transactions was \$729,411 payable to the Association. This net amount is included in the due to and due from amounts reported on the September 30, 2008 balance sheet.

4. Other related party transactions

The New York September 11 Firefighters Counseling Support Foundation provides support to the Counseling Service Unit (the CSU) of the FDNY. Members of the Foundation's board of trustees are also directors of the CSU. All donations made or incurred by the Foundation during the fiscal year were to the CSU.

The International Association of Fire Fighters Disaster Relief Fund is a co-sponsor of the memorial event performed by the IAFF Fallen Fire Fighter Memorial Fund, Inc. and has occasionally received memorial contributions on behalf of the fund.

The IAFF Financial Corporation received no capital contributions from the Association (its parent company) for the year ended September 30, 2008. It does have an interfund payable of \$367 to the Association for expenses paid for by the parent.

NOTE R – PROMISES TO GIVE

1. Unconditional Promises to Give

The New York September 11 Firefighters Counseling Support Foundation has made unconditional promises that are payable in less than one year.

2. Conditional Promises to Give

The Association and the International Association of Fire Fighters Burn Foundation were awarded federal grants, which are conditioned upon the organizations' progression on various programs. The remaining amount to be received for these promises is \$8,204,444.

OTHER FINANCIAL INFORMATION



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PRIVATE COMPANIES
PRACTICE SECTION

GOVERNMENTAL AUDIT
QUALITY CENTER

EMPLOYEE BENEFIT PLAN
AUDIT QUALITY CENTER

Independent Auditor's Report on Other Financial Information

Board of Trustees

International Association of Fire Fighters

Our report on our audit of the basic consolidated financial statements of the International Association of Fire Fighters as of September 30, 2008 appears on page 3.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The other financial information on pages 29 - 39 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental schedules of revenues, expenses, general fund expenses, and net convention expenses were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The schedule of salary and expenses, however, was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion on it.

Stokes & Company, P.C.
STOKES & COMPANY, P.C.
Washington, D.C.

February 3, 2009

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED SUPPLEMENTAL SCHEDULE OF REVENUES
YEAR ENDED SEPTEMBER 30, 2008

FUNDS

	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	Other	Eliminations	TOTAL
Per capita tax	\$ 28,725,772	\$ 1,101,872	\$ -	\$ 4,010,650	\$ -	\$ -	\$ 333,186	\$ 133,219	\$ (133,219)	\$ 34,171,480
Conference and seminar registration fees	2,373,950	-	-	-	-	-	-	704,700	-	3,078,650
Contributions	63,360	-	-	2,620,995	-	-	-	2,444,810	(2,168,680)	2,960,485
Royalties	548,623	-	-	26,288	-	-	-	1,018,660	-	1,593,571
Grants and contracts	-	-	5,576,005	-	-	-	-	945,089	-	6,521,094
Initiation, reinstatement and charter fees	218,655	-	-	-	-	-	-	-	-	218,655
Investment income	550,103	38,456	70	37,841	74	5,029	-	88,572	-	720,145
Proceeds from sales	226	-	-	86,236	-	25,651	-	64,243	-	176,356
Reimbursed legal fees	30,000	284,524	-	-	-	-	-	-	-	314,524
Other revenues	1,312,300	141	-	-	-	-	-	102,196	(176,000)	1,238,637
	<u>\$ 33,822,989</u>	<u>\$ 1,424,993</u>	<u>\$ 5,576,075</u>	<u>\$ 6,782,010</u>	<u>\$ 74</u>	<u>\$ 30,680</u>	<u>\$ 333,186</u>	<u>\$ 5,501,489</u>	<u>\$ (2,477,899)</u>	<u>\$ 50,993,597</u>

The accompanying auditor's report on other financial information should be read with this schedule.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED SUPPLEMENTAL SCHEDULE OF REVENUES - OTHER
YEAR ENDED SEPTEMBER 30, 2008

	IAFF Financial Corporation	International Association of Fire Fighters Burn Foundation	John P. Redmond Memorial Foundation	The New York September 11 Firefighters Counseling Support Foundation	International Association of Fire Fighters Disaster Relief Fund	IAFF Fallen Fire Fighter Memorial Fund, Inc.	W.H. "Howie" McClellan Scholarship Fund	<u>TOTAL</u>
Per capita tax	\$ -	\$ -	\$ 133,219	\$ -	\$ -	\$ -	\$ -	133,219
Conference and seminar registration fees	-	-	704,700	-	-	-	-	704,700
Contributions	-	496,585	-	1,632	38,592	1,906,207	1,794	2,444,810
Royalties	969,420	35,566	-	-	-	-	13,674	1,018,660
Grants and contracts	-	776,827	168,262	-	-	-	-	945,089
Initiation, reinstatement and charter fees	-	-	-	-	-	-	-	-
Investment income	9,348	186	3,305	15,560	32,161	-	28,012	88,572
Proceeds from sales	-	64,243	-	-	-	-	-	64,243
Reimbursed legal fees	-	-	-	-	-	-	-	-
Other revenues	94,762	5,800	-	-	-	1,634	-	102,196
	<u>\$ 1,073,530</u>	<u>\$ 1,379,207</u>	<u>\$ 1,009,486</u>	<u>\$ 17,192</u>	<u>\$ 70,753</u>	<u>\$ 1,907,841</u>	<u>\$ 43,480</u>	<u>\$ 5,501,489</u>

The accompanying auditor's report on other financial information should be read with this schedule.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED SUPPLEMENTAL SCHEDULE OF EXPENSES
YEAR ENDED SEPTEMBER 30, 2008

FUNDS

	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	Other	Eliminations	TOTAL
Salaries - Officers	\$ 1,620,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,860	\$ -	\$ 1,782,352
- Others	9,743,600	-	1,163,709	77,478	-	13,487	-	177,439	-	11,175,713
Expenses - Officers	921,026	-	-	-	-	-	-	30,596	-	951,622
- Others	867,028	-	63,653	167,429	-	2,560	-	102,137	-	1,202,807
Accounting and audit	202,974	-	56,000	-	-	-	-	120,429	-	379,403
Advertising	-	-	-	-	-	-	-	189,821	(140,000)	49,821
Aid to affiliates	-	134,976	-	-	-	-	-	-	-	134,976
Audio/visual expense	187,539	-	-	34,307	-	-	-	545,114	-	766,960
Awards	11,850	-	-	-	-	-	-	383	-	12,233
Computer	370,720	-	76,027	49,266	-	-	-	-	-	496,013
Consultants	1,987,934	-	2,544,228	379,713	-	48,128	-	464,993	-	5,424,996
Convention expenses	3,337,546	-	-	-	-	-	-	-	-	3,337,546
Cost of sales	(9,331)	-	-	39,187	-	-	-	48,913	-	78,769
Depreciation and amortization	211,019	-	24,222	-	-	-	-	9,825	-	245,066
Dinners and honoraria	125,612	-	-	5,879	-	-	-	-	-	131,491
Donations	565,776	-	-	749,073	-	-	-	1,891,631	(1,670,225)	1,536,255
Personnel	-	-	-	-	-	-	-	94,170	-	94,170
Grants	-	-	-	-	-	-	-	135,987	-	135,987
Insurance and bonding	2,596,136	-	317,467	18,906	-	4,837	-	75,818	-	3,013,164
Interest expense	-	-	-	-	-	-	-	-	-	-
Journal expenses	1,126,377	-	-	-	-	-	-	-	-	1,126,377
Legal services	377,237	1,262,033	-	-	-	-	-	-	-	1,639,270
Loss on disposal of fixed assets	-	-	-	-	-	-	-	1,411	-	1,411
Marketing expenses	-	-	-	-	-	-	-	-	-	-
Meals and entertainment	-	-	-	-	-	-	-	3,874	-	3,874
Miscellaneous expenses	358,940	-	1,296	37,095	20	18,459	-	89,116	-	504,926
Office expense and supplies	213,620	-	83,622	1,928	-	984	-	9,793	-	309,947
Office machine rental and maintenance	37,384	-	-	-	-	-	-	7,055	-	44,439
Payroll processing	-	-	-	-	-	-	-	1,934	-	1,934
Penalties	-	-	-	-	-	-	-	-	-	-
Pension expense	2,347,893	-	294,845	21,763	-	10,342	-	52,541	-	2,727,384
Affiliations per capita tax	2,410,708	-	-	-	-	-	-	-	-	2,410,708
Political contributions	-	-	-	6,499,289	-	-	-	-	-	6,499,289
Postage and freight	300,636	-	39,606	167,390	-	-	-	51,894	-	559,526
Printing and copying	307,635	-	348,247	170,320	-	50,507	-	112,303	-	989,012
Redmond Fund contribution	133,219	-	-	-	-	-	-	-	(133,219)	-
Rent	965,911	-	79,489	-	-	-	-	36,000	-	1,045,400
Seminars	867,792	-	42,747	395,446	-	-	-	341,065	(36,000)	1,148,595
Subscriptions and dues	237,757	-	4,141	13,489	-	659	-	7,958	(498,455)	264,004
Taxes - payroll, personal property and other	789,281	-	78,096	24,833	-	1,098	-	23,516	-	916,824
Telephone and telegraph	190,580	-	4,679	219	-	1,344	-	8,433	-	205,255
Temporary services	-	-	-	-	-	-	-	23,359	-	23,359
Travel and meetings	-	-	-	-	-	-	-	214,227	-	214,227
Overhead allocation	33,404,891 (645,038)	1,397,009	5,222,074 498,669	8,853,010	20	152,405	-	5,033,595 146,369	(2,477,899)	51,585,105
	\$ 32,759,853	\$ 1,397,009	\$ 5,720,743	\$ 8,853,010	\$ 20	\$ 152,405	\$ -	\$ 5,179,964	\$ (2,477,899)	\$ 51,585,105

The accompanying auditor's report on other financial information should be read with this schedule.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED SUPPLEMENTAL SCHEDULE OF EXPENSES - OTHER
YEAR ENDED SEPTEMBER 30, 2008

	IAFF Financial Corporation	International Association of Fire Fighters Burn Foundation	John P. Redmond Memorial Foundation	The New York September 11 Firefighters Counseling Support Foundation	International Association of Fire Fighters Disaster Relief Fund	IAFF Fallen Fire Fighter Memorial Fund, Inc.	W.H. "Howie" McClellan Scholarship Fund	TOTAL
Salaries - Officers	\$ 161,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	161,860
- Others	6,250	171,189	-	-	-	-	-	177,439
Expenses - Officers	30,596	-	-	-	-	-	-	30,596
- Others	8,142	93,995	-	-	-	-	-	102,137
Accounting and audit	39,237	30,993	15,200	8,499	10,000	8,700	7,800	120,429
Advertising	42,737	97,084	50,000	-	-	-	-	189,821
Audio/visual expense	-	29,909	505,134	-	-	10,071	-	545,114
Awards	-	383	-	-	-	-	-	383
Computer	-	-	-	-	-	-	-	-
Consultants	111,511	148,463	174,666	-	-	30,353	-	464,993
Convention expenses	-	-	-	-	-	-	-	-
Cost of sales	-	48,913	-	-	-	-	-	48,913
Depreciation and amortization	4,549	5,116	-	-	-	160	-	9,825
Dinner and honoraria	-	-	-	-	-	-	-	-
Donations	-	12,880	-	277,526	1,501,225	-	-	1,891,631
Personnel	-	-	-	-	-	94,170	-	94,170
Grants	-	135,987	-	-	-	-	-	135,987
Insurance and bonding	31,656	39,359	-	-	-	4,303	500	75,818
Interest expense	-	-	-	-	-	-	-	-
Journal expenses	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-
Loss on disposal of fixed assets	1,411	-	-	-	-	-	-	1,411
Marketing expense	-	-	-	-	-	-	-	-
Meals and entertainment	3,874	-	-	-	-	-	-	3,874
Miscellaneous expenses	-	75,754	6,317	-	1,648	5,209	188	89,116
Office expense and supplies	2,658	2,839	391	-	-	3,905	-	9,793
Office machine rental and maintenance	-	-	-	-	-	7,055	-	7,055
Payroll processing	1,934	-	-	-	-	-	-	1,934
Penalties	-	-	-	-	-	-	-	-
Pension expense	111,051	41,490	-	-	-	-	-	52,541
Affiliations per capita tax	-	-	-	-	-	-	-	-
Postage and freight	1,760	34,081	15,483	-	-	570	-	51,894
Printing and copying	8,066	35,326	68,911	-	-	-	-	112,303
Redmond Fund contribution	-	-	-	-	-	-	-	-
Rent	36,000	-	-	-	-	-	-	36,000
Seminars	-	-	-	-	-	341,065	-	341,065
Subscriptions and dues	-	5,728	2,230	-	-	-	-	7,958
Taxes - payroll, personal property and other	10,065	12,825	-	-	-	-	626	23,516
Telephone and telegraph	6,169	-	-	-	-	2,264	-	8,433
Temporary services	23,359	-	-	-	-	-	-	23,359
Travel and meetings	2,240	18,369	191,061	-	2,557	-	-	214,227
	545,125	1,040,683	1,029,393	286,025	1,515,430	507,825	109,114	5,033,595
Overhead allocation	-	146,369	-	-	-	-	-	146,369
	\$ 545,125	\$ 1,187,052	\$ 1,029,393	\$ 286,025	\$ 1,515,430	\$ 507,825	\$ 109,114	\$ 5,179,964

The accompanying auditor's report on other financial information should be read with this schedule.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULE OF GENERAL FUND EXPENSES
YEAR ENDED SEPTEMBER 30, 2008

	Operations	Technical Assistance and Labor Issues	Legislative	Education and Information Resources	EMS	OSHA	Special Projects	Public Relations and Communications	Other	TOTAL
Salaries - Officers	\$ 1,620,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,620,492
- Others	6,104,911	484,518	345,002	353,061	606,949	47,844	3,741	340,101	1,457,473	9,743,600
Expenses - Officers	921,026	-	-	-	-	-	-	-	-	921,026
- Others	697,687	5,653	20,608	19,426	3,229	360	5,179	3,693	111,193	867,028
Accounting and audit	202,974	-	-	-	-	-	-	-	-	202,974
Audio/visual expense	182,037	250	-	-	1,500	-	-	-	3,752	187,539
Awards	11,850	-	-	-	-	-	-	-	-	11,850
Computer	344,628	190	7,000	1,398	13,842	72	-	-	3,590	370,720
Consultants	1,789,504	43,641	2,188	38,772	-	5,807	-	1,316	106,706	1,987,934
Convention expenses	3,337,546	-	-	-	-	-	-	-	-	3,337,546
Cost of sales	(9,331)	-	-	-	-	-	-	-	-	(9,331)
Depreciation and amortization	211,019	-	-	-	-	-	-	-	-	211,019
Dinners and honoraria	125,612	-	-	-	-	-	-	-	-	125,612
Donations	565,776	-	-	-	-	-	-	-	-	565,776
Insurance and bonding	1,823,808	109,810	75,055	96,310	127,780	25,437	-	75,179	262,757	2,596,136
Journal expenses	1,126,377	-	-	-	-	-	-	-	-	1,126,377
Legal services	377,237	-	-	-	-	-	-	-	-	377,237
Miscellaneous expenses	313,377	221	907	11,260	-	633	-	715	31,827	358,940
Office expense and supplies	141,594	15,174	1,713	18,745	15,140	4,639	-	6,438	10,177	213,620
Office machine rental and maintenance	37,384	-	-	-	-	-	-	-	-	37,384
Pension expense	1,204,061	143,754	105,176	101,821	171,215	10,960	-	104,679	506,227	2,347,893
Affiliations per capita tax	2,410,708	-	-	-	-	-	-	-	-	2,410,708
Postage and freight	286,211	866	23	7,696	1,131	854	-	576	3,279	300,636
Printing and copying	258,737	12,295	2,790	15,287	3,666	2,047	-	405	12,408	307,635
Redmond Fund contribution	133,219	-	-	-	-	-	-	-	-	133,219
Rent	965,911	-	-	-	-	-	-	-	-	965,911
Seminars	857,970	2,231	96	192	2,045	-	-	-	5,258	867,792
Subscriptions and dues	186,598	4,949	4,844	595	2,515	-	-	2,268	35,988	237,757
Taxes - payroll, personal property and other	517,759	37,076	26,267	28,041	46,595	2,995	292	25,899	104,357	789,281
Telephone and telegraph	162,412	1,661	6,702	1,688	1,817	736	-	2,418	13,146	190,580
Temporary services	-	-	-	-	-	-	-	-	-	-
Overhead allocation	26,909,094 (645,038)	862,289	598,371	694,292	997,424	102,384	9,212	563,687	2,668,138	33,404,891 (645,038)
	\$ 26,264,056	\$ 862,289	\$ 598,371	\$ 694,292	\$ 997,424	\$ 102,384	\$ 9,212	\$ 563,687	\$ 2,668,138	\$ 32,759,853

The accompanying auditor's report on other financial information should be read with this schedule.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULE OF GENERAL FUND EXPENSES - OTHER
YEAR ENDED SEPTEMBER 30, 2008

	Communications and Media	Government and Public Affairs	Political Action	Member Services	Education and Hazmat	Motorcycle Group	TOTAL
Salaries - Officers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
- Others	321,170	315,913	307,965	297,375	215,050	-	1,457,473
Expenses - Officers	-	-	-	-	-	-	-
- Others	24,649	32,909	16,451	19,897	11,946	5,341	111,193
Accounting and audit	-	-	-	-	-	-	-
Audio/visual expense	575	-	-	2,542	-	635	3,752
Awards	-	-	-	-	-	-	-
Computer	-	(1,750)	-	4,201	-	1,139	3,590
Consultants	15,034	-	678	74,525	-	16,469	106,706
Convention expenses	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Dinners and honoraria	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Insurance and bonding	58,204	55,980	65,996	55,331	23,128	4,118	262,757
Journal expenses	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-
Miscellaneous expenses	1,278	-	-	12,360	50	18,139	31,827
Office expense and supplies	1,648	230	1,830	3,343	712	2,414	10,177
Office machine rental and maintenance	-	-	-	-	-	-	-
Pension expense	107,404	107,087	97,559	103,790	90,387	-	506,227
Affiliations per capita tax	-	-	-	-	-	-	-
Postage and freight	403	145	834	786	123	988	3,279
Printing and copying	262	1,914	6,385	-	68	3,779	12,408
Redmond Fund contribution	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-
Seminars	-	-	-	249	384	4,625	5,258
Subscriptions and dues	12,800	1,086	17,895	3,862	345	-	35,988
Taxes - payroll, personal property and other	22,207	21,782	23,753	20,428	16,187	-	104,357
Telephone and telegraph	3,205	3,378	541	2,382	1,549	2,091	13,146
Temporary services	-	-	-	-	-	-	-
Overhead allocation	568,839	538,674	539,887	601,071	359,929	59,738	2,668,138
	-	-	-	-	-	-	-
	\$ 568,839	538,674	539,887	601,071	359,929	59,738	2,668,138

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULE OF NET CONVENTION EXPENSES
YEAR ENDED SEPTEMBER 30, 2008

Salaries		\$	71,456
Expenses			
Lodging	\$	95,811	
Meals		49,600	
Transportation		46,047	
Telephone		114	
Entertainment		3,415	
Other		1,490	196,477
401k match			1,501
Audio/visual			1,581,978
Computer services			1,296
Consultants			
Fees		286,315	
Expenses		164,764	451,079
Dinners and honoraria			51,500
Insurance			4,573
Meetings/seminars			506,152
Miscellaneous			31,819
Office expense and supplies			109,974
Office machine rental and maintenance			8,387
Photography			-
Postage and freight			29,936
Printing and copying			228,178
Taxes - payroll			6,640
Telephone and fax			56,600
Total convention expenses			3,337,546
Less booth income			(142,000)
Less convention registration income			(768,780)
Net convention expenses		\$	<u>2,426,766</u>

SEE PAGE 39 FOR CONVENTION FUNDING

The accompanying auditor's report on other financial information should be read with this schedule.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SCHEDULE OF SALARY AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2008
(UNAUDITED)

	EXPENSES					TOTAL	
	SALARY	LODGING	MEALS	TRAVEL	TELEPHONE	OTHER	SALARY AND EXPENSES
PRINCIPAL OFFICERS							
Harold Schaitberger, General President	\$ 262,435	\$ 15,324	\$ 7,892	\$ 162,418	\$ 49	\$ 16,177	\$ 201,860
Vincent J. Bollon, General Secretary-Treasurer	236,191	3,174	3,360	23,484	74	2,950	33,042
TOTAL PRINCIPAL OFFICERS	\$ 498,626	\$ 18,498	\$ 11,252	\$ 185,902	\$ 123	\$ 19,127	\$ 234,902

VICE PRESIDENTS							
Kevin Gallagher, 1st District	\$ 70,706	\$ 5,858	\$ 19,091	\$ 8,365	\$ 236	\$ 7,485	\$ 41,035
Mark Woolbright, 2nd District	2,991	685	240	859	-	-	1,784
Louie Wright, 2nd District (prior)	67,987	4,567	5,407	1,432	(801)	637	11,242
Michael Mullane, 3rd District	70,706	5,776	19,762	4,849	(1,441)	7,375	36,321
William Taylor, 4th District	70,706	8,008	18,281	13,665	129	7,869	47,952
Joseph Conway, Jr., 5th District	70,706	3,980	6,560	12,179	(196)	3,089	25,612
Lorne West, 6th District	67,472	11,135	15,831	49,277	7,194	2,114	85,551
Ricky Walsh, 7th District	70,706	13,416	16,115	24,974	(433)	6,030	60,102
Thomas Miller, 8th District	70,706	5,797	21,440	20,813	174	6,189	54,413
Randy Atkinson, 9th District	70,706	5,060	6,082	4,814	-	4,751	20,707
James Ferguson, 10th District	70,706	12,188	9,680	14,669	(148)	1,668	38,057
Roy L. McGhee, 11th District	70,706	17,290	12,080	25,095	411	8,813	63,689
Larry Osbourne, 12th District	70,706	6,005	2,320	4,206	-	410	12,941
Bruce Carpenter, 13th District	67,472	8,732	7,885	15,285	6,117	3,883	41,902
Danny Todd, 14th District	70,706	12,787	9,760	25,725	39	6,832	55,143
James Fennell, 15th District	67,472	7,121	14,720	21,492	5,755	1,002	50,090
James Johnson, 16th District	70,706	9,627	7,600	15,951	192	6,213	39,583
TOTAL VICE PRESIDENTS	\$ 1,121,866	\$ 138,032	\$ 192,854	\$ 263,650	\$ 17,228	\$ 74,360	\$ 686,124

TOTAL OFFICERS' SALARY/EXPENSES (GENERAL FUND)	\$ 1,620,492	\$ 156,530	\$ 204,106	\$ 449,552	\$ 17,351	\$ 93,487	\$ 921,026
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INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SCHEDULE OF SALARY AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2008
(UNAUDITED)

	EXPENSES					TOTAL	
	SALARY	LODGING	MEALS	TRAVEL	TELEPHONE	OTHER	SALARY AND EXPENSES
TRUSTEES							
Anthony Mejia	\$ 4,080	\$ 2,000	\$ 1,440	\$ 1,002	\$ -	\$ 110	\$ 8,632
Mark Ouellette	11,280	6,536	3,280	3,685	192	-	24,973
Keith Hamilton (prior)	-	6,173	2,720	4,813	52	-	13,758
Alex Forrest	-	773	480	35	-	-	1,288
TOTAL TRUSTEES	\$ 15,360	\$ 15,482	\$ 7,920	\$ 9,535	\$ 244	\$ 110	\$ 48,651
DIRECTORS, ETC.							
Chief of Staff to the General President							
Peter Gorman	172,824	2,312	3,040	15,338	56	12,745	206,315
Executive Assistant to the General Secretary-Treasurer							
Erick Genser	174,701	-	2,280	3,387	27	12,346	192,741
Budget and Finance							
Don Copley	149,440	828	2,480	1,452	22	1,653	155,875
Jennifer Harris	55,974	-	640	81	-	-	56,695
Kristin Gifford (prior)	54,413	-	-	18	-	295	54,726
Canadian National Office							
Jim Lee	142,294	10,228	9,001	19,877	78	667	182,145
Governmental and Public Affairs							
Kevin O'Connor	149,115	10,159	6,240	12,349	344	8,520	186,727
David Billy	117,762	5,142	4,960	8,252	30	6,131	142,277
Barry Kasinitz	117,762	2,384	1,840	5,332	-	505	127,823
Occupational Safety and Health							
Richard Duffy	149,440	4,783	5,920	14,450	13	5,066	179,672
James Brinkley	60,452	1,483	640	4,092	-	231	66,898
Education and Hazmat							
Patrick Morrison	145,145	248	3,680	2,554	57	1,097	152,781
David Neun (prior)	19,991	-	-	1,298	-	-	21,289
Kevin Rader	116,473	1,575	3,120	5,678	26	2,793	129,665
Hazmat & WMD Training Dept							
Elizabeth Harman	114,234	1,137	2,160	5,474	1,859	85	124,949

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SCHEDULE OF SALARY AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2008
(UNAUDITED)

	SALARY	LODGING	MEALS	EXPENSES TRAVEL	TELEPHONE	OTHER	TOTAL	TOTAL SALARY AND EXPENSES
Tech Assist & Labor Issues/EMS								
Lori Moore	149,228	5,113	6,080	6,465	156	680	18,494	167,722
Jonathan Moore	117,762	287	1,280	786	-	-	2,353	120,115
Michele Shaffer	117,890	3,613	2,960	1,884	15	-	8,472	126,362
Public Relations and Communications								
Jeffrey Zack	149,642	5,123	5,040	16,326	167	196	26,852	176,494
Jane Blume	116,473	150	1,520	2,243	(87)	-	3,826	120,299
Human Resources								
Ken Long	147,642	1,794	2,000	1,224	-	-	5,018	152,660
Information & Technology Operations Dept								
Eric Lamar	149,115	-	2,000	2,021	-	128	4,149	153,264
Dave Bernard	140,998	1,567	2,640	1,751	72	-	6,030	147,028
Carmen Gloukhoff	116,473	-	640	30	-	-	670	117,143
Bentley Westfield	116,473	-	640	-	-	-	640	117,113
Conference Planning								
Michael Schaitberger	117,762	3,778	2,400	1,900	(608)	420	7,890	125,652
Grants Administration								
Jennifer Stewart	116,323	1,230	1,680	2,208	139	1,004	6,261	122,584
TOTAL DIRECTORS, ETC.	\$ 3,295,801	\$ 62,934	\$ 74,881	\$ 136,470	\$ 2,366	\$ 54,562	\$ 331,213	\$ 3,627,014
OTHER OFFICE AND GRANT EMPLOYEES	\$ 7,858,302	\$ 257,549	\$ 121,986	\$ 412,409	\$ 26,225	\$ 11,992	\$ 830,161	\$ 8,688,463
TOTAL IAFF SALARY/EXPENSE FYE 09/30/08	\$ 12,789,955	\$ 492,495	\$ 408,893	\$ 1,007,966	\$ 46,186	\$ 160,151	\$ 2,115,691	\$ 14,905,646
IAFF FINANCIAL CORPORATION								
Carrie Tucker	\$ 161,860	\$ 14,260	\$ 78	\$ 16,139	\$ 3	\$ 116	\$ 30,596	\$ 192,456
David Siwarski	6,250	3,525	-	4,567	-	50	8,142	14,392
TOTAL IAFF FINANCIAL CORPORATION SALARY/EXPENSE FYE 9/30/08	\$ 168,110	\$ 17,785	\$ 78	\$ 20,706	\$ 3	\$ 166	\$ 38,738	\$ 206,848
TOTAL CONSOLIDATED IAFF SALARY/EXPENSE FYE 9/30/08	\$ 12,958,065	\$ 510,280	\$ 408,971	\$ 1,028,672	\$ 46,189	\$ 160,317	\$ 2,154,429	\$ 15,112,494
TOTAL APPORTIONED SALARIES AND EXPENSES	\$ 1,782,352	\$ 170,790	\$ 204,184	\$ 465,691	\$ 17,354	\$ 93,603	\$ 951,622	\$ 2,733,974
Officers	11,175,713	339,490	204,787	562,981	28,835	66,714	1,202,807	12,378,520
Others	\$ 12,958,065	\$ 510,280	\$ 408,971	\$ 1,028,672	\$ 46,189	\$ 160,317	\$ 2,154,429	\$ 15,112,494

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Note to Other Financial Information

Year Ended September 30, 2008

SCHEDULE OF SALARY AND EXPENSES

All amounts in the schedule of salary and expenses, like all amounts in the financial statements and other financial information, are stated in U.S. dollars. The Association has substantial activity denominated in Canadian dollars. Accordingly, all salary and expense amounts denominated in Canadian dollars have been translated to U.S. dollars by applying the average translation rate for the year ended September 30, 2008 of 99.24%.

SCHEDULE OF NET CONVENTION EXPENSES

The biannual IAFF Convention is funded over two years. For the 2008 Convention, there was a total of \$3,372,166 set aside to fund it. This funding came from per capita tax, minimal resolution, affinity credit card royalties, booth rentals, and convention registration. The total convention cost of \$3,400,848 was \$28,682 over the amount set aside. This balance will be covered by the favorable per capita variance from the year ending September 30, 2008. The following is a summary of the 2008 Convention funding and costs.

2008 Convention funding	
Per Capita Tax 2007	\$ 600,000
Per Capita Tax 2008	600,000
Minimal resolution 2007	75,000
Minimal resolution 2008	75,000
Affinity credit card royalties 2007	598,011
Affinity credit card royalties 2008	513,375
Booth income 2008	142,000
Convention registration 2008	<u>768,780</u>
Total funds available	<u>3,372,166</u>
2008 Convention costs	
Expenses incurred 2007	63,302
Expenses incurred 2008	<u>3,337,546</u>
Total costs	<u>3,400,848</u>
2008 Convention Over/(Under) Funding	<u>\$ (28,682)</u>