

INTERNATIONAL ASSOCIATION
OF FIRE FIGHTERS
AND ITS
SUBSIDIARY AND AFFILIATES

Consolidated Financial Statements
and
Independent Auditor's Report

September 30, 2010

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CERTIFIED PUBLIC ACCOUNTANTS

STOKES & COMPANY, P.C.

1201 15TH STREET, NW
SUITE 340
WASHINGTON, D.C. 20005-2842

(202) 293-9000

FAX (202) 293-9666

WWW.STOKESPC.COM

LARRY F. STOKES, C.P.A.
MATTHEW F. PENNIMAN, C.P.A.

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

PRIVATE COMPANIES
PRACTICE SECTION

GOVERNMENTAL AUDIT
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated balance sheet of the International Association of Fire Fighters (the Association) and its subsidiary and affiliates as of September 30, 2010, 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, 2009 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, 2010 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 28, 2011

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2010

With comparative totals for September 30, 2009

	<u>IAFF</u>	<u>Subsidiary and Affiliates</u>	<u>Eliminating Entries</u>	<u>2010 TOTAL</u>	<u>2009 TOTAL</u>
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents (notes B and L)	\$ 7,341,277	\$ 1,160,510	\$ -	\$ 8,501,787	\$ 7,733,710
Temporary investments (notes B and L)	15,800,669	1,228,877	-	17,029,546	15,406,121
Loans to affiliates, net of allowance for doubtful accounts (note D)	334,546	-	-	334,546	383,817
Grants receivable (note A9)	2,445,835	303,866	-	2,749,701	943,520
Accounts receivable (note A9)	1,548,623	553,037	-	2,101,660	1,839,084
Prepaid expenses	227,711	14,263	-	241,974	611,374
Inventories (note A5)	112,820	8,424	-	121,244	182,322
Interfund receivables (note Q3)	5,719,741	31,028	(5,750,769)	-	-
Total current assets	33,531,222	3,300,005	(5,750,769)	31,080,458	27,099,948
LOANS TO AFFILIATES, net of current portion (note D)	1,065,612	-	-	1,065,612	1,244,517
INVESTMENTS (note A6)					
IAFF Financial Corporation	89,368	-	(89,368)	-	-
United Unions, Inc.	2,088,646	-	-	2,088,646	2,088,646
PROPERTY AND EQUIPMENT - at cost (note A7)					
Furniture and equipment, net of accumulated depreciation of \$1,699,590 and \$2,060,408 for 2010 and 2009, respectively	558,960	119,338	-	678,298	759,142
Leasehold improvements, net of accumulated amortization of \$1,484,094 and \$1,416,287 for 2010 and 2009, respectively	149,216	17,640	-	166,856	198,368
COLLECTIONS (note A8)	-	423,953	-	423,953	423,953
OTHER ASSETS					
Deferred compensation investments (note F)	2,760,159	-	-	2,760,159	2,678,047
Total assets	\$ 40,243,183	\$ 3,860,936	\$ (5,840,137)	\$ 38,263,982	\$ 34,492,621

	<u>IAFF</u>	<u>Subsidiary and Affiliates</u>	<u>Eliminating Entries</u>	<u>2010 TOTAL</u>	<u>2009 TOTAL</u>
LIABILITIES AND NET ASSETS/EQUITY					
CURRENT LIABILITIES					
Accounts payable	\$ 4,230,408	\$ 320,709	\$ -	\$ 4,551,117	\$ 2,233,392
Accrued expenses					
Salaries and wages	537,816	4,321	-	542,137	480,637
Employee expense reimbursements	48,701	-	-	48,701	55,036
Leave and severance (note E)	2,415,856	33,685	-	2,449,541	2,731,464
Accrued pension liability (note F)	2,841,853	-	-	2,841,853	1,841,428
Accrued rent	-	-	-	-	-
Income taxes	-	-	-	-	604
Deferred revenues (note A9)	522,692	2,422	-	525,114	773,664
Promises to give	50,000	283,943	-	333,943	71,669
Capital lease obligation (note G2)	93,222	-	-	93,222	82,723
Line of credit (note G4)	-	-	-	-	-
Interfund payables (note Q3)	4,957,739	793,030	(5,750,769)	-	-
Total current liabilities	15,698,287	1,438,110	(5,750,769)	11,385,628	8,270,617
LONG-TERM LIABILITIES					
Accrued pension liability, net of current portion (note F)	17,051,119	-	-	17,051,119	16,572,856
Accrued rent, net of current portion	1,223,750	-	-	1,223,750	659,551
Promises to give, net of current portion	150,000	-	-	150,000	200,000
Capital lease obligation, net of current portion (note G2)	80,110	-	-	80,110	175,948
Deferred compensation liability (note F)	2,760,159	-	-	2,760,159	2,678,047
Total liabilities	36,963,425	1,438,110	(5,750,769)	32,650,766	28,557,019
EQUITY					
Capital stock	-	5	(5)	-	-
Paid-in capital	-	89,363	(89,363)	-	-
Retained earnings	-	914,672	-	914,672	752,800
NET ASSETS (notes A3 and O)					
Unrestricted					
Designated	5,976,329	300,000	-	6,276,329	3,384,901
Undesignated	(5,095,902)	662,833	-	(4,433,069)	(867,571)
Total unrestricted net assets	880,427	962,833	-	1,843,260	2,517,330
Total equity	-	1,004,040	(89,368)	914,672	752,800
Temporarily restricted	2,399,331	32,000	-	2,431,331	2,241,519
Permanently restricted	-	423,953	-	423,953	423,953
Total net assets/equity	3,279,758	2,422,826	(89,368)	5,613,216	5,935,602
Total liabilities and net assets/equity	\$ 40,243,183	\$ 3,860,936	\$ (5,840,137)	\$ 38,263,982	\$ 34,492,621

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
YEAR ENDED SEPTEMBER 30, 2010

	IAFF	Subsidiary and Affiliates	Eliminations	TOTAL
UNRESTRICTED REVENUES AND OTHER SUPPORT (notes A9 and H)				
Per capita tax	\$ 32,601,831	\$ 135,020	\$ (135,020)	\$ 32,601,831
Conference and seminar registration fees	2,192,727	659,275	(529,580)	2,322,422
Contributions	-	458,839	(155,797)	303,042
Royalties	550,092	1,277,518	-	1,827,610
Initiation, reinstatement and charter fees	124,864	-	-	124,864
Investment income (note C)	601,438	71,828	-	673,266
Proceeds from sales	-	2,014	-	2,014
Reimbursed legal expenses	932,285	-	-	932,285
Other revenues	2,042,814	70,645	(490,779)	1,622,680
Total unrestricted revenues and other support	39,046,051	2,675,139	(1,311,176)	40,410,014
Net assets released from restrictions	15,922,480	741,618	(742,930)	15,921,168
Total unrestricted revenues and other support and net assets released from restrictions	54,968,531	3,416,757	(2,054,106)	56,331,182
EXPENSES (note K)				
Program services	36,396,454	2,202,934	(1,272,510)	37,326,878
Supporting services	17,407,194	533,565	(290,818)	17,649,941
Operating expenses	-	1,015,553	(490,778)	524,775
Foreign exchange (gain)/loss (note M)	166,875	(116)	-	166,759
Total expenses	53,970,523	3,751,936	(2,054,106)	55,668,353
Change in unrestricted net assets/equity before change in cumulative foreign currency translation and income taxes	998,008	(335,179)	-	662,829
Income taxes	-	(93,642)	-	(93,642)
Change in cumulative foreign currency translation (note M)	435,959	2,000	-	437,959
Change in unrestricted net assets/equity before incremental effect of defined benefit plan	1,433,967	(426,821)	-	1,007,146
Incremental effect on net assets of defined benefit plan (note F)	(1,519,344)	-	-	(1,519,344)
Net assets/equity at beginning of year	-	-	-	-
As previously stated	1,625,355	2,393,694	(89,368)	3,929,681
Adjustment for understated rent (note G)	(659,551)	-	-	(659,551)
Net assets/equity at beginning of year, restated	965,804	2,393,694	(89,368)	3,270,130
Net assets/equity at end of year	\$ 880,427	\$ 1,966,873	\$ (89,368)	\$ 2,757,932

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, 2010

	IAFF	Subsidiary and Affiliates	Eliminating Entries	TOTAL
CHANGES IN UNRESTRICTED NET ASSETS/EQUITY				
Revenues and other support and net assets released from restrictions (notes A9 and H)	\$ 54,968,531	\$ 3,416,757	\$ (2,054,106)	\$ 56,331,182
Expenses	(53,803,648)	(3,752,052)	2,054,106	(55,501,594)
Income taxes	-	(93,642)	-	(93,642)
Foreign exchange gain/(loss) (note M)	(166,875)	116	-	(166,759)
Change in cumulative foreign currency translation (note M)	435,959	2,000	-	437,959
Change in unrestricted net assets/equity before incremental effect of defined benefit plan	1,433,967	(426,821)	-	1,007,146
Incremental effect on net assets of defined benefit plan (note F)	(1,519,344)	-	-	(1,519,344)
Net assets/equity at beginning of year, restated	965,804	2,393,694	(89,368)	3,270,130
Net assets/equity at end of year	<u>\$ 880,427</u>	<u>\$ 1,966,873</u>	<u>\$ (89,368)</u>	<u>\$ 2,757,932</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS/EQUITY				
Revenues and other support (notes A9 and H)				
Allocated per capita tax	\$ 4,386,084	\$ -	\$ -	\$ 4,386,084
Contributions	3,702,985	-	(742,930)	2,960,055
Grants and contracts	7,955,890	694,654	-	8,650,544
Investment income (note C)	4,896	-	-	4,896
Other income	37,356	-	-	37,356
Proceeds from sales	72,045	-	-	72,045
Total revenues and other support	16,159,256	694,654	(742,930)	16,110,980
Net assets released from restrictions	(15,922,480)	(741,618)	742,930	(15,921,168)
Change in temporarily restricted net assets/equity	236,776	(46,964)	-	189,812
Net assets/equity at beginning of year	2,162,555	78,964	-	2,241,519
Net assets/equity at end of year	<u>\$ 2,399,331</u>	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ 2,431,331</u>

	<u>IAFF</u>	<u>Subsidiary and Affiliates</u>	<u>Eliminating Entries</u>	<u>TOTAL</u>
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS/EQUITY				
Revenues and other support (notes A9 and H)				
Allocated per capita tax	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Change in permanently restricted net assets/equity	-	-	-	-
Net assets/equity at beginning of year	-	423,953	-	423,953
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets/equity at end of year	\$ -	\$ 423,953	\$ -	\$ 423,953
	<hr/>	<hr/>	<hr/>	<hr/>
CHANGES IN TOTAL NET ASSETS/EQUITY				
Revenues and other support and net assets released from restrictions (notes A9 and H)	\$ 55,205,307	\$ 3,369,793	\$ (2,054,106)	\$ 56,520,994
Expenses	(53,803,648)	(3,752,052)	2,054,106	(55,501,594)
Income taxes	-	(93,642)	-	(93,642)
Foreign exchange gain/(loss) (note M)	(166,875)	116	-	(166,759)
Change in cumulative foreign currency translation (note M)	435,959	2,000	-	437,959
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Change in net assets/equity before incremental effect of defined benefit plan	1,670,743	(473,785)	-	1,196,958
Incremental effect on net assets of defined benefit plan (note F)	(1,519,344)	-	-	(1,519,344)
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Net assets/equity at beginning of year, restated	3,128,359	2,896,611	(89,368)	5,935,602
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Net assets/equity at end of year	\$ 3,279,758	\$ 2,422,826	\$ (89,368)	\$ 5,613,216
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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, 2010

	<u>IAFF</u>	<u>Subsidiary and Affiliates</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Per capita tax received from members	\$ 34,986,219	\$ -	\$ 34,986,219
Grants and contributions received	9,481,184	1,044,700	10,525,884
Royalties received	37,356	10,727	48,083
Interest received	334,947	47,355	382,302
Net sales revenue	(99,645)	844	(98,801)
Other revenue received	5,838,266	1,782,317	7,620,583
Payments to vendors, suppliers and employees	(41,721,284)	(3,298,264)	(45,019,548)
Aid paid to affiliates	(269,897)	-	(269,897)
Political contributions paid	(6,102,373)	-	(6,102,373)
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	2,484,773	(412,321)	2,072,452
CASH FLOWS FROM INVESTING ACTIVITIES			
Note and loan repayments received	586,116	-	586,116
New loans made to affiliates	(357,940)	-	(357,940)
Temporary investments			
New acquisitions	(7,921,386)	(25,904)	(7,947,290)
Proceeds from redemptions	6,040,858	505,293	6,546,151
Deferred compensation investments			
New acquisitions	(130,920)	-	(130,920)
United Unions special assessment	-	-	-
Property and equipment			
New acquisitions	(41,296)	(145,057)	(186,353)
Capital lease payments	(85,339)	-	(85,339)
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by investing activities	(1,909,907)	334,332	(1,575,575)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<hr/>	<hr/>	<hr/>
	269,084	2,116	271,200
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on line of credit	-	-	-
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by financing activities	-	-	-
	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	843,950	(75,873)	768,077
CASH AND CASH EQUIVALENTS at beginning of year	<hr/>	<hr/>	<hr/>
	6,497,327	1,236,383	7,733,710
CASH AND CASH EQUIVALENTS at end of year	<hr/>	<hr/>	<hr/>
	\$ 7,341,277	\$ 1,160,510	\$ 8,501,787

	<u>IAFF</u>	<u>Subsidiary and Affiliates</u>	<u>TOTAL</u>
RECONCILIATION OF CHANGE IN NET ASSETS/EQUITY TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Change in net assets/equity before incremental effect of defined benefit plan	\$ 1,670,743	\$ (473,785)	\$ 1,196,958
Adjustments			
Change in foreign currency	(269,084)	(2,116)	(271,200)
Depreciation and amortization	267,742	30,412	298,154
Unrealized (gain) loss on temporary investments	(203,694)	(18,592)	(222,286)
Incremental effect of defined benefit plan	(1,519,344)	-	(1,519,344)
Changes in current assets			
Grants receivable	(1,578,671)	(227,510)	(1,806,181)
Accounts receivable	41,516	(304,092)	(262,576)
Prepaid expenses	355,153	14,247	369,400
Inventories	59,020	2,058	61,078
Interfund receivables	(3,896,097)	(12,893)	(3,908,990)
Changes in current liabilities			
Accounts payable	2,104,726	(37,002)	2,067,724
Promises to give	200,000	262,274	462,274
Accrued expenses	337,488	(96)	337,392
Deferred revenues	(45,014)	(203,536)	(248,550)
Interfund payables	3,350,680	558,310	3,908,990
Change in deferred/accrued pension cost	1,478,689	-	1,478,689
Change in deferred compensation liability	130,920	-	130,920
Net cash provided (used) by operating activities	<u>\$ 2,484,773</u>	<u>\$ (412,321)</u>	<u>\$ 2,072,452</u>

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements
September 30, 2010

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, 2010

NOTE A – ORGANIZATION AND 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, 2010

NOTE A – ORGANIZATION AND 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, 2010. Management reviews accounts receivable to determine collectibility. An amount of \$64,094 has been estimated as an allowance for doubtful accounts as of September 30, 2010. This estimate is based on historical collectibility of accounts receivable.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2010

NOTE A – ORGANIZATION AND 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, 2010. 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, 2010.

Accounts receivable for the IAFF Financial Corporation includes royalty and market support revenue that has not been received as of September 30, 2010. 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, 2010.

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, 2010, 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, 2010, IAFF Financial Corporation has no deferred tax asset or liability. Income tax expense for the year ended September 30, 2010 was \$93,642.

NOTE A – ORGANIZATION AND 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, including the assessments in Note G, 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, 2009

The financial information as of September 30, 2009 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.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2010

NOTE B - CASH AND TEMPORARY INVESTMENTS

Cash and cash equivalents

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

Temporary investments

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

At September 30, 2010, 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	\$ -	\$ 1,092,196
Other AFL-CIO Housing Trust accounts	-	6,341,285
Certificates of deposit	-	8,367,188
Cash accounts	7,341,277	-
IAFF Financial Corporation	686,907	-
International Association of Fire Fighters Burn Foundation	54,913	-
John P. Redmond Memorial Foundation	138,821	-
John P. Redmond Memorial Foundation – AFL-CIO Housing Trust	-	87,194
The New York September 11 Firefighters Counseling Support Foundation	10,216	-
International Association of Fire Fighters Disaster Relief Fund	2,997	-
IAFF Fallen Fire Fighter Memorial Fund, Inc.	257,349	-
IAFF Fallen Fire Fighter Memorial Fund, Inc. – Certificates of deposit	-	609,983
W.H. “Howie” McClennan Scholarship Fund	9,307	-
W.H. “Howie” McClennan Scholarship Fund – AFL-CIO Housing Trust	-	531,700
	<u>\$8,501,787</u>	<u>\$17,029,546</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, 2010 is as follows:

Interest/dividends	\$ 455,876
Unrealized gains/(losses)	<u>222,286</u>
	<u>\$ 678,162</u>

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2010

NOTE D - LOANS TO AFFILIATES

Loans to affiliated organizations exist 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, 2010, \$11,996 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 this account 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 officers' plan are allocated to a rabbi trust fund. During the fiscal year, the secular trust fund was merged with the rabbi trust fund. The assets of the rabbi trust fund are subject to the general creditors of the Association and totaled \$3,771,851 at September 30, 2010.

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 \$3,030,000 and \$1,657,667, respectively, to and from the Staff Representatives' plan and \$960,000 and \$293,472, respectively, 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, 2010

NOTE F – PENSION AND RETIREMENT PLANS (continued)

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

	<u>Staff and Employees</u>	<u>Rabbi</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>
Cash Equivalents	15.28%	14.27%	4.43%
Select Equity Pool	54.05%	54.06%	0.00%
Fixed Income Pool	30.67%	31.67%	95.57%

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, 2010, 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 plan 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, 2010, and for the year then ended, are as follows:

	<u>Accrued Pension Liability</u>	<u>Pension Expense</u>
Officers - rabbi trust	\$ (1,997,227)	\$ 376,998
Staff representatives	(10,150,171)	2,516,294
Employees	<u>(7,745,574)</u>	<u>1,560,052</u>
	<u>\$ (19,892,972)</u>	4,453,344
Other pension expense		
- 401(k) match and administrative costs		198,372
- Canadian pension benefit payments		<u>11,411</u>
Total pension expense		<u>\$ 4,663,127</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 \$15,125, net prior service cost of \$1,331,755, and net loss of \$26,885,909.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2010

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, 2010 financial statements.

	<u>Rabbi</u>	<u>Staff Representatives</u>	<u>Employees</u>	<u>Total</u>
Actuarial present value of benefit obligations:				
Vested benefit obligations	<u>\$ 5,681,875</u>	<u>\$ 38,614,678</u>	<u>\$ 14,211,028</u>	<u>\$ 58,507,581</u>
Accumulated benefit obligations	<u>\$ 5,681,875</u>	<u>\$ 40,307,475</u>	<u>\$ 15,784,053</u>	<u>\$ 61,773,403</u>
Projected benefit obligations	\$ (5,769,078)	\$ (43,515,556)	\$ (19,570,445)	\$ (68,855,079)
Plan assets at fair value	<u>3,771,851</u>	<u>33,365,385</u>	<u>11,824,871</u>	<u>48,962,107</u>
Funded status	<u>\$ (1,997,227)</u>	<u>\$ (10,150,171)</u>	<u>\$ (7,745,574)</u>	<u>\$ (19,892,972)</u>
Net pension asset/(liability) at September 30, 2009:				
Net pension asset/(liability) at September 30, 2009	\$ (1,518,187)	\$ (9,922,098)	\$ (6,973,999)	\$ (18,414,284)
Net periodic pension cost	(376,998)	(2,516,294)	(1,560,052)	(4,453,344)
Contributions made during the year	504,000	3,030,000	960,000	4,494,000
Incremental effect on net assets	<u>(606,042)</u>	<u>(741,779)</u>	<u>(171,523)</u>	<u>(1,519,344)</u>
Net pension asset/(liability) at September 30, 2010	<u>\$ (1,997,227)</u>	<u>\$ (10,150,171)</u>	<u>\$ (7,745,574)</u>	<u>\$ (19,892,972)</u>
Net pension cost, year ended September 30, 2010:				
Service cost - benefits earned	\$ 141,791	\$ 1,637,190	\$ 1,210,110	\$ 2,989,091
Interest cost on projected benefit obligations	260,359	2,208,806	1,007,017	3,476,182
Expected return on plan assets	(294,457)	(2,557,379)	(901,449)	(3,753,285)
Net amortization and deferral	<u>269,305</u>	<u>1,227,677</u>	<u>244,374</u>	<u>1,741,356</u>
Net periodic pension cost	<u>\$ 376,998</u>	<u>\$ 2,516,294</u>	<u>\$ 1,560,052</u>	<u>\$ 4,453,344</u>

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2010

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 five fiscal years thereafter as of September 30, 2010. The expected benefit payments shown below are based on the same assumptions used to determine the Projected Benefit Obligation as of September 30, 2010 and includes benefits attributable to estimated future employee service.

	<u>Staff</u>	<u>Employees</u>	<u>Rabbi</u>
2011	\$1,913,737	\$ 410,962	\$ 358,862
2012	\$1,951,198	\$ 447,008	\$ 341,112
2013	\$2,077,561	\$ 503,774	\$ 537,960
2014	\$2,134,935	\$ 545,090	\$ 521,757
2015	\$2,435,816	\$ 567,990	\$ 503,726
2016-2020	\$14,728,174	\$4,094,918	\$ 2,201,489

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 participants' 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 \$3,385.

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, 2010:

	<u>Capital Lease Equipment</u>	<u>Automobiles</u>	<u>Office Space</u>
2011	\$ 90,606	\$ 14,784	\$ 2,141,602
2012	39,872	3,696	2,201,943
2013	39,326	-	2,258,119
2014	3,528	-	2,322,651
2015	-	-	2,382,794
Later years	<u>-</u>	<u>-</u>	<u>7,127,308</u>
	<u>\$ 173,332</u>	<u>\$ 18,480</u>	<u>\$ 18,434,417</u>

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2010

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, 2010 was \$2,431,548. The total of all rental payments due under the leases are being recognized on a straight-line basis in the consolidated statement of changes in unrestricted net assets/equity. Accordingly, there is a liability recorded for accrued rent equal to the difference between the rent expense and the actual cash payments required by the lease. This lease was previously not accounted for under the straight-line basis, which is not in accordance with generally accepted accounting principles. This is reported as a prior period adjustment, and increases the beginning accrued rent value.

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, 2010.

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, 2010 was \$27,983.

Furniture and equipment on the balance sheet includes \$372,135 of capital lease equipment and accumulated depreciation includes \$198,803 of capital lease accumulated amortization.

3. Guarantor responsibilities

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, 2010, the Association is contingently liable for its share (25.98%) of United Unions, Inc.'s remaining principal balance of \$2,439,249. 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, 2010

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, 2010, 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, 2010, 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, 2010.

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, 2010 - \$.35 per active member, \$.18 per retiree

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

Firepac Education Fund - effective September 1, 2010 - \$1.54 per active member, \$.77 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, 2010

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	\$ 6,271,853
Technical Assistance and Labor Issues	4,131,565
Government Affairs	8,076,092
Education and Training	9,502,342
Safety and Health	1,152,231
Convention	3,644,195
Public Relations and Communications	2,277,080
Motorcycle Group	68,586
Affiliates	<u>2,202,934</u>
Subtotal	<u>37,326,878</u>
Supporting Services	
Management and General	13,289,774
Accounting	2,055,637
Membership	1,504,030
Mailroom	260,276
Donated Services 9-11 Fund	6,659
Affiliates	<u>533,565</u>
Subtotal	<u>17,649,941</u>
Operating Expenses	
Subsidiary	<u>524,775</u>
Total Program and Supporting Services and Operating Expenses	<u>\$55,501,594</u>

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, 2010, the Association had deposits in excess of FDIC insurance limits of approximately \$10.5 million, and its related entities had combined deposits in excess of FDIC insurance limits of approximately \$397,000.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2010

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, 2010.

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, 2010 are approximately \$8,336,787 unrestricted and \$1,647,300 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 70% 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, 2010 of 97.19% and by applying the average translation rate for revenue and expenses for the year ended September 30, 2010 of 96.06%. Changes in the foreign currency translation rate subsequent to September 30, 2010 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, 2010, 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, 2010

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	\$ 25,276,814
Defined benefit plan adjustment, cumulative effect	<u>(28,170,381)</u>
General Fund net assets	<u>\$ (2,893,567)</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:

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 \$140,798. 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, \$6,659 was recorded as expense for the year ended September 30, 2010. 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, 2010

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 \$543,545 payable to the Association. This net amount is included in the due to and due from amounts reported on the September 30, 2010 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, 2010.

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 \$200,000, which are payable in even increments over the next four 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 \$6,481,789.

NOTE S – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 28, 2011.

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
Notes to Consolidated Financial Statements (continued)
September 30, 2010

NOTE T – DISSOLUTION

A plan of *Winding-Up, Distribution of Assets and Dissolution of the New York September 11 Firefighters Counseling Support Foundation* was adopted as of June 14, 2010. All liabilities will be satisfied by the Foundation's assets or be settled by the International Association of Fire Fighters. Final release of any funds set aside as reserve funds following final dissolution of the Foundation shall be contributed to the International Association of Fire Fighters Disaster Relief Fund. The Foundation was dissolved as of September 15, 2010, but assets have not yet been transferred as of September 30, 2010.

A plan of *Winding-Up, Distribution of Assets and Dissolution of the New York Firefighters 9-11 Disaster Relief Fund* was adopted as of June 1, 2010. All liabilities will be satisfied by the Fund's assets or be settled by the International Association of Fire Fighters. Final release of any funds set aside as reserve funds following final dissolution of the Foundation shall be contributed to the International Association of Fire Fighters Disaster Relief Fund. The Fund was dissolved as of August 31, 2010, but assets have not yet been transferred as of September 30, 2010.

OTHER FINANCIAL INFORMATION



CERTIFIED PUBLIC ACCOUNTANTS

STOKES & COMPANY, P.C.

1201 15TH STREET, NW
SUITE 340
WASHINGTON, D.C. 20005-2842

(202) 293-9000

FAX (202) 293-9666

WWW.STOKESPC.COM

LARRY F. STOKES, C.P.A.
MATTHEW F. PENNIMAN, C.P.A.

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, 2010 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 27 - 45 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental balance sheets; supplemental statements of changes in unrestricted net assets/equity, changes in net assets/equity, and cash flows; and supplemental schedules of revenues, expenses, general fund expenses, and net convention expenses were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplemental 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 28, 2011

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL BALANCE SHEETS
SEPTEMBER 30, 2010

With comparative totals for September 30, 2009

	FUNDS								
	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	TOTAL	
ASSETS									
CURRENT ASSETS									
Cash and cash equivalents (notes B and L)	\$ 3,995,254	\$ 1,640,188	\$ 16,643	\$ 1,472,500	\$ 29,723	\$ 25,153	\$ 161,816	\$ 7,341,277	
Temporary investments (notes B and L)	15,800,669	-	-	-	-	-	-	15,800,669	
Loans to affiliates, net of allowance for doubtful accounts (note D)	-	258,226	-	-	-	-	76,320	334,546	
Grants receivable (note A9)	-	-	2,445,835	-	-	-	-	2,445,835	
Accounts receivable (note A9)	1,527,631	-	10,784	10,208	-	-	-	1,548,623	
Prepaid expenses	159,132	-	68,579	-	-	-	-	227,711	
Inventories (note A5)	112,820	-	-	-	-	-	-	112,820	
Interfund receivables (note Q3)	2,050,958	1,550,042	-	1,060,667	-	-	1,058,074	5,719,741	
Total current assets	23,646,464	3,448,456	2,541,841	2,543,375	29,723	25,153	1,296,210	33,531,222	
LOANS TO AFFILIATES, net of current portion (note D)	-	1,032,904	-	-	-	-	32,708	1,065,612	
INVESTMENTS (note A6)									
IAFF Financial Corporation	89,368	-	-	-	-	-	-	89,368	
United Unions, Inc.	2,088,646	-	-	-	-	-	-	2,088,646	
PROPERTY AND EQUIPMENT - at cost (note A7)									
Furniture and equipment, net of accumulated depreciation of \$1,646,059	546,289	-	12,671	-	-	-	-	558,960	
Leasehold improvements, net of accumulated amortization of \$1,473,381	149,216	-	-	-	-	-	-	149,216	
COLLECTIONS (note A8)	-	-	-	-	-	-	-	-	
OTHER ASSETS									
Deferred compensation investments (note F)	2,760,159	-	-	-	-	-	-	2,760,159	
Total assets	\$ 29,280,142	\$ 4,481,360	\$ 2,554,512	\$ 2,543,375	\$ 29,723	\$ 25,153	\$ 1,328,918	\$ 40,243,183	

	FUNDS								
	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	TOTAL	
LIABILITIES AND NET ASSETS/EQUITY									
CURRENT LIABILITIES									
Accounts payable	\$ 3,228,763	\$ 33,949	\$ 793,929	\$ 173,767	\$ -	\$ -	\$ -	\$ 4,230,408	
Accrued expenses									
Salaries and wages	485,827	-	51,989	-	-	-	-	537,816	
Employee expense reimbursements	48,701	-	-	-	-	-	-	48,701	
Leave and severance (note E)	2,353,782	-	62,074	-	-	-	-	2,415,856	
Accrued pension liability (note F)	2,841,853	-	-	-	-	-	-	2,841,853	
Accrued rent	-	-	-	-	-	-	-	-	
Income taxes	-	-	-	-	-	-	-	-	
Deferred revenues (note A9)	439,621	-	83,071	-	-	-	-	522,692	
Promises to give	50,000	-	-	-	-	-	-	50,000	
Capital lease obligation (note G2)	93,222	-	-	-	-	-	-	93,222	
Line of credit (note G4)	-	-	-	-	-	-	-	-	
Interfund payables (note Q3)	1,366,802	-	3,366,383	-	-	224,554	-	4,957,739	
Total current liabilities	10,908,571	33,949	4,357,446	173,767	-	224,554	-	15,698,287	
LONG-TERM LIABILITIES									
Accrued pension liability, net of current portion (note F)	17,051,119	-	-	-	-	-	-	17,051,119	
Accrued rent, net of current portion	1,223,750	-	-	-	-	-	-	1,223,750	
Promises to give, net of current portion	150,000	-	-	-	-	-	-	150,000	
Capital lease obligation, net of current portion (note G2)	80,110	-	-	-	-	-	-	80,110	
Deferred compensation liability (note F)	2,760,159	-	-	-	-	-	-	2,760,159	
Total liabilities	32,173,709	33,949	4,357,446	173,767	-	224,554	-	36,963,425	
EQUITY									
Capital stock	-	-	-	-	-	-	-	-	
Paid-in capital	-	-	-	-	-	-	-	-	
Retained earnings	-	-	-	-	-	-	-	-	
NET ASSETS (notes A3 and O)									
Unrestricted									
Designated	200,000	4,447,411	-	-	-	-	1,328,918	5,976,329	
Undesignated	(3,093,567)	-	(1,802,934)	-	-	(199,401)	-	(5,095,902)	
Total unrestricted net assets	(2,893,567)	4,447,411	(1,802,934)	-	-	(199,401)	1,328,918	880,427	
Total equity	-	-	-	-	-	-	-	-	
Temporarily restricted	-	-	-	2,369,608	29,723	-	-	2,399,331	
Permanently restricted	-	-	-	-	-	-	-	-	
Total net assets/equity	(2,893,567)	4,447,411	(1,802,934)	2,369,608	29,723	(199,401)	1,328,918	3,279,758	
Total liabilities and net assets/equity	\$ 29,280,142	\$ 4,481,360	\$ 2,554,512	\$ 2,543,375	\$ 29,723	\$ 25,153	\$ 1,328,918	\$ 40,243,183	

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL BALANCE SHEETS - OTHER
SEPTEMBER 30, 2010

With comparative totals for 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
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents (notes B and L)	\$ 686,907	\$ 54,913	\$ 138,821	\$ 10,216	\$ 2,997	\$ 257,349	\$ 9,307	\$ 1,160,510
Temporary investments (notes B and L)	-	-	87,194	-	-	609,983	531,700	1,228,877
Loans to affiliates, net of allowance for doubtful accounts (note D)	-	-	-	-	-	-	-	-
Grants receivable (note A9)	-	303,866	-	-	-	-	-	-
Accounts receivable (note A9)	251,081	4,945	284	-	283,943	12,784	-	303,866
Prepaid expenses	14,263	-	-	-	-	-	-	553,037
Inventories (note A5)	-	8,424	-	-	-	-	-	14,263
Interfund receivables (note Q3)	-	-	-	-	31,028	-	-	8,424
	-	-	-	-	-	-	-	31,028
Total current assets	952,251	372,148	226,299	10,216	317,968	880,116	541,007	3,300,005
LOANS TO AFFILIATES, net of current portion (note D)								
	-	-	-	-	-	-	-	-
INVESTMENTS (note A6)								
IAFF Financial Corporation	-	-	-	-	-	-	-	-
United Unions, Inc.	-	-	-	-	-	-	-	-
PROPERTY AND EQUIPMENT - at cost (note A7)								
Furniture and equipment, net of accumulated depreciation of \$53,531	115,999	3,339	-	-	-	-	-	119,338
Leasehold improvements, net of accumulated amortization of \$10,713	-	-	-	-	-	17,640	-	17,640
COLLECTIONS (note A8)								
	-	-	-	-	-	423,953	-	423,953
OTHER ASSETS								
Deferred compensation investments (note F)	-	-	-	-	-	-	-	-
Total assets	\$ 1,068,250	\$ 375,487	\$ 226,299	\$ 10,216	\$ 317,968	\$ 1,321,709	\$ 541,007	\$ 3,860,936

	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
LIABILITIES AND NET ASSETS/EQUITY								
CURRENT LIABILITIES								
Accounts payable	\$ 23,866	\$ 75,766	\$ -	\$ -	\$ -	\$ 221,077	\$ -	\$ 320,709
Accrued expenses								
Salaries and wages	4,321	-	-	-	-	-	-	4,321
Employee expense reimbursements	-	-	-	-	-	-	-	-
Leave and severance (note E)	33,685	-	-	-	-	-	-	33,685
Accrued pension liability (note F)	-	-	-	-	-	-	-	-
Accrued rent	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	-
Deferred revenues (note A9)	-	2,422	-	-	-	-	-	2,422
Promises to give	-	-	-	-	283,943	-	-	283,943
Capital lease obligation (note G2)	-	-	-	-	-	-	-	-
Line of credit (note G4)	-	-	-	-	-	-	-	-
Interfund payables (note Q3)	2,338	306,710	362,560	7,678	-	25,744	88,000	793,030
Total current liabilities	64,210	384,898	362,560	7,678	283,943	246,821	88,000	1,438,110
LONG-TERM LIABILITIES								
Accrued pension liability, net of current portion (note F)	-	-	-	-	-	-	-	-
Accrued rent, net of current portion	-	-	-	-	-	-	-	-
Promises to give, net of current portion	-	-	-	-	-	-	-	-
Capital lease obligation, net of current portion (note G2)	-	-	-	-	-	-	-	-
Deferred compensation liability (note F)	-	-	-	-	-	-	-	-
Total liabilities	64,210	384,898	362,560	7,678	283,943	246,821	88,000	1,438,110
EQUITY								
Capital stock	5	-	-	-	-	-	-	5
Paid-in capital	89,363	-	-	-	-	-	-	89,363
Retained earnings	914,672	-	-	-	-	-	-	914,672
NET ASSETS (notes A3 and O)								
Unrestricted								
Designated	-	-	-	-	-	-	300,000	300,000
Undesignated	-	(41,411)	(136,261)	2,538	34,025	650,935	153,007	662,833
Total unrestricted net assets	-	(41,411)	(136,261)	2,538	34,025	650,935	453,007	962,833
Total equity	1,004,040	-	-	-	-	-	-	1,004,040
Temporarily restricted	-	32,000	-	-	-	-	-	32,000
Permanently restricted	-	-	-	-	-	423,953	-	423,953
Total net assets/equity	1,004,040	(9,411)	(136,261)	2,538	34,025	1,074,888	453,007	2,422,826
Total liabilities and net assets/equity	\$ 1,068,250	\$ 375,487	\$ 226,299	\$ 10,216	\$ 317,968	\$ 1,321,709	\$ 541,007	\$ 3,860,936

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL STATEMENTS OF CHANGES IN UNRESTRICTED NET ASSETS/EQUITY
YEAR ENDED SEPTEMBER 30, 2010

	FUNDS							TOTAL
	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	
UNRESTRICTED REVENUES AND OTHER SUPPORT (notes A9 and H)								
Per capita tax	\$ 30,868,715	\$ 1,423,878	\$ -	\$ -	\$ -	\$ -	\$ 309,238	\$ 32,601,831
Conference and seminar registration fees	2,192,727	-	-	-	-	-	-	2,192,727
Contributions	-	-	-	-	-	-	-	-
Royalties	550,092	-	-	-	-	-	-	550,092
Initiation, reinstatement and charter fees	124,864	-	-	-	-	-	-	124,864
Investment income (note C)	594,582	6,856	-	-	-	-	-	601,438
Proceeds from sales	-	-	-	-	-	-	-	-
Reimbursed legal expenses	20,000	912,285	-	-	-	-	-	932,285
Other revenues	2,042,814	-	-	-	-	-	-	2,042,814
Total unrestricted revenues and other support	36,393,794	2,343,019	-	-	-	-	309,238	39,046,051
Net assets released from restrictions	-	-	7,955,939	6,929,171	-	21,800	1,015,570	15,922,480
Total unrestricted revenues and other support and net assets released from restrictions	36,393,794	2,343,019	7,955,939	6,929,171	-	21,800	1,324,808	54,968,531
EXPENSES (note K)								
Program services	19,954,735	1,242,490	7,991,715	6,986,300	-	221,201	13	36,396,454
Supporting services	17,407,194	-	-	-	-	-	-	17,407,194
Operating expenses	-	-	-	-	-	-	-	-
Foreign exchange (gain)/loss (note M)	172,904	(294)	(1,845)	(3,625)	-	-	(265)	166,875
Total expenses	37,534,833	1,242,196	7,989,870	6,982,675	-	221,201	(252)	53,970,523
Change in unrestricted net assets/equity before change in cumulative foreign currency translation and income taxes	(1,141,039)	1,100,823	(33,931)	(53,504)	-	(199,401)	1,325,060	998,008
Income taxes	-	-	-	-	-	-	-	-
Change in cumulative foreign currency translation (note M)	364,445	11,687	2,465	53,504	-	-	3,858	435,959
Change in unrestricted net assets/equity before incremental effect of defined benefit plan	(776,594)	1,112,510	(31,466)	-	-	(199,401)	1,328,918	1,433,967
Incremental effect on net assets of defined benefit plan (note F)	(1,519,344)	-	-	-	-	-	-	(1,519,344)
Net assets/equity at beginning of year								
As previously stated	61,922	3,334,901	(1,771,468)	-	-	-	-	1,625,355
Adjustment for understated rent (note G)	(659,551)	-	-	-	-	-	-	(659,551)
Net assets/equity at beginning of year, restated	(597,629)	3,334,901	(1,771,468)	-	-	-	-	965,804
Net assets/equity at end of year	\$ (2,893,567)	\$ 4,447,411	\$ (1,802,934)	\$ -	\$ -	\$ (199,401)	\$ 1,328,918	\$ 880,427

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL STATEMENTS OF CHANGES IN UNRESTRICTED NET ASSETS/EQUITY - OTHER
YEAR ENDED SEPTEMBER 30, 2010

	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	\$ -	\$ -	\$ 135,020	\$ -	\$ -	\$ -	\$ -	\$ 135,020
Conference and seminar registration fees	-	-	659,275	-	-	-	-	659,275
Contributions	-	196,110	75,676	7,703	31,129	145,216	3,005	458,839
Royalties	1,196,198	70,593	-	-	200	-	10,527	1,277,518
Initiation, reinstatement and charter fees	-	-	-	-	-	-	-	-
Investment income (note C)	5,881	64	6,357	25	11	21,241	38,249	71,828
Proceeds from sales	-	2,014	-	-	-	-	-	2,014
Reimbursed legal expenses	-	-	-	-	-	-	-	-
Other revenues	68,988	1,657	-	-	-	-	-	70,645
Total unrestricted revenues and other support	1,271,067	270,438	876,328	7,728	31,340	166,457	51,781	2,675,139
Net assets released from restrictions	-	741,618	-	-	-	-	-	741,618
Total unrestricted revenues and other support and net assets released from restrictions	1,271,067	1,012,056	876,328	7,728	31,340	166,457	51,781	3,416,757
EXPENSES (note K)								
Program services	-	724,761	899,205	50,574	26,486	400,658	101,250	2,202,934
Supporting services	-	205,043	48,095	1,726	12,832	253,927	11,942	533,565
Operating expenses	1,015,553	-	-	-	-	-	-	1,015,553
Foreign exchange (gain)/loss (note M)	-	-	(116)	-	-	-	-	(116)
Total expenses	1,015,553	929,804	947,184	52,300	39,318	654,585	113,192	3,751,936
Change in unrestricted net assets/equity before change in cumulative foreign currency translation and income taxes	255,514	82,252	(70,856)	(44,572)	(7,978)	(488,128)	(61,411)	(335,179)
Income taxes	(93,642)	-	-	-	-	-	-	(93,642)
Change in cumulative foreign currency translation (note M)	-	-	2,000	-	-	-	-	2,000
Change in unrestricted net assets/equity before incremental effect of defined benefit plan	161,872	82,252	(68,856)	(44,572)	(7,978)	(488,128)	(61,411)	(426,821)
Incremental effect on net assets of defined benefit plan (note F)	-	-	-	-	-	-	-	-
Net assets/equity at beginning of year	842,168	(123,663)	(67,405)	47,110	42,003	1,139,063	514,418	2,393,694
Net assets/equity at end of year	\$ 1,004,040	\$ (41,411)	\$ (136,261)	\$ 2,538	\$ 34,025	\$ 650,935	\$ 453,007	\$ 1,966,873

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
YEAR ENDED SEPTEMBER 30, 2010

	FUNDS							
	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	TOTAL
CHANGES IN UNRESTRICTED NET ASSETS/EQUITY								
Revenues and other support and net assets released from restrictions (notes A9 and H)	\$ 36,393,794	\$ 2,343,019	\$ 7,955,939	\$ 6,929,171	\$ -	\$ 21,800	\$ 1,324,808	\$ 54,968,531
Expenses	(37,361,929)	(1,242,490)	(7,991,715)	(6,986,300)	-	(221,201)	(13)	(53,803,648)
Income taxes	-	-	-	-	-	-	-	-
Foreign exchange gain/(loss) (note M)	(172,904)	294	1,845	3,625	-	-	265	(166,875)
Change in cumulative foreign currency translation (note M)	364,445	11,687	2,465	53,504	-	-	3,858	435,959
Change in unrestricted net assets/equity before incremental effect of defined benefit plan	(776,594)	1,112,510	(31,466)	-	-	(199,401)	1,328,918	1,433,967
Incremental effect on net assets of defined benefit plan (note F)	(1,519,344)	-	-	-	-	-	-	(1,519,344)
Net assets/equity at beginning of year, restated	(597,629)	3,334,901	(1,771,468)	-	-	-	-	965,804
Net assets/equity at end of year	\$ (2,893,567)	\$ 4,447,411	\$ (1,802,934)	\$ -	\$ -	\$ (199,401)	\$ 1,328,918	\$ 880,427
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS/EQUITY								
Revenues and other support (notes A9 and H)								
Allocated per capita tax	\$ -	\$ -	\$ -	\$ 4,301,479	\$ -	\$ 84,605	\$ -	\$ 4,386,084
Contributions	-	-	-	3,702,985	-	-	-	3,702,985
Grants and contracts	-	-	7,955,890	-	-	-	-	7,955,890
Investment income (note C)	-	-	49	4,666	30	151	-	4,896
Other income	-	-	-	37,356	-	-	-	37,356
Proceeds from sales	-	-	-	59,250	-	12,795	-	72,045
Total revenues and other support	-	-	7,955,939	8,105,736	30	97,551	-	16,159,256
Net assets released from restrictions	-	-	(7,955,939)	(6,929,171)	-	(21,800)	(1,015,570)	(15,922,480)
Change in temporarily restricted net assets/equity	-	-	-	1,176,565	30	75,751	(1,015,570)	236,776
Net assets/equity at beginning of year	-	-	-	1,193,043	29,693	(75,751)	1,015,570	2,162,555
Net assets/equity at end of year	\$ -	\$ -	\$ -	\$ 2,369,608	\$ 29,723	\$ -	\$ -	\$ 2,399,331

FUNDS								
	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	TOTAL
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)	\$ 36,393,794	\$ 2,343,019	\$ 7,955,939	\$ 8,105,736	\$ 30	\$ 97,551	\$ 309,238	\$ 55,205,307
Expenses	(37,361,929)	(1,242,490)	(7,991,715)	(6,986,300)	-	(221,201)	(13)	(53,803,648)
Income taxes	-	-	-	-	-	-	-	-
Foreign exchange gain/(loss) (note M)	(172,904)	294	1,845	3,625	-	-	265	(166,875)
Change in cumulative foreign currency translation (note M)	364,445	11,687	2,465	53,504	-	-	3,858	435,959
Change in net assets/equity before incremental effect of defined benefit plan	(776,594)	1,112,510	(31,466)	1,176,565	30	(123,650)	313,348	1,670,743
Incremental effect on net assets of defined benefit plan (note F)	(1,519,344)	-	-	-	-	-	-	(1,519,344)
Net assets/equity at beginning of year, restated	(597,629)	3,334,901	(1,771,468)	1,193,043	29,693	(75,751)	1,015,570	3,128,359
Net assets/equity at end of year	\$ (2,893,567)	\$ 4,447,411	\$ (1,802,934)	\$ 2,369,608	\$ 29,723	\$ (199,401)	\$ 1,328,918	\$ 3,279,758

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL STATEMENTS OF CHANGES IN NET ASSETS/EQUITY - OTHER
YEAR ENDED SEPTEMBER 30, 2010

	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
CHANGES IN UNRESTRICTED NET ASSETS/EQUITY								
Revenues and other support and net assets released from restrictions (notes A9 and H)	\$ 1,271,067	\$ 1,012,056	\$ 876,328	\$ 7,728	\$ 31,340	\$ 166,457	\$ 51,781	\$ 3,416,757
Expenses	(1,015,553)	(929,804)	(947,300)	(52,300)	(39,318)	(654,585)	(113,192)	(3,752,052)
Income taxes	(93,642)	-	-	-	-	-	-	(93,642)
Foreign exchange gain/(loss) (note M)	-	-	116	-	-	-	-	116
Change in cumulative foreign currency translation (note M)	-	-	2,000	-	-	-	-	2,000
Change in unrestricted net assets/equity before incremental effect of defined benefit plan	161,872	82,252	(68,856)	(44,572)	(7,978)	(488,128)	(61,411)	(426,821)
Incremental effect on net assets of defined benefit plan (note F)	-	-	-	-	-	-	-	-
Net assets/equity at beginning of year	842,168	(123,663)	(67,405)	47,110	42,003	1,139,063	514,418	2,393,694
Net assets/equity at end of year	\$ 1,004,040	\$ (41,411)	\$ (136,261)	\$ 2,538	\$ 34,025	\$ 650,935	\$ 453,007	\$ 1,966,873
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS/EQUITY								
Revenues and other support (notes A9 and H)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allocated per capita tax	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Grants and contracts	-	694,654	-	-	-	-	-	694,654
Investment income (note C)	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Net proceeds from sales	-	-	-	-	-	-	-	-
Change in cumulative foreign currency translation (note M)	-	-	-	-	-	-	-	-
Total revenues and other support	-	694,654	-	-	-	-	-	694,654
Net assets released from restrictions	-	(741,618)	-	-	-	-	-	(741,618)
Change in temporarily restricted net assets/equity	-	(46,964)	-	-	-	-	-	(46,964)
Net assets/equity at beginning of year	-	78,964	-	-	-	-	-	78,964
Net assets/equity at end of year	\$ -	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,000

	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
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS/EQUITY								
Revenues and other support (notes A9 and H)								
Allocated per capita tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-	-	-	-
Change in permanently restricted net assets/equity	-	-	-	-	-	-	-	-
Net assets/equity at beginning of year	-	-	-	-	-	423,953	-	423,953
Net assets/equity at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,953	\$ -	\$ 423,953
CHANGES IN TOTAL NET ASSETS/EQUITY								
Revenues and other support and net assets released from restrictions (notes A9 and H)	\$ 1,271,067	\$ 965,092	\$ 876,328	\$ 7,728	\$ 31,340	\$ 166,457	\$ 51,781	\$ 3,369,793
Expenses	(1,015,553)	(929,804)	(947,300)	(52,300)	(39,318)	(654,585)	(113,192)	(3,752,052)
Income taxes	(93,642)	-	-	-	-	-	-	(93,642)
Foreign exchange gain/(loss) (note M)	-	-	116	-	-	-	-	116
Change in cumulative foreign currency translation (note M)	-	-	2,000	-	-	-	-	2,000
Change in net assets/equity before incremental effect of defined benefit plan	161,872	35,288	(68,856)	(44,572)	(7,978)	(488,128)	(61,411)	(473,785)
Incremental effect on net assets of defined benefit plan (note F)	-	-	-	-	-	-	-	-
Net assets/equity at beginning of year	842,168	(44,699)	(67,405)	47,110	42,003	1,563,016	514,418	2,896,611
Net assets/equity at end of year	\$ 1,004,040	\$ (9,411)	\$ (136,261)	\$ 2,538	\$ 34,025	\$ 1,074,888	\$ 453,007	\$ 2,422,826

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL STATEMENTS OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2010

	FUNDS							
	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES								
Per capita tax received from members	\$ 30,895,355	\$ 216,399	\$ -	\$ 3,793,983	\$ -	\$ 84,605	\$ (4,123)	\$ 34,986,219
Grants and contributions received	-	-	6,338,866	3,142,318	-	-	-	9,481,184
Royalties received	-	-	-	37,356	-	-	-	37,356
Interest received	323,194	6,857	49	4,666	30	151	-	334,947
Net sales revenue	-	-	-	(112,440)	-	12,795	-	(99,645)
Other revenue received	4,833,654	912,285	92,327	-	-	-	-	5,838,266
Payments to vendors, suppliers and employees	(33,626,692)	(1,082,430)	(6,449,885)	(562,264)	-	-	(13)	(41,721,284)
Aid paid to affiliates	-	(126,142)	-	-	-	(143,755)	-	(269,897)
Political contributions paid	-	-	-	(6,102,373)	-	-	-	(6,102,373)
Net cash provided (used) by operating activities	2,425,511	(73,031)	(18,643)	201,246	30	(46,204)	(4,136)	2,484,773
CASH FLOWS FROM INVESTING ACTIVITIES								
Note and loan repayments received	-	532,456	-	-	-	-	53,660	586,116
New loans made to affiliates	-	(267,940)	-	-	-	-	(90,000)	(357,940)
Temporary investments								
New acquisitions	(7,921,386)	-	-	-	-	-	-	(7,921,386)
Proceeds from redemptions	6,040,858	-	-	-	-	-	-	6,040,858
Deferred compensation investments								
New acquisitions	(130,920)	-	-	-	-	-	-	(130,920)
United Unions special assessment	-	-	-	-	-	-	-	-
Property and equipment								
New acquisitions	(41,296)	-	-	-	-	-	-	(41,296)
Capital lease payments	(85,339)	-	-	-	-	-	-	(85,339)
Net cash provided (used) by investing activities	(2,138,083)	264,516	-	-	-	-	(36,340)	(1,909,907)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	191,541	11,981	4,310	57,129	-	-	4,123	269,084
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	478,969	203,466	(14,333)	258,375	30	(46,204)	(36,353)	843,950
CASH AND CASH EQUIVALENTS at beginning of year	3,516,285	1,436,722	30,976	1,214,125	29,693	71,357	198,169	6,497,327
CASH AND CASH EQUIVALENTS at end of year	\$ 3,995,254	\$ 1,640,188	\$ 16,643	\$ 1,472,500	\$ 29,723	\$ 25,153	\$ 161,816	\$ 7,341,277

	FUNDS								
	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	TOTAL	
RECONCILIATION OF CHANGE IN NET ASSETS/EQUITY TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES									
Change in net assets/equity before incremental effect of defined benefit plan	\$ (776,594)	\$ 1,112,510	\$ (31,466)	\$ 1,176,565	\$ 30	\$ (123,650)	\$ 313,348	\$ 1,670,743	
Adjustments									
Change in foreign currency	(191,541)	(11,981)	(4,310)	(57,129)	-	-	(4,123)	(269,084)	
Depreciation and amortization	267,742	-	-	-	-	-	-	267,742	
Unrealized (gain) loss on temporary investments	(203,694)	-	-	-	-	-	-	(203,694)	
Incremental effect of defined benefit plan	(1,519,344)	-	-	-	-	-	-	(1,519,344)	
Changes in current assets									
Grants receivable	-	-	(1,578,671)	-	-	-	-	(1,578,671)	
Accounts receivable	(43,315)	-	92,327	(7,496)	-	-	-	41,516	
Prepaid expenses	303,754	-	38,451	12,948	-	-	-	355,153	
Inventories	59,020	-	-	-	-	-	-	59,020	
Interfund receivables	(569,877)	(1,207,479)	-	(1,060,667)	-	-	(1,058,074)	(3,896,097)	
Changes in current liabilities									
Accounts payable	1,617,971	33,919	312,090	140,746	-	-	-	2,104,726	
Promises to give	200,000	-	-	-	-	-	-	200,000	
Accrued expenses	311,639	-	25,849	-	-	-	-	337,488	
Deferred revenues	(6,661)	-	(38,353)	-	-	-	-	(45,014)	
Interfund payables	1,366,802	-	1,165,440	(3,721)	-	77,446	744,713	3,350,680	
Change in deferred/accrued pension cost	1,478,689	-	-	-	-	-	-	1,478,689	
Change in deferred compensation liability	130,920	-	-	-	-	-	-	130,920	
Net cash provided (used) by operating activities	\$ 2,425,511	\$ (73,031)	\$ (18,643)	\$ 201,246	\$ 30	\$ (46,204)	\$ (4,136)	\$ 2,484,773	

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL STATEMENTS OF CASH FLOWS - OTHER
YEAR ENDED SEPTEMBER 30, 2010

	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
CASH FLOWS FROM OPERATING ACTIVITIES								
Per capita tax received from members	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions received	-	661,332	210,412	7,703	18,236	144,012	3,005	1,044,700
Royalties received	-	-	-	-	200	-	10,527	10,727
Interest received	-	64	3,740	25	11	21,241	22,274	47,355
Net sales revenue	-	844	-	-	-	-	-	844
Other revenue received	1,251,792	72,250	458,275	-	-	-	-	1,782,317
Payments to vendors, suppliers and employees	(1,067,905)	(711,116)	(589,412)	(115,969)	(39,318)	(746,852)	(27,692)	(3,298,264)
Aid paid to affiliates	-	-	-	-	-	-	-	-
Political contributions paid	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	183,887	23,374	83,015	(108,241)	(20,871)	(581,599)	8,114	(412,321)
CASH FLOWS FROM INVESTING ACTIVITIES								
Note and loan repayments received	-	-	-	-	-	-	-	-
New loans made to affiliates	-	-	-	-	-	-	-	-
Temporary investments	-	-	(3,650)	-	-	-	(22,254)	(25,904)
New acquisitions	-	-	-	-	-	505,293	-	505,293
Proceeds from redemptions	-	-	-	-	-	-	-	-
United Unions special assessment	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-	-	-
New acquisitions	(119,908)	-	-	-	-	(25,149)	-	(145,057)
Capital lease payments	-	-	-	-	-	-	-	-
Net cash provided (used) by investing activities	(119,908)	-	(3,650)	-	-	480,144	(22,254)	334,332
EFFECT OF EXCHANGE RATE CHANGES ON CASH	-	-	2,116	-	-	-	-	2,116
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	63,979	23,374	81,481	(108,241)	(20,871)	(101,455)	(14,140)	(75,873)
CASH AND CASH EQUIVALENTS at beginning of year	622,928	31,539	57,340	118,457	23,868	358,804	23,447	1,236,383
CASH AND CASH EQUIVALENTS at end of year	\$ 686,907	\$ 54,913	\$ 138,821	\$ 10,216	\$ 2,997	\$ 257,349	\$ 9,307	\$ 1,160,510

	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" McClennan Scholarship Fund	TOTAL
RECONCILIATION OF CHANGE IN NET ASSETS/EQUITY TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Change in net assets/equity before incremental effect of defined benefit plan	\$ 161,872	\$ 35,288	\$ (68,856)	\$ (44,572)	\$ (7,978)	\$ (488,128)	\$ (61,411)	\$ (473,785)
Adjustments								
Change in foreign currency	-	-	(2,116)	-	-	-	-	(2,116)
Depreciation and amortization	17,434	3,454	-	-	-	9,524	-	30,412
Deferred tax benefit	-	-	-	-	-	-	-	-
Unrealized (gain) loss on temporary investments	-	-	(2,617)	-	-	-	(15,975)	(18,592)
Incremental effect of defined benefit plan	-	-	-	-	-	-	-	-
Changes in current assets								
Grants receivable	-	(227,510)	-	-	-	-	-	(227,510)
Accounts receivable	(19,275)	614	(284)	-	(283,943)	(1,204)	-	(304,092)
Prepaid expenses	(753)	15,000	-	-	-	-	-	14,247
Inventories	-	2,058	-	-	-	-	-	2,058
Deposits	-	-	-	-	-	-	-	-
Interfund receivables	-	-	-	-	(12,893)	-	-	(12,893)
Changes in current liabilities								
Accounts payable	22,883	55,137	(4,537)	-	-	(107,985)	(2,500)	(37,002)
Accrued expenses	(96)	-	-	-	-	-	-	(96)
Deferred revenues	-	(2,536)	(201,000)	-	-	-	-	(203,536)
Promises to give	-	-	-	(21,669)	283,943	-	-	262,274
Interfund payables	1,822	141,869	362,425	(42,000)	-	6,194	88,000	558,310
Change in deferred/accrued pension cost	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	\$ 183,887	\$ 23,374	\$ 83,015	\$ (108,241)	\$ (20,871)	\$ (581,599)	\$ 8,114	\$ (412,321)

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULES OF REVENUES
YEAR ENDED SEPTEMBER 30, 2010

	FUNDS							
	<u>General Fund</u>	<u>Emergency Disputes Fund</u>	<u>Grants and Contracts</u>	<u>Political Action Committees</u>	<u>Reward Fund</u>	<u>Alumni Association</u>	<u>PROP Fund</u>	<u>TOTAL</u>
Per capita tax	\$ 30,868,715	\$ 1,423,878	\$ -	\$ 4,301,479	\$ -	\$ 84,605	\$ 309,238	\$ 36,987,915
Conference and seminar registration fees	2,192,727	-	-	-	-	-	-	2,192,727
Contributions	-	-	-	3,702,985	-	-	-	3,702,985
Royalties	550,092	-	-	37,356	-	-	-	587,448
Grants and contracts	-	-	7,955,890	-	-	-	-	7,955,890
Initiation, reinstatement and charter fees	124,864	-	-	-	-	-	-	124,864
Investment income	594,582	6,856	49	4,666	30	151	-	606,334
Proceeds from sales	-	-	-	59,250	-	12,795	-	72,045
Reimbursed legal fees	20,000	912,285	-	-	-	-	-	932,285
Other revenues	2,042,814	-	-	-	-	-	-	2,042,814
	<u>\$ 36,393,794</u>	<u>\$ 2,343,019</u>	<u>\$ 7,955,939</u>	<u>\$ 8,105,736</u>	<u>\$ 30</u>	<u>\$ 97,551</u>	<u>\$ 309,238</u>	<u>\$ 55,205,307</u>

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULES OF REVENUES - OTHER
YEAR ENDED SEPTEMBER 30, 2010

	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	\$ -	\$ -	\$ 135,020	\$ -	\$ -	\$ -	\$ -	\$ 135,020
Conference and seminar registration fees	-	-	659,275	-	-	-	-	659,275
Contributions	-	196,110	676	7,703	31,129	145,216	3,005	383,839
Royalties	1,196,198	70,593	-	-	200	-	10,527	1,277,518
Grants and contracts	-	694,654	75,000	-	-	-	-	769,654
Initiation, reinstatement and charter fees	-	-	-	-	-	-	-	-
Investment income	5,881	64	6,357	25	11	21,241	38,249	71,828
Proceeds from sales	-	2,014	-	-	-	-	-	2,014
Reimbursed legal fees	-	-	-	-	-	-	-	-
Other revenues	68,988	1,657	-	-	-	-	-	70,645
	<u>\$ 1,271,067</u>	<u>\$ 965,092</u>	<u>\$ 876,328</u>	<u>\$ 7,728</u>	<u>\$ 31,340</u>	<u>\$ 166,457</u>	<u>\$ 51,781</u>	<u>\$ 3,369,793</u>

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULES OF EXPENSES
YEAR ENDED SEPTEMBER 30, 2010

FUNDS									
	General Fund	Emergency Disputes Fund	Grants and Contracts	Political Action Committees	Reward Fund	Alumni Association	PROP Fund	TOTAL	
Salaries - Officers	\$ 1,679,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	1,679,557
- Others	10,545,041	-	1,550,779	-	-	40,508	-	-	12,136,328
Expenses - Officers	1,266,225	-	-	-	-	-	-	-	1,266,225
- Others	694,027	-	80,665	42,985	-	-	-	-	817,677
Accounting and audit	202,020	-	52,200	-	-	-	-	-	254,220
Advertising	-	-	-	-	-	-	-	-	-
Aid to affiliates	-	126,142	-	-	-	-	-	-	126,142
Audio/visual expense	300,509	-	130,627	47,775	-	-	-	-	478,911
Awards	22,376	-	-	-	-	-	-	-	22,376
Bank charges	-	-	-	-	-	-	-	-	-
Bad debt expense	14,456	-	-	-	-	-	-	-	14,456
Computer	564,229	-	38,510	26,214	-	30	-	-	628,983
Consultants	1,930,498	-	3,659,495	120,074	-	49,781	-	-	5,759,848
Convention expenses	3,628,429	-	-	-	-	-	-	-	3,628,429
Cost of sales	14,387	-	-	171,690	-	-	-	-	186,077
Depreciation and amortization	267,742	-	-	-	-	-	-	-	267,742
Dinners and honoraria	122,477	-	-	-	-	-	-	-	122,477
Donations	203,379	14,398	-	-	-	-	-	-	217,777
Personnel	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Insurance and bonding	2,865,096	-	522,385	-	-	11,513	-	-	3,398,994
Interest expense	27,983	-	-	-	-	-	-	-	27,983
Journal expenses	1,170,822	-	-	-	-	-	-	-	1,170,822
Legal services	(219,077)	1,105,003	-	-	-	-	-	-	885,926
Marketing expenses	-	-	-	-	-	-	-	-	-
Meals and entertainment	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	360,523	(3,053)	4,957	41,401	-	295	13	-	404,136
Office expense and supplies	264,453	-	202,906	-	-	6,874	-	-	474,233
Office machine rental and maintenance	53,220	-	-	-	-	-	-	-	53,220
Payroll processing	-	-	-	-	-	-	-	-	-
Penalties	250,539	-	-	-	-	-	-	-	250,539
Pension expense	4,336,168	-	302,249	7	-	11,318	-	-	4,649,742
Affiliations per capita tax	2,534,126	-	-	-	-	-	-	-	2,534,126
Political contributions	-	-	-	6,102,373	-	-	-	-	6,102,373
Postage and freight	233,518	-	63,520	63,632	-	7,269	-	-	367,939
Printing and copying	348,775	-	271,385	105,245	-	88,309	-	-	813,714
Redmond Fund contribution	135,020	-	-	-	-	-	-	-	135,020
Rent	2,105,598	-	127,925	-	-	-	-	-	2,233,523
Seminars	958,814	-	103,745	251,838	-	-	-	-	1,314,397
Subscriptions and dues	176,256	-	3,533	11,635	-	719	-	-	192,143
Taxes - payroll, personal property and other	904,961	-	82,545	1,431	-	3,263	-	-	992,200
Telephone and telegraph	183,466	-	4,094	-	-	1,322	-	-	188,882
Temporary services	-	-	-	-	-	-	-	-	-
Travel and meetings	-	-	6,511	-	-	-	-	-	6,511
	38,145,613	1,242,490	7,208,031	6,986,300	-	221,201	13	-	53,803,648
Overhead allocation	(783,684)	-	783,684	-	-	-	-	-	-
	\$ 37,361,929	\$ 1,242,490	\$ 7,991,715	\$ 6,986,300	\$ -	\$ 221,201	\$ 13	\$	53,803,648

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULES OF EXPENSES - OTHER
YEAR ENDED SEPTEMBER 30, 2010

	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
Salaries - Officers	\$ 167,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,270
- Others	-	136,438	-	-	-	-	-	136,438
Expenses - Officers	25,979	-	-	-	-	-	-	25,979
- Others	-	9,201	-	-	-	-	-	9,201
Accounting and audit	44,337	22,600	15,975	9,500	12,600	10,500	10,100	125,612
Advertising	288,000	8,000	-	-	-	-	-	296,000
Audio/visual expense	-	3,811	418,932	-	-	8,075	-	430,818
Awards	-	-	-	-	-	-	-	-
Bank charges	50	-	-	-	-	-	-	50
Bad debt expense	3,711	-	-	-	-	-	-	3,711
Computer	115	-	-	-	-	-	-	115
Consultants	151,506	471,140	149,570	-	-	122,591	-	894,807
Convention expenses	-	-	-	-	-	-	-	-
Cost of sales	-	3,228	-	-	-	-	-	3,228
Depreciation and amortization	17,434	3,454	-	-	-	9,524	-	30,412
Dinners and honoraria	-	-	-	-	-	-	-	-
Donations	-	1,487	-	42,800	26,000	-	101,250	171,537
Personnel	-	-	-	-	-	114,060	-	114,060
Grants	-	100,000	-	-	-	-	-	100,000
Insurance and bonding	33,446	67,810	-	-	-	420	-	101,676
Journal expenses	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-
Marketing expense	136,608	-	-	-	-	-	-	136,608
Meals and entertainment	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	38,279	13,376	-	718	9,000	440	61,813
Office expense and supplies	744	19,075	2,758	-	-	1,018	158	23,753
Office machine rental and maintenance	-	-	-	-	-	-	-	-
Payroll processing	2,192	-	-	-	-	-	-	2,192
Penalties	-	-	-	-	-	-	-	-
Pension expense	13,385	-	-	-	-	-	-	13,385
Affiliations per capita tax	-	-	-	-	-	-	-	-
Political contributions	-	-	-	-	-	-	-	-
Postage and freight	1,792	6,649	22,244	-	-	12,640	-	43,325
Printing and copying	5,059	3,370	62,410	-	-	10,409	-	81,248
Redmond Fund contribution	-	-	-	-	-	-	-	-
Rent	48,000	-	-	-	-	-	-	48,000
Seminars	-	-	-	-	-	354,278	-	354,278
Subscriptions and dues	-	1,245	-	-	-	-	-	1,245
Taxes - payroll, personal property and other	9,909	10,404	-	-	-	-	1,244	21,557
Telephone and telegraph	6,300	-	-	-	-	2,070	-	8,370
Temporary services	57,778	-	-	-	-	-	-	57,778
Travel and meetings	1,938	23,613	262,035	-	-	-	-	287,586
	1,015,553	929,804	947,300	52,300	39,318	654,585	113,192	3,752,052
Overhead allocation	-	-	-	-	-	-	-	-
	\$ 1,015,553	\$ 929,804	\$ 947,300	\$ 52,300	\$ 39,318	\$ 654,585	\$ 113,192	\$ 3,752,052

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULES OF GENERAL FUND EXPENSES
YEAR ENDED SEPTEMBER 30, 2010

	Operations	Technical Assistance and Labor Issues	Legislative	Education and Information Resources	EMS	OSHA	Special Projects	Public Relations and Communications	Other	TOTAL
Salaries - Officers	\$ 1,679,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,679,557
- Others	6,721,338	498,607	350,795	451,292	715,859	76,876	-	336,592	1,393,682	10,545,041
Expenses - Officers	1,266,225	-	-	-	-	-	-	-	-	1,266,225
- Others	541,251	7,078	9,735	23,683	13,270	5,998	-	6,949	86,063	694,027
Accounting and audit	202,020	-	-	-	-	-	-	-	-	202,020
Audio/visual expense	297,634	-	-	-	-	-	-	-	2,875	300,509
Awards	22,376	-	-	-	-	-	-	-	-	22,376
Bad debt expense	14,456	-	-	-	-	-	-	-	-	14,456
Computer	400,930	6,996	3,628	642	89,407	-	-	-	62,626	564,229
Consultants	1,819,770	25,587	3,453	50,386	241	9,445	-	-	21,616	1,930,498
Convention expenses	3,628,429	-	-	-	-	-	-	-	-	3,628,429
Cost of sales	14,387	-	-	-	-	-	-	-	-	14,387
Depreciation and amortization	267,742	-	-	-	-	-	-	-	-	267,742
Dinners and honoraria	122,477	-	-	-	-	-	-	-	-	122,477
Donations	201,494	-	-	-	-	-	-	-	1,885	203,379
Insurance and bonding	2,074,805	112,920	84,033	107,958	178,417	(15,511)	-	77,384	245,090	2,865,096
Interest expense	27,983	-	-	-	-	-	-	-	-	27,983
Journal expenses	1,170,822	-	-	-	-	-	-	-	-	1,170,822
Legal services	(219,077)	-	-	-	-	-	-	-	-	(219,077)
Miscellaneous expenses	321,772	-	441	934	207	-	-	216	36,953	360,523
Office expense and supplies	175,775	6,709	2,549	43,516	16,740	2,720	-	3,690	12,754	264,453
Office machine rental and maintenance	53,220	-	-	-	-	-	-	-	-	53,220
Penalties	250,539	-	-	-	-	-	-	-	-	250,539
Pension expense	3,069,219	156,432	106,543	128,365	211,297	43,730	-	104,678	515,904	4,336,168
Affiliations per capita tax	2,534,126	-	-	-	-	-	-	-	-	2,534,126
Political contributions	-	-	-	-	-	-	-	-	-	-
Postage and freight	215,081	470	3	11,047	505	840	-	421	5,151	233,518
Printing and copying	329,613	143	-	11,085	7,791	-	-	-	143	348,775
Redmond Fund contribution	135,020	-	-	-	-	-	-	-	-	135,020
Rent	2,105,598	-	-	-	-	-	-	-	-	2,105,598
Seminars	948,350	1,795	-	-	4,552	-	-	-	4,117	958,814
Subscriptions and dues	115,942	4,703	34,410	470	1,160	-	-	715	18,856	176,256
Taxes - payroll, personal property and other	603,176	39,718	26,530	34,336	55,498	13,558	-	25,437	106,708	904,961
Telephone and telegraph	154,691	1,843	3,036	1,964	1,806	-	-	2,289	17,837	183,466
Temporary services	-	-	-	-	-	-	-	-	-	-
	31,266,741	863,001	625,156	865,678	1,296,750	137,656	-	558,371	2,532,260	38,145,613
Overhead allocation	(783,684)	-	-	-	-	-	-	-	-	(783,684)
	\$ 30,483,057	\$ 863,001	\$ 625,156	\$ 865,678	\$ 1,296,750	\$ 137,656	\$ -	\$ 558,371	\$ 2,532,260	\$ 37,361,929

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULES OF GENERAL FUND EXPENSES - OTHER
YEAR ENDED SEPTEMBER 30, 2010

	Communications and Media	Government and Public Affairs	Political Action	Member Services	Education and Hazmat	Motorcycle Group	TOTAL
Salaries - Officers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Others	266,648	240,865	448,796	278,680	158,693	-	1,393,682
Expenses - Officers	-	-	-	-	-	-	-
- Others	8,546	21,591	13,871	21,136	19,857	1,062	86,063
Accounting and audit	-	-	-	-	-	-	-
Audio/visual expense	2,875	-	-	-	-	-	2,875
Awards	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-
Computer	-	13	61,328	845	-	440	62,626
Consultants	-	1,163	1,162	-	-	19,291	21,616
Convention expenses	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Dinners and honoraria	-	-	-	-	-	-	-
Donations	-	-	-	-	-	1,885	1,885
Insurance and bonding	62,448	60,333	79,788	42,173	(1,582)	1,930	245,090
Journal expenses	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-
Miscellaneous expenses	292	107	-	1,131	222	35,201	36,953
Office expense and supplies	2,613	339	3,072	5,638	549	543	12,754
Office machine rental and maintenance	-	-	-	-	-	-	-
Pension expense	95,429	90,802	128,827	108,284	92,562	-	515,904
Affiliations per capita tax	-	-	-	-	-	-	-
Political contributions	-	-	-	-	-	-	-
Postage and freight	526	366	615	1,131	385	2,128	5,151
Printing and copying	-	143	-	-	-	-	143
Redmond Fund contribution	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-
Seminars	-	-	-	-	-	4,117	4,117
Subscriptions and dues	12,020	2,168	1,462	3,056	150	-	18,856
Taxes - payroll, personal property and other	18,628	15,696	35,005	21,239	16,140	-	106,708
Telephone and telegraph	2,292	3,067	4,616	2,331	3,542	1,989	17,837
Temporary services	-	-	-	-	-	-	-
	472,317	436,653	778,542	485,644	290,518	68,586	2,532,260
Overhead allocation	-	-	-	-	-	-	-
	\$ 472,317	\$ 436,653	\$ 778,542	\$ 485,644	\$ 290,518	\$ 68,586	\$ 2,532,260

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULE OF SALARY AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2010
(UNAUDITED)

	SALARY	LODGING	MEALS	EXPENSES TRAVEL	TELEPHONE	OTHER	TOTAL	TOTAL SALARY AND EXPENSES
PRINCIPAL OFFICERS								
Harold Schaitberger, General President	\$ 273,778	\$ 23,011	\$ 10,276	\$185,236	\$1,683	\$ 5,789	\$ 225,995	\$ 499,773
Vincent J. Bollon, General Secretary-Treasurer (prior)	75,777	6,043	996	15,886	12	2,502	25,439	101,216
Thomas Miller, General Secretary-Treasurer	191,980	21,247	17,588	83,118	620	11,545	134,118	326,098
TOTAL PRINCIPAL OFFICERS	\$ 541,535	\$ 50,301	\$ 28,860	\$ 284,240	\$ 2,315	\$ 19,836	\$ 385,552	\$ 927,087
VICE PRESIDENTS								
Kevin Gallagher, 1st District	\$ 73,763	\$ 11,431	\$ 22,480	\$ 9,934	\$ 635	\$ 12,269	\$ 56,749	\$ 130,512
Mark Woolbright, 2nd District	73,763	14,120	19,920	20,051	457	15,433	69,981	143,744
Louie Wright, 2nd District (prior)	-	122	2,320	1,087	-	283	3,812	3,812
Michael Mullane, 3rd District	73,763	12,401	19,920	6,008	56	10,130	48,515	122,278
William Taylor, 4th District	73,763	13,257	19,600	13,454	-	7,924	54,235	127,998
Joseph Conway, Jr., 5th District	73,763	11,262	6,640	14,258	31	5,703	37,894	111,657
Lorne West, 6th District	70,857	14,143	18,444	57,742	8,886	11,493	110,708	181,565
Ricky Walsh, 7th District	73,763	17,264	17,040	31,107	186	13,600	79,197	152,960
Thomas Miller, 8th District (prior)	-	-	-	-	-	-	-	-
Paul Hufnagel, 8th District	40,295	6,666	9,120	9,553	44	7,268	32,651	72,946
Randy Atkinson, 9th District	73,763	11,022	5,440	6,175	-	11,825	34,462	108,225
James Ferguson, 10th District	73,763	17,387	8,880	8,384	-	7,255	41,906	115,669
Roy L. McGhee, 11th District	73,763	19,026	13,200	22,143	298	12,462	67,129	140,892
Larry Osbourne, 12th District	73,763	10,741	7,440	12,863	-	7,198	38,242	112,005
Bruce Carpenter, 13th District	70,857	12,755	6,610	13,444	5,506	9,748	48,063	118,920
Danny Todd, 14th District	73,763	15,773	10,000	20,331	91	11,992	58,187	131,950
James Fennell, 15th District	70,857	11,266	13,619	14,673	6,143	6,060	51,761	122,618
James Johnson, 16th District	73,763	13,689	12,400	13,367	44	7,681	47,181	120,944
TOTAL VICE PRESIDENTS	\$ 1,138,022	\$ 212,325	\$ 213,073	\$ 274,574	\$ 22,377	\$ 158,324	\$ 880,673	\$ 2,018,695
TOTAL OFFICERS' SALARY/EXPENSES (GENERAL FUND)	\$ 1,679,557	\$ 262,626	\$ 241,933	\$ 558,814	\$ 24,692	\$ 178,160	\$ 1,266,225	\$ 2,945,782
TRUSTEES								
Anthony Mejia	\$ 9,576	\$ 7,322	\$ 3,120	\$ 3,136	\$ 155	\$ 100	\$ 13,833	\$ 23,409
Mark Ouellette	12,502	9,674	4,000	4,078	114	-	17,866	30,368
Keith Hamilton (prior)	-	9,861	3,360	1,485	-	-	14,706	14,706
Alex Forrest	12,190	-	-	4,942	-	-	4,942	17,132
TOTAL TRUSTEES	\$ 34,268	\$ 26,857	\$ 10,480	\$ 13,641	\$ 269	\$ 100	\$ 51,347	\$ 85,615

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULE OF SALARY AND EXPENSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2010
(UNAUDITED)

	SALARY	EXPENSES					TOTAL	TOTAL SALARY AND EXPENSES
		LODGING	MEALS	TRAVEL	TELEPHONE	OTHER		
DIRECTORS, ETC.								
Chief of Staff to the General President								
Peter Gorman	\$ 181,395	\$ 11,365	\$ 5,200	\$ 9,894	\$ 27	\$ 13,061	\$ 39,547	\$ 220,942
Executive Assistant to the General Secretary-Treasurer								
Erick Genser (prior)	170,455	2,491	560	1,047	-	3,746	7,844	178,299
Jim Lee	170,290	24,547	9,048	19,195	81	7,568	60,439	230,729
Budget and Finance								
Don Copley	156,586	8,512	2,720	2,223	-	78	13,533	170,119
Jennifer Harris	121,867	1,313	800	854	47	25	3,039	124,906
Canadian National Office								
Scott Marks	56,929	8,330	3,297	11,059	-	-	22,686	79,615
Governmental and Public Affairs								
Kevin O'Connor	156,469	11,148	2,430	8,146	299	2,058	24,081	180,550
David Billy	123,127	3,752	2,400	2,781	47	84	9,064	132,191
Barry Kasinitz	123,127	4,367	1,520	3,401	9	1,459	10,756	133,883
Occupational Safety and Health								
Richard Duffy	156,586	8,039	4,396	9,263	29	4,521	26,248	182,834
James Brinkley	121,867	4,949	3,785	10,834	23	136	19,727	141,594
Education and Hazmat								
Patrick Morrison	156,469	7,280	4,559	9,471	-	545	21,855	178,324
David Neun (prior)	-	-	-	-	-	-	-	-
Kevin Rader	121,867	5,377	4,320	7,167	275	1,637	18,776	140,643
Hazmat & WMD Training Dept								
Elizabeth Harman (prior)	58,788	2,133	960	736	-	-	3,829	62,617
Ridley, James	112,174	3,475	3,520	4,941	40	-	11,976	124,150
Tech Assist & Labor Issues/EMS								
Lori Moore	156,528	8,984	5,839	7,908	-	1,185	23,916	180,444
Jonathan Moore	123,127	3,901	2,000	3,401	85	-	9,387	132,514
Michele Shaffer	123,173	4,497	2,240	2,445	-	-	9,182	132,355
Public Relations and Communications								
Jane Blume	123,080	5,059	1,440	2,904	-	-	9,403	132,483
William Glanz	105,294	1,774	1,120	1,301	-	-	4,195	109,489
Human Resources								
Ken Long	154,930	9,298	2,640	2,481	-	-	14,419	169,349
Information & Technology Operations Dept								
Jeffrey Zack	156,469	8,308	3,840	6,199	74	10	18,431	174,900
Eric Lamar (prior)	55,215	-	-	23	-	-	23	55,238
Dave Bernard	141,198	8,176	3,572	2,868	57	75	14,748	155,946
Carmen Gloukhoff	122,615	2,187	1,423	2,840	-	-	6,450	129,065
Bentley Westfield	122,890	1,843	1,600	1,762	45	-	5,250	128,140
Conference Planning								
Dawn Iacino	121,867	8,322	5,840	6,192	20	65	20,439	142,306
Grants Administration								
Jennifer Stewart	121,867	1,998	400	1,301	25	-	3,724	125,591
TOTAL DIRECTORS, ETC.	\$ 3,616,249	\$ 171,425	\$ 81,469	\$ 142,637	\$ 1,183	\$ 36,253	\$ 432,967	\$ 4,049,216

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULE OF SALARY AND EXPENSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2010
(UNAUDITED)

	SALARY	LODGING	MEALS	EXPENSES TRAVEL	TELEPHONE	OTHER	TOTAL	TOTAL SALARY AND EXPENSES
OTHER OFFICE AND GRANT EMPLOYEES	\$ 8,686,415	\$ 250,957	\$ 93,621	\$ 270,420	\$ 19,973	\$ 23,315	658,286	\$ 9,344,701
TOTAL IAFF SALARY/EXPENSE FYE 09/30/09	<u>\$ 14,016,489</u>	<u>\$ 711,865</u>	<u>\$ 427,503</u>	<u>\$ 985,512</u>	<u>\$ 46,117</u>	<u>\$ 237,828</u>	<u>\$ 2,408,825</u>	<u>\$ 16,425,314</u>
IAFF FINANCIAL CORPORATION								
Carrie Tucker	\$ 167,270	\$ 13,475	\$ -	\$ 12,156	\$ 35	\$ 313	\$ 25,979	\$ 193,249
TOTAL IAFF FINANCIAL CORPORATION								
SALARY/EXPENSE FYE 9/30/10	<u>\$ 167,270</u>	<u>\$ 13,475</u>	<u>\$ -</u>	<u>\$ 12,156</u>	<u>\$ 35</u>	<u>\$ 313</u>	<u>\$ 25,979</u>	<u>\$ 193,249</u>
TOTAL CONSOLIDATED IAFF								
SALARY/EXPENSE FYE 9/30/10	<u>\$ 14,183,759</u>	<u>\$ 725,340</u>	<u>\$ 427,503</u>	<u>\$ 997,668</u>	<u>\$ 46,152</u>	<u>\$ 238,141</u>	<u>\$ 2,434,804</u>	<u>\$ 16,618,563</u>
TOTAL APPORTIONED SALARIES AND EXPENSES								
Officers	\$ 1,846,827	\$ 276,101	\$ 241,933	\$ 570,970	\$ 24,727	\$ 178,473	\$ 1,292,204	\$ 3,139,031
Others	12,272,766	260,155	126,358	363,284	20,578	56,503	826,878	13,099,644
Convention	64,166	189,084	59,212	63,414	847	3,165	315,722	379,888
	<u>\$ 14,183,759</u>	<u>\$ 725,340</u>	<u>\$ 427,503</u>	<u>\$ 997,668</u>	<u>\$ 46,152</u>	<u>\$ 238,141</u>	<u>\$ 2,434,804</u>	<u>\$ 16,618,563</u>

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
SUPPLEMENTAL SCHEDULE OF NET CONVENTION EXPENSES
YEAR ENDED SEPTEMBER 30, 2010

Salaries		\$	64,166
Expenses			
Lodging	\$	189,084	
Meals		47,307	
Transportation		63,414	
Telephone		847	
Entertainment		2,414	
Other		12,657	315,723
401(k) match			1,131
Audio/visual			1,685,827
Computer services			14,261
Consultants			
Fees		274,066	
Expenses		269,515	543,581
Convention facility rental			190,323
Dinners and honoraria			376,821
Insurance			4,054
Miscellaneous			143,873
Office expense and supplies			8,239
Photography			19,797
Postage and freight			24,127
Printing and copying			231,259
Taxes - payroll			5,247
Total convention expenses			3,628,429
Less booth income			(226,250)
Less convention registration income			(636,105)
Net convention expenses		\$	<u>2,766,074</u>

SEE PAGE 45 FOR CONVENTION FUNDING

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

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
 Note to Other Financial Information
 September 30, 2010

SUPPLEMENTAL 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, 2010 of 96.06%.

SUPPLEMENTAL SCHEDULE OF NET CONVENTION EXPENSES

The biannual IAFF Convention is funded over two years. For the 2010 Convention, there was a total of \$3,182,442 set aside to fund it. This funding came from per capita tax, minimal resolution, affinity credit card royalties, booth rentals, and convention registration. The total convention cost of \$3,662,073 was \$479,631 over the amount set aside. This balance will be covered by the favorable per capita variance from the year ended September 30, 2010. The following is a summary of the 2010 Convention funding and costs.

2010 Convention funding	
Per Capita Tax 2009	\$ 450,000
Per Capita Tax 2010	600,000
Minimal resolution 2009	75,000
Minimal resolution 2010	67,500
Affinity credit card royalties 2009	577,595
Affinity credit card royalties 2010	549,992
Booth income 2010	226,250
Convention registration 2010	<u>636,105</u>
Total funds available	<u>3,182,442</u>
2010 Convention costs	
Expenses incurred 2009	33,644
Expenses incurred 2010	<u>3,628,429</u>
Total costs	<u>3,662,073</u>
2010 Convention Over/(Under) Funding	<u>\$ (479,631)</u>



CERTIFIED PUBLIC ACCOUNTANTS

STOKES & COMPANY, P.C.

1201 15TH STREET, NW
SUITE 340
WASHINGTON, D.C. 20005-2842

(202) 293-9000

FAX (202) 293-9666

WWW.STOKESPC.COM

LARRY F. STOKES, C.P.A.
MATTHEW F. PENNIMAN, C.P.A.

MEMBERS

AMERICAN INSTITUTE OF
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, 2010, and have issued our report thereon dated January 28, 2011. 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 7, 2010. Professional standards require that we provide you with the following information related to our audit.

OUR RESPONSIBILITY UNDER U.S. GENERALLY ACCEPTED AUDITING STANDARDS AND OMB CIRCULAR A-133

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.

As part of obtaining reasonable assurance about whether IAFF's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. 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, 2010 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. Also described in Note A to the financial statements, the Association adopted a new accounting policy required by U.S. generally accepted accounting principles, *Accounting for Uncertainty in Income Taxes*, that requires 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. Management has evaluated its tax reporting and has not reflected any contingent liability for any such tax position. 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:

Overstated investments	\$ 77,331
Understated accrued expenses	\$ 2,349,833
Overstated net assets	\$ 659,551

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 28, 2011.

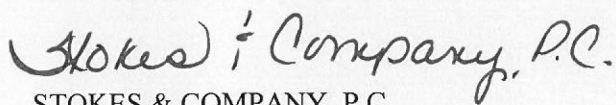
Management Consultations with Other Independent Accountants

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 28, 2011