

INTERNATIONAL ASSOCIATION
OF FIRE FIGHTERS
AND ITS
SUBSIDIARY AND AFFILIATES

Consolidated Financial Statements
and
Independent Auditor's Report

September 30, 2009



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AUDIT QUALITY CENTER

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, 2009, 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, 2008 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, 2009 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.

January 25, 2010

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2009

With comparative totals for September 30, 2008

FUNDS

ASSETS

CURRENT ASSETS

Cash and cash equivalents (notes B and L)	\$ 3,516,285	\$ 1,436,722	\$ 30,976	\$ 1,214,125	\$ 29,693	\$ 71,357	\$ 198,169	\$ 1,236,383	\$ -	\$ 7,733,710	\$ 10,258,848
Temporary investments (notes B and L)	13,716,447	-	-	-	-	-	-	1,689,674	-	15,406,121	12,513,696
Loans to affiliates, net of allowance for doubtful accounts (note D)	-	311,129	-	-	-	-	72,688	-	-	383,817	614,368
Grants receivable (note A9)	-	-	867,164	-	-	-	-	76,356	-	943,520	798,503
Accounts receivable (note A9)	1,484,316	-	103,111	2,712	-	-	-	248,945	-	1,839,084	1,708,242
Prepaid expenses	462,886	-	107,030	12,948	-	-	-	28,510	-	611,374	423,626
Inventories (note A5)	171,840	-	-	-	-	-	-	10,482	-	182,322	123,111
Interfund receivables (note Q3)	1,481,081	342,563	-	-	-	-	744,713	18,135	(2,586,492)	-	-
Total current assets	20,832,855	2,090,414	1,108,281	1,229,785	29,693	71,357	1,015,570	3,308,485	(2,586,492)	27,099,948	26,440,394

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

IAFF Financial Corporation	89,368	-	-	-	-	-	-	-	-	1,037,779	-
United Unions, Inc.	2,088,646	-	-	-	-	-	-	-	(89,368)	2,088,646	1,988,383

PROPERTY AND EQUIPMENT - at cost (note A7)

Furniture and equipment, net of accumulated depreciation of \$2,060,408 and \$2,678,323 for 2009 and 2008, respectively	723,000	-	15,824	-	-	-	-	20,318	-	759,142	484,152
Leasehold improvements, net of accumulated amortization of \$1,415,287 and \$1,358,861 for 2009 and 2008, respectively	196,353	-	-	-	-	-	-	2,015	-	198,368	256,342
Total	-	-	-	-	-	-	-	423,953	-	423,953	423,953

COLLECTIONS (note A8)

Deferred compensation investments (note F)	2,678,047	-	-	-	-	-	-	-	-	2,678,047	2,476,763
Deposits	-	-	-	-	-	-	-	-	-	-	-

Total assets

	\$ 26,608,269	\$ 3,334,931	\$ 1,124,105	\$ 1,229,785	\$ 29,693	\$ 71,357	\$ 1,015,570	\$ 3,754,771	\$ (2,675,860)	\$ 34,492,621	\$ 33,108,566
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LIABILITIES AND NET ASSETS/EQUITY

	FUNDS										
	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	Other	Eliminating Entries	TOTAL	2008 TOTAL
CURRENT LIABILITIES											
Bank overdraft	\$ 1,360,791	30	481,839	33,021	-	-	-	357,711	-	2,233,392	14,969
Accounts payable	-	-	-	-	-	-	-	-	-	-	4,049,999
Accrued expenses	428,511	-	46,570	-	-	-	-	5,556	-	480,637	456,822
Salaries and wages	55,036	-	-	-	-	-	-	-	-	55,036	86,014
Employee expense reimbursements	1,904,113	-	39,359	-	-	-	-	31,942	-	1,975,414	1,792,612
Vacation and sick leave (note E)	741,981	-	-	-	-	-	-	-	-	741,981	713,947
Severance (note E)	8,631	-	5,438	-	-	-	-	-	-	14,069	17,072
Compensatory time (note E)	-	-	-	-	-	-	-	-	-	-	28,110
Payroll taxes and withholdings	1,841,428	-	-	-	-	-	-	-	-	1,841,428	1,416,635
Accrued pension liability (note F)	-	-	-	-	-	-	-	-	-	-	-
Accrued rent	-	-	-	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	604	-	604	-
Deferred revenues (note A9)	446,282	-	121,424	-	-	-	-	205,958	-	773,664	983,785
Promises to give	50,000	-	-	-	-	-	-	21,669	-	71,669	-
Capital lease obligation (note G2)	82,723	-	-	-	-	-	-	-	-	82,723	-
Line of credit (note G4)	-	-	-	-	-	-	-	-	-	-	-
Interfund payables (note Q3)	-	-	2,200,943	3,721	-	147,108	-	234,720	(2,586,492)	-	-
Total current liabilities	6,919,496	30	2,895,573	36,742	-	147,108	-	858,160	(2,586,492)	8,270,617	9,559,965
LONG-TERM LIABILITIES											
Accrued pension liability, net current portion (note F)	16,572,856	-	-	-	-	-	-	-	-	16,572,856	12,749,713
Promises to give, net of current portion	200,000	-	-	-	-	-	-	-	-	200,000	-
Capital lease obligation, net of current portion (note G2)	175,948	-	-	-	-	-	-	-	-	175,948	-
Deferred compensation liability (note F)	2,678,047	-	-	-	-	-	-	-	-	2,678,047	2,476,763
Total liabilities	26,546,347	30	2,895,573	36,742	-	147,108	-	858,160	(2,586,492)	27,897,468	24,786,441
COMMITMENTS AND CONTINGENCIES (note G)											
EQUITY											
Capital stock	-	-	-	-	-	-	-	5	(5)	-	-
Paid-in capital	-	-	-	-	-	-	-	89,363	(89,363)	-	-
Retained earnings	-	-	-	-	-	-	-	752,800	-	752,800	596,910
NET ASSETS (notes A3 and O)											
Unrestricted	(250,000)	3,334,901	-	-	-	-	-	300,000	-	3,384,901	2,446,359
Designated	311,922	-	(1,771,468)	-	-	-	-	1,251,326	-	(208,020)	3,800,821
Undesignated	61,922	3,334,901	(1,771,468)	-	-	-	-	1,551,526	-	3,176,881	6,247,180
Total unrestricted net assets	61,922	3,334,901	(1,771,468)	-	-	-	-	842,168	(89,368)	752,800	596,910
Total equity	61,922	3,334,901	(1,771,468)	-	29,693	(75,751)	1,015,570	78,964	-	2,241,519	1,054,082
Temporarily restricted	-	-	-	1,193,043	-	-	-	423,953	-	423,953	423,953
Permanently restricted	-	-	-	-	-	-	-	-	-	-	-
Total net assets/equity	61,922	3,334,901	(1,771,468)	1,193,043	29,693	(75,751)	1,015,570	2,896,611	(89,368)	6,595,153	8,322,125
Total liabilities and net assets/equity	\$ 26,608,269	\$ 3,334,931	\$ 1,124,105	\$ 1,229,785	\$ 29,693	\$ 71,357	\$ 1,015,570	\$ 3,754,771	\$ (2,675,860)	\$ 34,492,621	\$ 33,108,566

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED BALANCE SHEET - OTHER
SEPTEMBER 30, 2009

With comparative totals for September 30, 2008

ASSETS

CURRENT ASSETS

Cash and cash equivalents (notes B and L)
Temporary investments (notes B and L)
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 Nations, Inc.

PROPERTY AND EQUIPMENT - at cost (note A7)

Furniture and equipment, net of accumulated depreciation of
\$32,643 and \$21,958 for 2009 and 2008, respectively
Leasehold improvements, net of accumulated amortization of
\$1,190 and \$1,029 for 2009 and 2008, respectively

COLLECTIONS (note A8)

OTHER ASSETS

Deferred compensation investments (note F)
Deposits

Total assets

	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	2008 TOTAL
\$	622,928	\$ 31,539	\$ 57,340	\$ 118,457	\$ 23,868	\$ 358,804	\$ 23,447	\$ 1,236,383	\$ 1,650,631
	-	-	80,927	-	-	1,115,276	493,471	1,689,674	1,599,935
	-	-	-	-	-	-	-	-	-
	-	76,356	-	-	-	-	-	76,356	105,356
	231,806	5,559	-	-	-	11,580	-	248,945	221,085
	13,510	15,000	-	-	-	-	-	28,510	19,967
	-	10,482	-	-	-	-	-	10,482	12,231
	-	-	-	-	18,135	-	-	18,135	1,405,225
	868,244	138,936	138,267	118,457	42,003	1,485,660	516,918	3,308,485	5,014,430
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	13,525	6,793	-	-	-	-	-	20,318	28,096
	-	-	-	-	-	2,015	-	2,015	2,175
	-	-	-	-	-	423,953	-	423,953	423,953
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
\$	881,769	\$ 145,729	\$ 138,267	\$ 118,457	\$ 42,003	\$ 1,911,628	\$ 516,918	\$ 3,754,771	\$ 5,468,654

[illegible]

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED STATEMENT OF CHANGES IN UNRESTRICTED NET ASSETS/EQUITY
YEAR ENDED SEPTEMBER 30, 2009

	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	\$ 30,231,537	\$ 1,481,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,104	\$ (134,104)	\$ 31,713,275
Conference and seminar registration fees	1,139,585	-	-	-	-	-	-	9,300	(124,180)	1,024,705
Contributions	-	-	-	-	-	-	-	362,688	(221,672)	141,016
Royalties	577,757	-	-	-	-	-	-	1,188,280	-	1,766,037
Initiation, reinstatement and charter fees	178,040	-	-	-	-	-	-	-	-	178,040
Investment income (note C)	759,388	10,257	-	-	-	-	-	119,980	-	889,625
Proceeds from sales	-	-	-	-	-	-	-	54,896	-	54,896
Reimbursed legal expenses	59,768	480,063	-	-	-	-	-	-	-	539,831
Other revenues	1,713,574	-	-	-	-	-	-	59,156	(442,699)	1,330,031
Total unrestricted revenues and other support	34,659,649	1,972,058	-	-	-	-	-	1,928,404	(922,655)	37,637,456
Net assets released from restrictions	197,143	-	7,762,708	5,974,836	-	143,722	(2,232)	119,360	-	14,195,537
Total unrestricted revenues and other support and net assets released from restrictions	34,856,792	1,972,058	7,762,708	5,974,836	-	143,722	(2,232)	2,047,764	(922,655)	51,832,993
EXPENSES (note K)										
Program services	15,908,053	1,074,148	7,750,521	5,964,340	-	143,722	-	981,538	(664,371)	31,157,951
Supporting services	17,439,892	-	-	-	-	-	-	636,186	(258,284)	17,817,794
Operating expenses	-	(255)	(3,560)	(21,125)	-	-	(1,772)	536	-	929,823
Foreign exchange (gain)/loss (note M)	(227,685)	-	-	-	-	-	-	-	-	(253,861)
Total expenses	33,120,260	1,073,893	7,746,961	5,943,215	-	143,722	(1,772)	2,548,083	(922,655)	49,651,707
Change in unrestricted net assets/equity before change in cumulative foreign currency translation and income taxes	1,736,532	898,165	15,747	31,621	-	-	(460)	(500,319)	-	2,181,286
Income taxes	-	-	-	-	-	-	-	(98,935)	-	(98,935)
Change in cumulative foreign currency translation (note M)	(264,607)	(9,623)	88	(31,621)	-	-	(2,158)	-	-	(307,921)
Change in unrestricted net assets/equity before incremental effect of defined benefit plan	1,471,925	888,542	15,835	-	-	-	(2,618)	(599,254)	-	1,774,430
Incremental effect on net assets of defined benefit plan (note F)	(4,688,839)	-	-	-	-	-	-	-	-	(4,688,839)
Net assets/equity at beginning of year	3,278,836	2,446,359	(1,787,303)	-	-	-	2,618	2,992,948	(89,368)	6,844,090
Transfers of net assets	-	-	-	-	-	-	-	-	-	-
Net assets/equity at end of year	\$ 61,922	\$ 3,334,901	\$ (1,771,468)	\$ -	\$ -	\$ -	\$ -	\$ 2,393,694	\$ (89,368)	\$ 3,929,681

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, 2009

	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" McClennan Scholarship Fund	TOTAL
UNRESTRICTED REVENUES AND OTHER SUPPORT (notes A9 and H)								
Allocated per capita tax	\$ -	\$ -	\$ 134,104	\$ -	\$ -	\$ -	\$ -	\$ 134,104
Conference and seminar registration fees	-	-	9,300	-	-	-	-	9,300
Contributions	-	96,399	-	-	36,971	226,675	867	362,688
Royalties	1,128,347	42,503	898	1,776	4,270	-	12,262	1,188,280
Initiation, reinstatement and charter fees	-	-	-	-	-	-	-	-
Investment income (note C)	8,991	43	7,403	8,731	19,987	12,616	62,209	119,980
Proceeds from sales	-	54,896	-	-	-	-	-	54,896
Reimbursed legal expenses	-	-	-	-	-	-	-	-
Other revenues	47,310	11,376	-	-	470	-	-	59,156
Total unrestricted revenues and other support	1,184,648	205,217	151,705	10,507	61,698	239,291	75,338	1,928,404
Net assets released from restrictions	-	119,360	-	-	-	-	-	119,360
Total unrestricted revenues and other support and net assets released from restrictions	1,184,648	324,577	151,705	10,507	61,698	239,291	75,338	2,047,764
EXPENSES (note K)								
Program services	-	192,251	1,350	225,926	52,521	389,490	120,000	981,538
Supporting services	-	286,450	128,440	41,682	15,057	153,608	10,949	636,186
Operating expenses	929,823	-	-	-	-	-	-	929,823
Foreign exchange (gain)/loss (note M)	-	-	536	-	-	-	-	536
Total expenses	929,823	478,701	130,326	267,608	67,578	543,098	130,949	2,548,083
Change in unrestricted net assets/equity before change in cumulative foreign currency translation and income taxes	254,825	(154,124)	21,379	(257,101)	(5,880)	(303,807)	(55,611)	(500,319)
Income taxes	(98,935)	-	-	-	-	-	-	(98,935)
Change in cumulative foreign currency translation (note M)	-	-	-	-	-	-	-	-
Change in unrestricted net assets/equity before incremental effect of defined benefit plan	155,890	(154,124)	21,379	(257,101)	(5,880)	(303,807)	(55,611)	(599,254)
Incremental effect on net assets of defined benefit plan (note F)	-	-	-	-	-	-	-	-
Net assets/equity at beginning of year	686,278	30,461	(88,784)	304,211	47,883	1,442,870	570,029	2,992,948
Transfer of net assets/equity	-	-	-	-	-	-	-	-
Net assets/equity at end of year	\$ 842,168	\$ (123,663)	\$ (67,405)	\$ 47,110	\$ 42,003	\$ 1,139,063	\$ 514,418	\$ 2,393,694

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, 2009

	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)	\$ 34,856,792	\$ 1,972,038	\$ 7,762,708	\$ 5,974,836	\$ -	\$ 143,722	\$ (2,232)	\$ 2,047,764	\$ (922,655)	\$ 51,832,993
Expenses	(33,347,945)	(1,074,148)	(7,750,521)	(5,964,340)	-	(143,722)	-	(2,547,547)	922,655	(40,905,568)
Income taxes	-	-	-	-	-	-	-	(98,935)	-	(98,935)
Foreign exchange gain/(loss) (note M)	227,685	255	3,560	21,125	-	-	1,772	(536)	-	253,861
Change in cumulative foreign currency translation (note M)	(264,607)	(9,623)	88	(31,621)	-	-	(2,158)	-	-	(307,921)
Change in unrestricted net assets/equity before incremental effect of defined benefit plan	1,471,925	888,542	15,835	-	-	-	(2,618)	(599,254)	-	1,774,430
Incremental effect on net assets of defined benefit plan (note F)	(4,688,839)	-	-	-	-	-	-	-	-	(4,688,839)
Net assets/equity at beginning of year	3,278,836	2,446,359	(1,787,303)	-	-	-	2,618	2,992,948	(89,368)	6,844,090
Transfers of net assets	-	-	-	-	-	-	-	-	-	-
Net assets/equity at end of year	\$ 61,922	\$ 3,334,901	\$ (1,771,468)	\$ -	\$ -	\$ -	\$ -	\$ 2,393,694	\$ (89,368)	\$ 3,929,681
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS/EQUITY										
Revenues and other support (notes A9 and H)	\$ -	\$ -	\$ -	\$ 4,190,761	\$ -	\$ -	\$ 335,261	\$ -	\$ -	\$ 4,526,022
Allocated per capita tax	-	-	-	2,751,532	-	-	-	-	-	2,751,532
Contributions	-	-	-	-	-	-	-	208,398	-	7,971,044
Grants and contracts	-	-	7,762,646	-	-	-	-	-	-	4,413
Investment income (note C)	-	-	62	3,917	40	394	-	-	-	51,800
Other income	-	-	-	50,882	-	918	-	-	-	78,161
Proceeds from sales	-	-	-	67,310	-	10,853	-	-	-	15,382,974
Total revenues and other support	-	-	7,762,708	7,064,402	40	12,165	335,261	208,398	-	(14,195,537)
Net assets released from restrictions	(197,143)	-	(7,762,708)	(5,974,836)	-	(143,722)	2,232	(119,360)	-	-
Change in temporarily restricted net assets/equity	(197,143)	-	-	1,089,566	40	(131,557)	337,493	89,038	-	1,187,437
Net assets/equity at beginning of year	197,143	-	-	103,477	29,653	55,806	678,077	(10,074)	-	1,054,082
Transfers of net assets	-	-	-	-	-	-	-	-	-	-
Net assets/equity at end of year	\$ -	\$ -	\$ -	\$ 1,193,043	\$ 29,693	\$ (75,751)	\$ 1,015,570	\$ 78,964	\$ -	\$ 2,241,519
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)	\$ 34,659,649	\$ 1,972,038	\$ 7,762,708	\$ 7,064,402	\$ 40	\$ 12,165	\$ 335,261	\$ 2,136,802	\$ (922,655)	\$ 53,020,430
Expenses	(33,347,945)	(1,074,148)	(7,750,521)	(5,964,340)	-	(143,722)	-	(2,547,547)	922,655	(40,905,568)
Income taxes	-	-	-	-	-	-	-	(98,935)	-	(98,935)
Foreign exchange gain/(loss) (note M)	227,685	255	3,560	21,125	-	-	1,772	(536)	-	253,861
Change in cumulative foreign currency translation (note M)	(264,607)	(9,623)	88	(31,621)	-	-	(2,158)	-	-	(307,921)
Change in net assets/equity before incremental effect of defined benefit plan	1,274,782	888,542	15,835	1,089,566	40	(131,557)	334,875	(510,216)	-	2,961,867
Incremental effect on net assets of defined benefit plan (note F)	(4,688,839)	-	-	-	-	-	-	-	-	(4,688,839)
Net assets/equity at beginning of year	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
Transfers of net assets	-	-	-	-	-	-	-	-	-	-
Net assets/equity at end of year	\$ 61,922	\$ 3,334,901	\$ (1,771,468)	\$ 1,193,043	\$ 29,693	\$ (75,751)	\$ 1,015,570	\$ 2,896,611	\$ (89,368)	\$ 6,995,153

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY - OTHER
YEAR ENDED SEPTEMBER 30, 2009

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" McClennan Scholarship Fund	TOTAL		
\$ 1,184,648	\$ 324,577	\$ 151,705	\$ 10,507	\$ 61,698	\$ 239,291	\$ 75,338	\$	\$ 2,047,764	
(929,823)	(478,701)	(129,790)	(267,608)	(67,578)	(543,098)	(130,949)		(2,547,547)	
(98,935)	-	(536)	-	-	-	-		(98,935)	
-	-	-	-	-	-	-		(536)	
-	-	-	-	-	-	-		-	
Change in unrestricted net assets/equity before incremental effect of defined benefit plan									
Incremental effect on net assets of defined benefit plan (note F)									
-	(154,124)	21,379	(257,101)	(5,880)	(303,807)	(55,611)		(599,254)	
Net assets/equity at beginning of year	-	-	-	-	-	-		-	
Transfers of net assets	686,278	30,461	304,211	47,883	1,442,870	570,029		2,992,948	
Net assets/equity at end of year	-	-	-	-	-	-		-	
\$ 842,168	\$ (123,663)	\$ (67,405)	\$ 47,110	\$ 42,003	\$ 1,139,063	\$ 514,418	\$	\$ 2,393,694	
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS/EQUITY									
Revenues and other support (notes A9 and H)									
Allocated per capita tax	-	-	-	-	-	-		-	
Contributions	-	-	-	-	-	-		-	
Grants and contracts	-	208,398	-	-	-	-		208,398	
Investment income (note C)	-	-	-	-	-	-		-	
Other income	-	-	-	-	-	-		-	
Net proceeds from sales	-	-	-	-	-	-		-	
Change in cumulative foreign currency translation (note M)	-	-	-	-	-	-		-	
Total revenues and other support	-	208,398	-	-	-	-		208,398	
Net assets released from restrictions	-	(119,360)	-	-	-	-		(119,360)	
Change in temporarily restricted net assets/equity	-	-	-	-	-	-		-	
Net assets/equity at beginning of year	-	89,038	-	-	-	-		89,038	
Net assets/equity at end of year	-	(10,074)	-	-	-	-		(10,074)	
\$ -	\$ 78,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$	\$ 78,964	
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	-	-	-	-	-	-		-	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	\$ -	
CHANGES IN TOTAL NET ASSETS/EQUITY									
Revenues and other support and net assets released from restrictions (notes A9 and H)									
Expenses	\$ 1,184,648	\$ 413,615	\$ 151,705	\$ 10,507	\$ 61,698	\$ 239,291	\$ 75,338	\$ 2,136,802	
Income taxes	(929,823)	(478,701)	(129,790)	(267,608)	(67,578)	(543,098)	(130,949)	(2,547,547)	
Foreign exchange gain/(loss) (note M)	(98,935)	-	(536)	-	-	-	-	(98,935)	
Change in cumulative foreign currency translation (note M)	-	-	-	-	-	-	-	(536)	
Change in net assets/equity before incremental effect of defined benefit plan	-	(65,086)	21,379	(257,101)	(5,880)	(303,807)	(55,611)	(510,216)	
Incremental effect on net assets of defined benefit plan (note F)	-	-	-	-	-	-	-	-	
Net assets/equity at beginning of year	686,278	20,387	(88,784)	304,211	47,883	1,866,823	570,029	3,406,827	
Transfers of net assets	-	-	-	-	-	-	-	-	
Net assets/equity at end of year	\$ 842,168	\$ (44,699)	\$ (67,405)	\$ 47,110	\$ 42,003	\$ 1,563,016	\$ 514,418	\$ 2,896,611	

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, 2009

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	\$ 30,205,630	\$ 736,436	\$ -	\$ 4,887,544	\$ -	\$ -	\$ 385	\$ -	\$ 35,829,995
Grants and contributions received	1,679	-	7,194,580	2,751,532	-	-	-	2,072,132	12,019,923
Royalties received	-	-	-	50,882	-	-	-	16,532	67,414
Interest received	345,512	10,257	62	3,917	40	394	-	82,884	443,066
Net sales revenue	-	-	-	(9,126)	-	10,853	-	32,036	33,763
Other revenue received	3,757,993	480,062	(103,111)	(20,461)	-	918	-	1,400,653	5,516,054
Payments to vendors, suppliers and employees	(33,480,277)	(984,000)	(7,064,203)	(3,055,514)	-	(63,807)	-	(3,960,205)	(48,608,006)
Aid paid to affiliates	-	(90,147)	-	-	-	-	-	-	(90,147)
Political contributions paid	-	-	-	(4,665,052)	-	-	-	-	(4,665,052)
Net cash provided (used) by operating activities	830,537	152,608	27,328	(56,278)	40	(51,642)	385	(355,968)	547,010
CASH FLOWS FROM INVESTING ACTIVITIES									
Note and loan repayments received	-	567,375	-	-	-	-	78,889	-	646,264
New loans made to affiliates	-	(602,451)	-	-	-	-	(20,000)	-	(622,451)
Temporary investments									
New acquisitions	(7,906,023)	-	-	-	-	-	-	(1,149,954)	(9,055,977)
Proceeds from redemptions	5,372,729	-	-	-	-	-	-	1,095,117	6,467,846
Deferred compensation investments									
New acquisitions	(128,192)	-	-	-	-	-	-	-	(128,192)
United Union special assessment	(100,063)	-	-	-	-	-	-	-	(100,063)
Property and equipment									
New acquisitions	(150,962)	-	-	-	-	-	-	(2,907)	(153,869)
Capital lease payments	(71,646)	-	-	-	-	-	-	-	(71,646)
Proceeds from disposal of fixed assets	-	-	-	-	-	-	-	-	-
Net cash provided (used) by investing activities	(2,984,157)	(35,076)	-	-	-	-	58,889	(57,744)	(3,018,088)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(36,922)	(9,368)	3,648	(10,496)	-	-	(386)	(536)	(54,060)
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	(2,190,542)	108,164	30,976	(66,774)	40	(51,642)	58,888	(414,248)	(2,525,138)
CASH AND CASH EQUIVALENTS at beginning of year	5,706,827	1,328,558	-	1,280,899	29,653	122,999	139,281	1,650,631	10,258,848
CASH AND CASH EQUIVALENTS at end of year	\$ 3,516,285	\$ 1,436,722	\$ 30,976	\$ 1,214,125	\$ 29,693	\$ 71,357	\$ 198,169	\$ 1,236,383	\$ 7,733,710

FUNDS

Net cash provided (used) by operating activities

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INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED STATEMENT OF CASH FLOWS - OTHER
YEAR ENDED SEPTEMBER 30, 2009

	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	-	295,331	135,002	1,776	18,836	1,620,320	867	2,072,132
Royalties received	-	-	-	-	4,270	-	12,262	16,532
Interest received	-	43	3,679	11,458	24,057	12,616	31,031	82,884
Net sales revenue	-	32,036	-	-	-	-	-	32,036
Other revenue received	1,136,004	53,879	210,300	-	470	-	-	1,400,653
Payments to vendors, suppliers and employees	(1,012,669)	(479,931)	(339,429)	(238,025)	(1,489,876)	(194,326)	(205,949)	(3,960,205)
Aid paid to affiliates	-	-	-	-	-	-	-	-
Political contributions paid	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	123,335	(98,642)	9,552	(224,791)	(1,442,243)	1,438,610	(161,789)	(355,968)
CASH FLOWS FROM INVESTING ACTIVITIES								
Note and loan repayments received	-	-	-	-	-	-	-	-
New loans made to affiliates	-	-	-	-	-	-	-	-
Temporary investments	-	-	-	-	-	-	-	-
New acquisitions	-	-	(3,662)	-	-	(1,115,276)	(31,016)	(1,149,954)
Proceeds from redemptions	-	-	-	333,003	554,614	-	207,500	1,095,117
United Union special assessment	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-	-	-
New acquisitions	(2,907)	-	-	-	-	-	-	(2,907)
Capital lease payments	-	-	-	-	-	-	-	-
Proceeds (loss) from disposal of fixed assets	-	-	-	-	-	-	-	-
Net cash provided (used) by investing activities	(2,907)	-	(3,662)	333,003	554,614	(1,115,276)	176,484	(57,744)
EFFECT OF EXCHANGE RATE CHANGES ON CASH								
	-	-	(536)	-	-	-	-	(536)
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	120,428	(98,642)	5,354	108,212	(887,629)	323,334	14,695	(414,248)
CASH AND CASH EQUIVALENTS at beginning of year	502,500	130,181	51,986	10,245	911,497	35,470	8,752	1,650,631
CASH AND CASH EQUIVALENTS at end of year	\$ 622,928	\$ 31,539	\$ 57,340	\$ 118,457	\$ 23,868	\$ 358,804	\$ 23,447	\$ 1,236,383

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" McClenman Scholarship Fund	TOTAL
Change in net assets/equity	\$ 155,890	\$ (65,086)	\$ 21,379	\$ (257,101)	\$ (5,880)	\$ (303,807)	\$ (55,611)	\$ (510,216)
Adjustments								
Change in foreign currency	-	-	536	-	-	-	-	536
Depreciation and amortization	4,651	6,034	-	-	-	161	-	10,846
Deferred tax benefit	-	-	-	-	-	-	-	-
Unrealized (gain) loss on temporary investments	-	-	(3,724)	-	-	-	(25,333)	(29,057)
Realized (gain) loss on temporary investments	-	-	-	-	-	-	(5,845)	(5,845)
Incremental effect of defined benefit plan	-	-	-	-	-	-	-	-
Changes in current assets								
Grants receivable	-	29,000	-	-	-	-	-	29,000
Accounts receivable	(23,306)	229	-	2,727	4,070	(11,580)	-	(27,860)
Prepaid expenses	(4,282)	(4,261)	-	-	-	-	-	(8,543)
Inventories	-	1,749	-	-	-	-	-	1,749
Deposits	-	-	-	-	-	-	-	-
Interfund receivables	-	-	-	-	-	1,405,225	-	1,387,090
Changes in current liabilities								
Accounts payable	(10,330)	(98,149)	4,537	-	(20,000)	329,061	2,500	207,619
Accrued expenses	25,901	-	-	-	-	-	-	25,901
Deferred revenues	(25,338)	(38,695)	201,000	-	-	-	-	136,967
Promises to give	-	-	-	(14,251)	-	-	-	(14,251)
Interfund payables	149	70,537	(214,176)	43,834	(1,402,298)	19,550	(77,500)	(1,559,904)
Change in deferred/acrued pension cost	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	\$ 123,335	\$ (98,642)	\$ 9,552	\$ (224,791)	\$ (1,442,243)	\$ 1,438,610	\$ (161,789)	\$ (355,968)

The accompanying notes are an integral part of this financial statement

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Notes to Consolidated Financial Statements

September 30, 2009

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" McClennan 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, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Basis of presentation

Financial statement presentation follows accounting principles generally accepted in the United States of America in relation to net asset classification. The Association is required by these principles 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, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Investments

Investments in equity and debt securities are carried at fair market value, when that value is readily determinable. Investment income, including realized and unrealized gains and losses, is included in the consolidated statement of activities and changes in net assets as unrestricted unless donor or law restricts the income or loss.

The investment in United Unions, Inc., of which the Association owns 13.433%, is accounted for under the cost method.

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 \$5,000 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, 2009. Management reviews accounts receivable to determine collectibility. An amount of \$84,958 has been estimated as an allowance for doubtful accounts as of September 30, 2009. This estimate is based on historical collectibility of accounts receivable.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2009

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, 2009. 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, 2009.

Accounts receivable for the IAFF Financial Corporation includes royalty and market support revenue that has not been received as of September 30, 2009. 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, 2009.

In accordance with accounting principles generally accepted in the United States of America, 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, 2009, 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, 2009, IAFF Financial Corporation has no deferred tax asset or liability. Income tax expense for the year ended September 30, 2009 was \$98,935.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2009

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.

Accounting principles generally accepted in the United States of America require that uncertain tax positions be evaluated and the potential impact of an unfavorable outcome of a tax authority's assessment of such uncertain tax position be reflected in the financial statements. From time to time, management must assess the need to accrue or disclose a possible loss contingency for proposed adjustments from various federal and state tax authorities who may audit the organization in the normal course of business. The Association and its subsidiary and affiliates have evaluated their tax reporting and have not reflected any contingent liability for any such potential assessment.

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. Fair value instruments

Accounting principles generally accepted in the United States of America provide a common definition of fair value, establish a framework for measure of fair value and expand disclosures about fair value measurements, but do not require any new fair value measurements. All assets and liabilities required to be measured at fair value by these accounting principles have been assessed with the following three-tier hierarchy of inputs:

- Level 1 – quoted prices in active markets for identical instruments
- Level 2 – other significant observable inputs
- Level 3 – significant unobservable inputs

14. Financial information as of September 30, 2008

The financial information as of September 30, 2008 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.

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.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2009

NOTE B - CASH AND TEMPORARY INVESTMENTS (continued)

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.

At September 30, 2009, 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 – AFL-CIO Housing Trust	\$ -	\$ 1,013,701
Other AFL-CIO Housing Trust accounts	-	4,841,728
Certificates of deposit	-	7,861,018
Cash accounts	6,497,327	-
IAFF Financial Corporation	622,928	-
International Association of Fire Fighters Burn Foundation	31,539	-
John P. Redmond Memorial Foundation	57,340	-
John P. Redmond Memorial Foundation – AFL-CIO Housing Trust	-	80,927
The New York September 11 Firefighters Counseling Support Foundation	118,457	-
International Association of Fire Fighters Disaster Relief Fund	23,868	-
IAFF Fallen Fire Fighter Memorial Fund, Inc.	358,804	-
IAFF Fallen Fire Fighter Memorial Fund, Inc. – Certificates of deposit	-	1,115,276
W.H. “Howie” McClennan Scholarship Fund	23,447	-
W.H. “Howie” McClennan Scholarship Fund – AFL-CIO Housing Trust	<u>-</u>	<u>493,471</u>
	<u>\$7,733,710</u>	<u>\$15,406,121</u>

The investments in the AFL-CIO Housing Trust are considered Level 2 fair value measurements. Current values are estimated based on quoted market prices as provided by the custodians for the portfolio. All other relevant assets and liabilities are considered Level 1.

NOTE C – INVESTMENT INCOME

A summary of investment income earned by all entities for the year ended September 30, 2009 is as follows:

Interest/dividends	\$ 589,694
Realized gains/(losses)	5,845
Unrealized gains/(losses)	<u>298,499</u>
	<u>\$ 894,038</u>

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2009

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, 2009, \$15,049 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.

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 \$3,337,203 at September 30, 2009.

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 \$3,345,000 and \$1,872,360 to and from the Staff Representatives' plan and \$1,590,000 and \$294,734 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.

Accounting principles generally accepted in the United States of America require 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.

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.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2009

NOTE F – PENSION AND RETIREMENT PLANS (continued)

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	16.65%	19.68%	3.87%	2.00%
Select Equity Pool	53.37%	50.84%	0.00%	0.00%
Fixed Income Pool	29.98%	29.48%	96.13%	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.

As of September 30, 2009, the weighted-average discount rate was 5.50% 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 3.00% for the staff representatives and employees' plans. The expected long-term rate of return on assets was 8.50% for all plans, which was determined based upon historical long-term trends.

Accrued pension cost and pension expense related to the various pension plans as of September 30, 2009, and for the year then ended, are as follows:

	<u>Accrued Pension Liability</u>	<u>Pension Expense</u>
Officers - rabbi trust	\$ (1,379,805)	\$ 451,602
- secular trust	(138,382)	(42,276)
Staff representatives	(9,922,098)	2,767,696
Employees	<u>(6,973,999)</u>	<u>1,740,075</u>
	<u>\$ (18,414,284)</u>	4,917,097
Other pension expense		
- 401(k) match and administrative costs		188,951
- Canadian pension benefit payments		<u>21,910</u>
Total pension expense		<u>\$ 5,127,958</u>

During the next fiscal year, the Association expects to collectively contribute approximately \$4 million to the defined benefit pension plans. Unrecognized amounts include a net transition asset of \$39,425, net prior service cost of \$1,560,186, and net loss of \$25,130,277.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2009

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, 2009 financial statements.

	Rabbi and Secular	Staff Representatives	Employees	Grand Total
Actuarial present value of benefit obligations:				
Vested benefit obligations	\$ 5,263,240	\$ 34,321,629	\$ 12,467,056	\$ 52,051,925
Accumulated benefit obligations	\$ 5,263,240	\$ 35,909,991	\$ 13,856,757	\$ 55,029,988
Projected benefit obligations	\$ (5,487,090)	\$ (39,383,404)	\$ (17,282,785)	\$ (62,153,279)
Plan assets at fair value	3,968,903	29,461,306	10,308,786	43,738,995
Funded status	\$ (1,518,187)	\$ (9,922,098)	\$ (6,973,999)	\$ (18,414,284)
Net pension asset/(liability) at September 30, 2009:				
Net pension asset/(liability) at September 30, 2008	\$ (1,898,047)	\$ (6,900,147)	\$ (5,368,154)	\$ (14,166,348)
Net periodic pension cost	(409,326)	(2,767,696)	(1,740,075)	(4,917,097)
Contribution made during the year	423,000	3,345,000	1,590,000	5,358,000
Incremental effect on net assets	366,186	(3,599,255)	(1,455,770)	(4,688,839)
Net pension asset/(liability) at September 30, 2009	\$ (1,518,187)	\$ (9,922,098)	\$ (6,973,999)	\$ (18,414,284)
Net pension cost, year ended September 30, 2009:				
Service cost - benefits earned	\$ 139,219	\$ 1,632,678	\$ 1,309,901	\$ 3,081,798
Interest cost on projected benefit obligations	327,925	2,702,032	1,161,832	4,191,789
Expected return on plan assets	(297,772)	(2,926,723)	(982,048)	(4,206,543)
Net amortization and deferral	239,954	1,359,709	250,390	1,850,053
Net periodic pension cost	\$ 409,326	\$ 2,767,696	\$ 1,740,075	\$ 4,917,097

The Association's net periodic pension cost covered a 15-month period for the financial statements ended September 30, 2009, as the measurement date changed from June 30 to September 30, in accordance with accounting principles generally accepted in the United States.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2009

NOTE F – PENSION AND RETIREMENT PLANS (continued)

The following is a schedule of benefits expected to be paid in each of the next five years, and in the aggregate for the four fiscal years thereafter as of September 30, 2009. The expected benefit payments shown below are based on the same assumptions used to determine the Projected Benefit Obligation as of September 30, 2009 and includes benefits attributable to estimated future employee service.

	<u>Staff</u>	<u>Employees</u>	<u>Rabbi</u>	<u>Secular</u>
2010	\$1,639,569	\$ 403,646	\$ 239,675	\$ -
2011	\$1,728,173	\$ 398,234	\$ 225,030	\$ -
2012	\$1,837,645	\$ 461,609	\$ 331,363	\$ 95,503
2013	\$1,972,578	\$ 487,550	\$ 313,102	\$ 87,892
2014	\$2,171,380	\$ 495,903	\$ 293,340	\$ 80,208
2015-2018	\$10,076,877	\$2,429,823	\$ 957,600	\$ 246,042

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 up to 2% of qualified compensation for all employees who elect to defer.

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.

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 \$10,000. The 401(k) pension expense for the year was \$10,000 and administrative costs were \$3,353.

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 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, 2009:

	<u>Capital Lease Equipment</u>	<u>Automobiles</u>	<u>Office Space</u>
2010	\$ 82,723	\$ 16,148	\$ 1,586,085
2011	93,222	14,784	2,123,510
2012	39,872	3,696	2,183,756
2013	39,326	-	2,240,517
2014	3,528	-	2,304,888
Later years	<u>-</u>	<u>-</u>	<u>9,679,649</u>
	<u>\$ 258,671</u>	<u>\$ 34,628</u>	<u>\$ 20,118,405</u>

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2009

NOTE G - COMMITMENTS AND CONTINGENCIES (continued)

1. Operating leases (continued)

The total rent expense incurred by the Association under all operating leases during the year ended September 30, 2009 was \$1,763,093.

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 \$4,000 monthly is renegotiated. IAFF Financial Corporation paid the Association a total of \$48,000 in sublease payments, which the Association recognized as other income during the year ending September 30, 2009.

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. Capital Leases

The Association has entered into lease agreements for office equipment that are classified as capital leases. The future minimum lease payments are calculated based on the terms of current lease agreements, including a reduction for imputed interest, and are subject to change. The schedule in Note G1 includes future minimum lease payments for these capital leases. The total interest expense incurred by the Association under all capital leases during the year ended September 30, 2009 was \$35,492.

Furniture and equipment on the balance sheet includes \$372,135 of capital lease equipment and accumulated depreciation includes \$113,464 of capital lease accumulated amortization.

3. Guarantor responsibilities

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, 2009, the Association is contingently liable for its share (25.98%) of United Unions, Inc.'s remaining principal balance of \$3,060,990. 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 an owner of United Unions, Inc., the Association is contingently liable for its pro-rata share (13.433%).

4. 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.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2009

NOTE G - COMMITMENTS AND CONTINGENCIES (continued)

4. Other commitments and contingencies (continued)

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, 2009, 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, 2009, no cancellations are expected or foreseen by either organization.

The Association's affiliates have 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, 2009.

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

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.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Notes to Consolidated Financial Statements (continued)

September 30, 2009

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

Organizing	\$ 5,477,082
Technical Assistance and Labor Issues	4,633,321
Government Affairs	8,228,288
Education and Training	8,599,174
Safety and Health	1,350,333
Convention	33,644
Public Relations and Communications	2,452,742
Motorcycle Group	66,200
Affiliates	<u>317,167</u>

Subtotal 31,157,951

Supporting Services

Management and General	13,435,764
Accounting	1,984,542
Membership	1,504,327
Mailroom	255,355
Donated services 9-11 Fund	1,620
Affiliates	<u>636,186</u>

Subtotal 17,817,794

Operating Expenses

Subsidiary	<u>929,823</u>
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Total Program and Supporting Services and Operating Expenses \$49,905,568

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, 2009, 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 \$1.3 million.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2009

NOTE L - CONCENTRATIONS OF CREDIT RISK (continued)

1. Concentrations of credit risk (continued)

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, 2009.

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, 2009 are approximately \$6,819,973 unrestricted and \$1,129,375 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 20% 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, 2009 of 92.11% and by applying the average translation rate for revenue and expenses for the year ended September 30, 2009 of 85.08%. Changes in the foreign currency translation rate subsequent to September 30, 2009 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, 2009, it is the Fund's intention to renew this license. The value of this donated property has not been reflected in the financial statements.

NOTE O – NET ASSETS

1. Unrestricted net assets

The W.H. "Howie" McClennan Scholarship Fund has board-designated net assets that represent the initial support provided to the Fund.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2009

NOTE O – NET ASSETS (continued)

2. 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.

3. General Fund net assets

As detailed in Note F, the Association's net asset balance has been significantly impacted by defined benefit plan accounting principles. The following summarizes the General Fund's net asset allocation:

Net assets before defined benefit plan adjustment	\$ 26,712,959
Defined benefit plan adjustment, cumulative effect	<u>(26,651,037)</u>
General Fund net assets	<u>\$ 61,922</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:

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 \$206,658. 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 donates accounting and administrative services to the New York Firefighters 9-11 Disaster Relief Fund. Based on the Association's standard salary expenses, \$1,620 was recorded as expense for the year ended September 30, 2009. 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, 2009

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 \$98,390 payable by the Association. This net amount is included in the due to and due from amounts reported on the September 30, 2009 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 IAFF Financial Corporation received no capital contributions from the Association (its parent company) for the year ended September 30, 2009. It does have an interfund payable of \$516 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.

The Association has made unconditional promises totaling \$250,000, which are payable in even increments over the next five years.

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 \$8,496,760.

NOTE S – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 25, 2010

OTHER FINANCIAL INFORMATION



CERTIFIED PUBLIC ACCOUNTANTS

STOKES & COMPANY, P.C.

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MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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, 2009 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 30 - 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, and general fund 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.

January 25, 2010

FUNDS

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, 2009

	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" McClennan Scholarship Fund	TOTAL
Per capita tax	\$ -	\$ -	\$ 134,104	\$ -	\$ -	\$ -	\$ -	134,104
Conference and seminar registration fees	-	-	9,300	-	-	-	-	9,300
Contributions	-	96,399	-	1,776	36,971	226,675	867	362,688
Royalties	1,128,347	42,503	-	-	4,270	-	12,262	1,187,382
Grants and contracts	-	208,398	898	-	-	-	-	209,296
Initiation, reinstatement and charter fees	-	-	-	-	-	-	-	-
Investment income	8,991	43	7,403	8,731	19,987	12,616	62,209	119,980
Proceeds from sales	-	54,896	-	-	-	-	-	54,896
Reimbursed legal fees	-	-	-	-	-	-	-	-
Other revenues	47,310	11,376	-	-	470	-	-	59,156
	<u>\$ 1,184,648</u>	<u>\$ 413,615</u>	<u>\$ 151,705</u>	<u>\$ 10,507</u>	<u>\$ 61,698</u>	<u>\$ 239,291</u>	<u>\$ 75,338</u>	<u>2,136,802</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, 2009

FUNDS

	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	Other	Eliminations	TOTAL
Salaries - Officers	\$ 1,615,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,719	\$ -	\$ 1,806,831
- Others	9,933,940	-	1,341,408	92,811	-	39,854	-	66,746	-	11,474,759
Expenses - Officers	1,303,975	-	-	-	-	-	-	19,347	-	1,323,322
- Others	634,134	-	91,070	99,783	-	97	-	44,910	-	869,994
Accounting and audit	205,972	-	46,400	-	-	-	-	123,002	-	375,374
Advertising	-	-	-	-	-	-	-	361,278	(338,000)	23,278
Aid to affiliates	-	90,147	-	-	-	-	-	-	-	90,147
Audio/visual expense	260,678	-	8,546	6,000	-	-	-	67,244	-	342,468
Awards	14,171	-	-	-	-	-	-	-	-	14,171
Bank charges	-	-	-	-	-	-	-	43	-	43
Bad debt expense	75,389	-	-	-	-	-	-	-	-	75,389
Computer	328,246	-	48,562	41,962	-	-	-	-	(21,699)	397,071
Consultants	1,960,688	-	4,004,530	150,250	-	49,574	-	339,802	-	6,504,844
Convention expenses	33,644	-	-	-	-	-	-	-	-	33,644
Cost of sales (29,387)	-	-	-	76,436	-	-	-	24,609	-	71,658
Depreciation and amortization	251,500	-	5,353	3,248	-	-	-	10,845	-	267,698
Dinners and honoraria	113,593	-	-	-	-	-	-	-	-	116,841
Donations	522,866	-	-	264,429	-	-	-	434,995	(238,935)	983,355
Personnel	-	-	-	-	-	-	-	106,917	(106,917)	-
Grants	-	-	-	-	-	-	-	5,000	-	5,000
Insurance and bonding	2,663,909	-	375,649	17,299	-	11,560	-	47,053	-	3,115,470
Interest expense	35,492	-	-	-	-	-	-	39	-	35,531
Journal expenses	1,220,576	-	-	-	-	-	-	-	-	1,220,576
Legal services	488,344	958,026	-	-	-	-	-	-	-	1,446,370
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-
Marketing expenses	-	-	-	-	-	-	-	86,609	(35,000)	51,609
Meals and entertainment	-	-	-	-	-	-	-	2,230	-	2,230
Miscellaneous expenses	313,062	563	13,739	59,390	-	199	-	35,364	-	422,317
Office expense and supplies	228,962	-	227,242	221	-	120	-	3,671	-	460,216
Office machine rental and maintenance	40,737	-	25,854	-	-	-	-	-	-	66,591
Payroll processing	-	-	-	-	-	-	-	2,054	-	2,054
Penalties	-	-	-	-	-	-	-	-	-	-
Pension expense	4,735,157	-	331,148	20,770	-	11,485	-	29,398	-	5,127,958
Affiliations per capita tax	2,132,235	-	-	-	-	-	-	-	-	2,132,235
Political contributions	202,342	25,412	-	4,665,052	-	-	-	-	-	4,892,806
Postage and freight	309,623	-	41,965	138,991	-	9,444	-	37,971	-	537,994
Printing and copying	342,500	-	255,352	225,949	-	16,470	-	13,808	-	854,079
Redmond Fund contribution	134,104	-	-	-	-	-	-	-	(134,104)	-
Rent	1,411,094	-	130,743	-	-	-	-	48,000	(48,000)	1,541,837
Seminars	1,324,875	-	14,937	66,974	-	-	-	351,761	-	1,758,547
Subscriptions and dues	229,295	-	6,564	14,314	-	660	-	2,798	-	253,631
Taxes - payroll, personal property and other	814,648	-	87,904	20,461	-	3,134	-	15,619	-	941,766
Telephone and telegraph	174,918	-	5,537	-	-	1,125	-	8,485	-	190,065
Temporary services	-	-	-	-	-	-	-	55,960	-	55,960
Training	-	-	-	-	-	-	-	-	-	-
Travel and meetings	-	-	9,569	-	-	-	-	10,270	-	19,839
Overhead allocation	34,026,394 (678,449)	1,074,148	7,072,072 678,449	5,964,340	-	143,722	-	2,547,547	(922,655)	49,905,568
	\$ 33,347,945	\$ 1,074,148	\$ 7,750,521	\$ 5,964,340	\$ -	\$ 143,722	\$ -	\$ 2,547,547	\$ (922,655)	\$ 49,905,568

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, 2009

	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	\$ 191,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	191,719
- Others	-	66,746	-	-	-	-	-	66,746
Expenses - Officers	19,347	-	-	-	-	-	-	19,347
- Others	-	44,910	-	-	-	-	-	44,910
Accounting and audit	40,552	21,900	16,000	11,100	13,450	10,200	9,800	123,002
Advertising	288,000	23,278	50,000	-	-	-	-	361,278
Audio/visual expense	-	2,161	54,124	-	-	10,959	-	67,244
Awards	-	-	-	-	-	-	-	-
Bank charges	43	-	-	-	-	-	-	43
Bad debt expense	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-
Consultants	121,970	-	1,950	-	15,593	24,191	-	339,802
Convention expenses	-	176,098	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-
Depreciation and amortization	4,651	24,609	-	-	-	-	-	24,609
Dinner and honoraria	-	6,034	-	-	-	160	-	10,845
Donations	-	23,950	-	256,508	34,537	-	120,000	434,995
Personnel	-	-	-	-	-	106,917	-	106,917
Grants	-	5,000	-	-	-	-	-	5,000
Insurance and bonding	31,383	15,038	-	-	-	632	-	47,053
Interest expense	39	-	-	-	-	-	-	39
Journal expenses	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-
Marketing expense	86,609	-	-	-	-	-	-	86,609
Meals and entertainment	2,230	-	-	-	-	-	-	2,230
Miscellaneous expenses	-	20,897	-	-	3,863	8,515	437	35,364
Office expense and supplies	1,092	750	1,652	-	-	1,677	152	3,671
Office machine rental and maintenance	-	-	-	-	-	-	-	-
Payroll processing	2,054	-	-	-	-	-	-	2,054
Penalties	-	-	-	-	-	-	-	-
Pension expense	13,353	16,045	-	-	-	-	-	29,398
Affiliations per capita tax	-	-	-	-	-	-	-	-
Political contributions	-	-	-	-	-	-	-	-
Postage and freight	1,644	14,966	-	-	-	21,361	-	37,971
Printing and copying	4,696	402	4,153	-	-	4,557	-	13,808
Redmond Fund contribution	-	-	-	-	-	-	-	-
Rent	48,000	-	-	-	-	-	-	48,000
Seminars	-	-	-	-	-	351,761	-	351,761
Subscriptions and dues	-	2,798	-	-	-	-	-	2,798
Taxes - payroll, personal property and other	-	4,895	-	-	-	-	560	15,619
Telephone and telegraph	10,164	-	-	-	-	-	-	8,485
Temporary services	6,317	-	-	-	-	2,168	-	55,960
Training	55,960	-	-	-	-	-	-	-
Travel and meetings	-	-	1,911	-	135	-	-	10,270
	-	8,224	-	-	-	-	-	-
Overhead allocation	929,823	478,701	129,790	267,608	67,578	543,098	130,949	2,547,547
	-	-	-	-	-	-	-	-
	\$ 929,823	\$ 478,701	\$ 129,790	\$ 267,608	\$ 67,578	\$ 543,098	\$ 130,949	\$ 2,547,547

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, 2009

	Operations	Technical Assistance and Labor Issues	Legislative	Education and Information Resources	EMS	OSHA	Special Projects	Public Relations and Communications	Other	TOTAL
Salaries - Officers	\$ 1,615,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,615,112
- Others	6,156,758	509,112	358,638	419,609	639,372	79,756	-	349,240	1,421,455	9,933,940
Expenses - Officers	1,303,975	-	-	-	-	-	-	-	-	1,303,975
- Others	446,263	9,270	14,039	20,908	15,988	5,967	4,178	1,454	116,067	634,134
Accounting and audit	205,972	-	-	-	-	-	-	-	-	205,972
Audio/visual expense	258,159	-	-	644	1,875	-	-	-	-	260,678
Awards	14,171	-	-	-	-	-	-	-	-	14,171
Bad debt expense	75,389	-	-	-	-	-	-	-	-	75,389
Computer	289,626	916	-	517	35,541	-	-	120	1,526	328,246
Consultants	1,848,328	33,232	2,463	25,177	3,773	28,835	-	-	18,880	1,960,688
Convention expenses	33,644	-	-	-	-	-	-	-	-	33,644
Cost of sales	(29,387)	-	-	-	-	-	-	-	-	(29,387)
Depreciation and amortization	251,500	-	-	-	-	-	-	-	-	251,500
Dinners and honoraria	113,593	-	-	-	-	-	-	-	-	113,593
Donations	522,866	-	-	-	-	-	-	-	-	522,866
Insurance and bonding	1,903,667	113,926	78,150	100,166	139,462	17,185	-	77,119	234,234	2,663,909
Interest expense	35,492	-	-	-	-	-	-	-	-	35,492
Journal expenses	1,220,576	-	-	-	-	-	-	-	-	1,220,576
Legal services	488,344	-	-	-	-	-	-	-	-	488,344
Miscellaneous expenses	261,377	-	344	-	2,421	500	-	430	47,990	313,062
Office expense and supplies	177,223	3,743	1,552	10,771	10,261	3,271	-	6,195	15,946	228,962
Office machine rental and maintenance	40,737	-	-	-	-	-	-	-	-	40,737
Pension expense	3,536,837	151,529	109,183	119,666	182,920	20,867	3	108,283	505,869	4,735,157
Affiliations per capita tax	2,132,235	-	-	-	-	-	-	-	-	2,132,235
Photographs	-	-	-	-	-	-	-	-	-	-
Political contributions	202,342	-	-	-	-	-	-	-	-	202,342
Postage and freight	294,808	471	35	6,538	234	371	-	424	6,742	309,623
Printing and copying	339,283	132	-	-	-	-	-	-	3,085	342,500
Redmond Fund contribution	134,104	-	-	-	-	-	-	-	-	134,104
Rent	1,411,094	-	-	-	-	-	-	-	-	1,411,094
Seminars	1,318,988	1,960	-	-	3,060	-	-	-	867	1,324,875
Subscriptions and dues	145,972	5,710	42,654	1,634	1,955	-	-	2,799	28,571	229,295
Taxes - payroll, personal property and other	529,356	38,991	26,430	32,084	50,252	6,561	835	26,593	103,546	814,648
Telephone and telegraph	146,471	1,540	4,406	1,365	1,406	495	-	3,181	16,054	174,918
Temporary services	-	-	-	-	-	-	-	-	-	-
Overhead allocation	27,424,875 (678,449)	870,532	637,894	739,079	1,088,520	163,808	5,016	575,838	2,520,832	34,026,394 (678,449)
	\$ 26,746,426	\$ 870,532	\$ 637,894	\$ 739,079	\$ 1,088,520	\$ 163,808	\$ 5,016	\$ 575,838	\$ 2,520,832	\$ 33,347,945

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, 2009

	Communications and Media	Government and Public Affairs	Political Action	Member Services	Education and Hazmat	Motorcycle Group	TOTAL
Salaries - Officers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
- Others	316,797	322,028	300,177	302,364	180,089	-	1,421,455
Expenses - Officers	-	-	-	-	-	-	-
- Others	18,323	36,912	10,205	22,620	23,152	4,855	116,067
Accounting and audit	-	-	-	-	-	-	-
Audio/visual expense	-	-	-	-	-	-	-
Awards	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-
Computer	-	-	-	536	-	990	1,526
Consultants	-	-	-	338	-	18,542	18,880
Convention expenses	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Dinners and honoraria	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Insurance and bonding	61,607	57,418	54,893	55,800	3,930	586	234,234
Interest expenses	-	-	-	-	-	-	-
Journal expenses	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-
Miscellaneous expenses	649	-	-	16,529	50	30,762	47,990
Office expense and supplies	1,741	2,439	3,184	4,671	1,621	2,290	15,946
Office machine rental and maintenance	-	-	-	-	-	-	-
Pension expense	111,177	109,636	87,224	106,173	91,659	-	505,869
Affiliations per capita tax	-	-	-	-	-	-	-
Photographs	-	-	-	-	-	-	-
Political contributions	-	-	-	-	-	-	-
Postage and freight	166	325	703	2,036	144	3,368	6,742
Printing and copying	182	-	80	-	-	2,823	3,085
Redmond Fund contribution	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-
Seminars	-	-	-	383	484	-	867
Subscriptions and dues	12,341	2,351	11,406	2,323	150	-	28,571
Taxes - payroll, personal property and other	22,136	22,370	22,106	20,894	16,040	-	103,546
Telephone and telegraph	2,832	2,454	2,743	2,630	3,412	1,983	16,054
Temporary services	-	-	-	-	-	-	-
Overhead allocation	547,951	555,933	492,721	537,297	320,731	66,199	2,520,832
	-	-	-	-	-	-	-
	\$ 547,951	\$ 555,933	\$ 492,721	\$ 537,297	\$ 320,731	\$ 66,199	\$ 2,520,832

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, 2009
(UNAUDITED)

PRINCIPAL OFFICERS

Harold Schaubberger, General President
Vincent J. Bollon, General Secretary-Treasurer

	SALARY	EXPENSES				TOTAL	TOTAL SALARY AND EXPENSES
		LODGING	MEALS	TRAVEL	TELEPHONE		
	\$ 264,060	\$ 39,114	\$ 5,678	\$200,001	\$1,340	\$ 286,445	\$ 550,505
	237,654	10,814	3,636	29,266	384	7,117	288,871
TOTAL PRINCIPAL OFFICERS	\$ 501,714	\$ 49,928	\$ 9,314	\$ 229,267	\$ 1,724	\$ 47,429	\$ 839,376

VICE PRESIDENTS

Kevin Gallagher, 1st District
Mark Woolbright, 2nd District
Louie Wright, 2nd District (prior)
Michael Mullane, 3rd District
William Taylor, 4th District
Joseph Conway, Jr., 5th District
Lorne West, 6th District
Ricky Walsh, 7th District
Thomas Miller, 8th District
Randy Atkinson, 9th District
James Ferguson, 10th District
Roy L. McGhee, 11th District
Larry Osbourne, 12th District
Bruce Carpenter, 13th District
Danny Todd, 14th District
James Fennell, 15th District
James Johnson, 16th District

\$ 71,144	\$ 8,121	\$ 19,920	\$ 9,614	\$ -	\$ 16,235	\$ 53,890	\$ 125,034
71,144	17,128	14,800	17,924	5	17,229	67,086	138,230
-	2,487	19,555	14,555	1,788	1,577	39,962	39,962
71,144	12,772	21,920	8,522	120	12,145	55,479	126,623
71,144	15,953	19,280	16,303	281	9,067	60,884	132,028
71,144	12,769	6,320	16,487	104	6,658	42,338	113,482
62,842	18,461	13,642	44,571	5,931	8,910	91,515	154,357
71,144	27,034	13,200	27,155	67	14,849	82,305	153,449
71,144	17,723	23,500	21,729	211	15,871	79,034	150,178
71,144	12,656	3,814	9,337	-	7,313	33,120	104,264
71,144	19,416	6,719	10,522	-	7,010	43,667	114,811
71,144	24,172	11,760	32,654	658	15,213	84,457	155,601
71,144	13,430	4,720	6,888	15	7,505	32,558	103,702
62,842	12,851	6,487	15,113	5,330	5,701	45,482	108,324
71,144	18,546	10,000	33,972	-	12,948	75,466	146,610
62,842	-	9,393	6,160	4,796	3,636	23,985	86,827
71,144	17,296	6,560	19,695	55	11,479	55,085	126,229
TOTAL VICE PRESIDENTS	\$ 1,113,398	\$ 250,815	\$ 211,590	\$ 311,201	\$ 19,361	\$ 173,346	\$ 2,079,711

TOTAL OFFICERS' SALARY/EXPENSES (GENERAL FUND)

\$ 1,615,112	\$ 300,743	\$ 220,904	\$ 540,468	\$ 21,085	\$ 220,775	\$ 1,303,975	\$ 2,919,087
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TRUSTEES

Anthony Mejia
Mark Ouellette
Keith Hamilton (prior)
Alex Forrest

\$ 7,570	\$ 6,344	\$ 2,480	\$ 2,909	\$ 26	\$ 110	\$ 11,869	\$ 19,439
7,492	6,355	2,480	5,072	39	-	13,946	21,438
-	-	-	642	-	-	642	642
10,248	8,430	3,129	8,848	-	-	20,407	30,655

TOTAL TRUSTEES

\$ 25,310	\$ 21,129	\$ 8,089	\$ 17,471	\$ 65	\$ 110	\$ 46,864	\$ 72,174
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INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SCHEDULE OF SALARY AND EXPENSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2009
(UNAUDITED)

DIRECTORS, ETC.

	SALARY	LODGING	MEALS	EXPENSES TRAVEL	TELEPHONE	OTHER	TOTAL	TOTAL SALARY AND EXPENSES
Chief of Staff to the General President								
Peter Gorman	\$ 177,147	\$ 8,686	\$ 4,240	\$ 8,292	\$ 14	\$ 15,305	\$ 36,537	\$ 213,684
Executive Assistant to the General Secretary-Treasurer								
Erick Genser	178,916	2,919	610	1,157	-	10,933	15,619	194,535
Budget and Finance								
Don Copley	152,844	3,768	1,340	1,403	-	2,989	9,500	162,344
Jennifer Harris	119,131	-	104	-	-	20	124	119,255
Canadian National Office								
Jim Lee	134,804	10,591	7,083	17,513	14	1,367	36,568	171,372
Governmental and Public Affairs								
Kevin O'Connor	152,712	10,545	2,552	16,214	626	15,475	45,412	198,124
David Billy	120,522	2,225	1,520	7,297	21	6,617	17,680	138,202
Barry Kasinitz	120,522	1,573	1,200	3,156	13	1,624	7,566	128,088
Occupational Safety and Health								
Richard Duffy	152,844	8,741	5,275	22,788	31	4,305	41,140	193,984
James Brinkley	119,131	7,935	5,440	7,194	-	-	20,569	139,700
Education and Hazmat								
Patrick Morrison	152,712	5,130	4,900	9,063	10	1,956	21,059	173,771
David Neun (prior)	-	-	-	-	-	-	-	-
Kevin Rader	119,281	5,418	3,600	7,306	70	341	16,735	136,016
Hazmat & WMD Training Dept								
Elizabeth Harman	119,281	2,977	2,560	6,435	1,167	-	13,139	132,420
Tech Assist & Labor Issues/EMS								
Lori Moore	152,778	4,207	3,584	7,293	15	2,651	17,750	170,528
Jonathan Moore	120,522	2,356	1,440	2,526	-	-	6,322	126,844
Michele Shaffer	120,574	4,382	2,000	2,850	-	-	9,232	129,806
Public Relations and Communications								
Jeffrey Zack	152,103	3,933	2,560	12,326	57	4,500	23,376	175,479
Jane Blume	120,105	424	240	514	26	-	1,204	121,309
Human Resources								
Ken Long	151,203	2,085	480	387	-	1,195	4,147	155,350
Information & Technology Operations Dept								
Eric Lamar	152,712	3,558	1,418	1,729	69	6,378	13,152	165,864
Dave Bernard	140,998	4,906	1,376	1,852	108	-	8,242	149,240
Carmen Gloukhoff	119,281	-	439	1,298	-	90	1,827	121,108
Bentley Westfield	119,281	-	-	17	-	-	17	119,298
Conference Planning								
Dawn Iacino	6,871	-	-	1,152	-	-	1,152	8,023
Michael Schaitberger (prior)	46,495	-	-	518	-	-	518	47,013
Grants Administration								
Jennifer Stewart	119,281	2,166	720	4,416	55	-	7,357	126,638
TOTAL DIRECTORS, ETC.	\$ 3,342,051	\$ 98,525	\$ 54,681	\$ 144,696	\$ 2,296	\$ 75,746	\$ 375,944	\$ 3,717,995

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SCHEDULE OF SALARY AND EXPENSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2009
(UNAUDITED)

	EXPENSES					TOTAL	
	SALARY	LODGING	MEALS	TRAVEL	TELEPHONE	OTHER	TOTAL
OTHER OFFICE AND GRANT EMPLOYEES							
	\$ 8,107,398	\$ 180,195	\$ 92,365	\$ 154,574	\$ 20,052	\$ -	\$ 8,554,584
TOTAL IAFF SALARY/EXPENSE FYE 09/30/09	<u>\$ 13,089,871</u>	<u>\$ 600,592</u>	<u>\$ 376,039</u>	<u>\$ 857,209</u>	<u>\$ 43,498</u>	<u>\$ 296,631</u>	<u>\$ 15,263,840</u>
IAFF FINANCIAL CORPORATION							
Carrie Tucker	\$ 191,719	\$ 7,739	\$ -	\$ 11,608	\$ -	\$ -	\$ 211,066
TOTAL IAFF FINANCIAL CORPORATION	<u>\$ 191,719</u>	<u>\$ 7,739</u>	<u>\$ -</u>	<u>\$ 11,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,066</u>
TOTAL CONSOLIDATED IAFF							
SALARY/EXPENSE FYE 9/30/09	<u>\$ 13,281,590</u>	<u>\$ 608,331</u>	<u>\$ 376,039</u>	<u>\$ 868,817</u>	<u>\$ 43,498</u>	<u>\$ 296,631</u>	<u>\$ 15,474,906</u>
TOTAL APPORTIONED SALARIES AND EXPENSES							
Officers	\$ 1,806,831	\$ 308,482	\$ 220,904	\$ 552,076	\$ 21,085	\$ 220,775	\$ 3,130,153
Others	11,474,759	299,849	155,135	316,741	22,413	75,856	12,344,753
	<u>\$ 13,281,590</u>	<u>\$ 608,331</u>	<u>\$ 376,039</u>	<u>\$ 868,817</u>	<u>\$ 43,498</u>	<u>\$ 296,631</u>	<u>\$ 15,474,906</u>

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Note to Other Financial Information

Year Ended September 30, 2009

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, 2009 of 85.08%.



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CERTIFIED PUBLIC ACCOUNTANTS

PRIVATE COMPANIES
PRACTICE SECTION

GOVERNMENTAL AUDIT
QUALITY CENTER

EMPLOYEE BENEFIT PLAN
AUDIT QUALITY CENTER

**Board of Trustees
International Association of Fire Fighters**

We have audited the consolidated financial statements of the International Association of Fire Fighters (the Association) for the year then ended September 30, 2009, and have issued our report thereon dated January 25, 2010. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our discussion about planning matters on September 9, 2009. Professional standards require that we provide you with the following information related to our audit.

**OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY
ACCEPTED IN THE UNITED STATES OF AMERICA**

As stated in our engagement letter dated February 7, 2009, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the Association's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the Association's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Association's compliance with those requirements.

**OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED
FINANCIAL STATEMENTS**

We are not aware of any documents containing copies of the Association's September 30, 2009 financial statements and our auditor's report. However, were the statements and our report to be included in such documents, we would be responsible only for our report. We would have no obligation to perform any procedures to corroborate other information contained in such documents and we would not be responsible for the financial statements or any other information contained in such documents.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note A to the financial statements. As described in Note A13, the Association adopted U.S. accounting principles for reporting fair value measurements. Accordingly, the standard is prospectively applied. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates may be particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the allowance for doubtful accounts is based on the historical collectibility of accounts receivable related to per capita taxes, supply sales and event registrations.
- Management's estimate of the Association's defined benefit plan disclosures in the Association's consolidated financial statements are based on actuarial assumptions as noted in Note F of those statements.
- Management's estimate of the useful life of fixed assets and leasehold improvements have been based on management's policies related to the disposal and replacement of fixed assets and leasehold improvements. The estimated useful life has been used to determine the accumulated depreciation and amortization for furniture and equipment and leasehold improvements.
- Management's estimate of the future minimum lease payments, disclosed in the financial statements under Note G, have been based on the terms of the Association's current signed operating leases.

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures may be particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

Understated fixed assets	\$258,671
Understated capital lease payable	\$258,671

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 25, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees, management and others within the International Association of Fire Fighters and is not intended to be and should not be used by anyone other than these specified parties.


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

January 25, 2010