I am excited to share with you a sampling of the important achievements of ISS-USA in 2005 and 2006.

Thanks to a talented, dedicated and dynamic staff and board of directors, ISS-USA has coordinated services for over 2000 people in the past two years. However, each individual success story only highlights other critical gaps in needed assistance. So, while we celebrate the achievements of the last two years, we must also look to the future and how we can address these shortfalls. In particular, ISS-USA is concerned about the treatment of unaccompanied children and the capacity of inter-country social networks, particularly in Latin America, to meet the increasing demand for such services. ISS-USA must also strive to fully utilize our 80 years of experience to prepare future international social workers to meet a growing demand for such skills. As we both mark earlier achievements and look to the future, I invite you to join ISS-USA in “Bringing Resolutions Across Borders”.

Julie Gilbert Rosicky
Executive Director
2006 was both **challenging** and **rewarding** for ISS.

We began the year facing an internal crisis which imperiled an 80 year history of helping families and children around the world followed by the **largest project in our history**—assisting the U.S. government to repatriate 12,500 Americans from a crisis in Lebanon.

We have now overcome those earlier internal divisions and I would like to share with you words from a Boston attorney representing a father and child which underlines our proud record: “ISS is the one **beacon of hope** that my client has for reuniting with and being allowed to raise his child...the services and the mechanism for intercountry home studies and assessments provided by ISS are keeping the hopes and dreams of this child alive.”

This is a wonderful **affirmation** of the importance and impact of our work and the day-to-day professionalism of ISS-USA staff, helping children and families often separated by national borders and with no one else to turn to. It is a special calling but one which offers real hope to people in need.

**Robert Charles Hill**

*President, Board of Directors*
He’d been abandoned in Mexico by his drug-addicted parents. His repatriation to the U.S. was pretty close to a miracle.

READ JACOB’S STORY ON PAGE 9
ISS was founded in 1926 to help children and mothers leaving Europe to reunite with fathers who had immigrated to the United States.

Today, our mission is to improve the lives of children, families and adults impacted by migration and international crisis.

Our services have expanded through the years to include international adoption, international case management, home studies, tracings, and most recently the U.S. repatriation program.
Campaign for U.S. Ratification of the United Nations Convention on the Rights (CRC) of the Child convened a national Summit, May 18-20, 2006. The summit was held at American University, Washington, D.C. Summit participants represented a diverse spectrum of individuals. Adult and youth delegates from 29 states, Puerto Rico, and 11 countries attended the Summit. Professionals working in the civil and human rights, educational, legal, religious, and social services professions were present at the Summit. Youth from Covenant House, Homeschoolers UN club, High School for Human Rights (Brooklyn, NY), and Children’s Theater Company also contributed to the summit.

In July of 2006, ISS-USA assisted in the largest mass repatriation in U.S. history of 12,500 U.S. Citizens evacuated from Lebanon. ISS-USA provided direct services for 330 of these individuals.

September 29, 2006
U.S. Department of Health and Human Services Administration for Children and Families Office for Refugee Resettlement and International Social Service-United States of America Branch announced that they will renew the cooperative agreement for another five years. Americans, (adults, children and families) who are destitute, suffering from health/mental health issues, are victims of crime, war, or natural disaster may be eligible for repatriation. The most common final destination for repatriating Americans is California.

California was the last place of residency in the U.S. for a large number of these repatriated Americans. Repatriates departed from over 100 countries around the world. The majority of individuals repatriating to the U.S. arrived from Mexico, Israel, Thailand and the United Kingdom. Due to the Lebanon evacuation in 2006, ISS-USA resettled the largest number of repatriates from Lebanon. (See graph on page 8)

2005

Date, 2005
ISS-USA, in partnership with the ISS General Secretariat participated in a UNICEF-funded consultancy to Indonesia to address the needs of the more than 2000 children orphaned by the December 2004 Tsunami. ISS provided an assessment and recommendations to the Indonesian Ministry of Social Welfare and UNICEF’s planning, action and allocation funding division.

March, 2005
ISS-USA organized and conducted a Latin America Regional Seminar in Antigua, Guatemala in partnership with ISS-Canada, Guatemala and the General Secretariat in March, 2005. Almost all Latin American correspondents were in attendance.

“The ISS is the one beacon of hope that my client has for reuniting with and being allowed to raise his child.”
December 14, 2006
ISS-USA opened its 300th intercountry case for 2006. ISS-USA is part of a world wide network of national branches, affiliate bureaus and correspondents in over 150 countries. The ISS General Secretariat is located in Geneva, Switzerland. In 2006, ISS-USA was working on 620 cases throughout the year, including both newly opened cases, and cases transferred from the prior year. Although ISS-USA works with over 80 countries on average, the following countries provide the largest number of referrals to ISS-USA: Canada, Germany and the United Kingdom.

ISS-USA provides international casework addressing many different issues (including those listed on page 8). We receive requests most frequently for tracing. A typical case might involve an adult living in Germany, who grew up knowing that he/she had an American father. This person may contact ISS-USA requesting to locate the father. In addition to tracings, ISS-USA provides adoption related services including certified international homestudies, placement with relatives, child welfare and follow-up services, and adoption coordination.

May 23-25, 2006
Acting executive director Mary Jane Fales and past President Richard Krenzke attended the ISS international Council Meeting in Hong Kong. The International Council meets every third year and provides governance and technical assistance to the General Secretariat in Geneva.

Jessie Ball duPont Fund

February 23, 2006
ISS-USA received start up funds from the Jessie Ball duPont Fund for the Arthur C. Helton Institute for the Study of International Social Service. Since the 1920s ISS-USA and the ISS federation have gained considerable expertise in assisting families, including children, who have been separated by borders. ISS-USA has identified a need for specialized research and training in international social work. ISS-USA will launch an institute to develop curricula and train professionals to respond to their diverse needs. Simultaneously, the institute will conduct research, disseminate information and advocate for legislation that is most critical in protecting the best interests of children separated from their families.
“I waited 35 years to see my son. I never thought it would ever be possible in my lifetime.”

READ ESZTER AND STEFAN’S STORY ON PAGE 5
In July 2006, ISS-USA assisted the U.S. Department of Health and Human Services in repatriating 12,500 Americans from war-torn Lebanon, the largest such evacuation in the organization’s history. Specifically, ISS-USA coordinated services including emergency housing, food and benefits for 330 American citizens. The Istanbouli family escaped Lebanon with just “two changes of clothes and a pair of shoes,” according to the father and “We are very grateful and thankful to you all. My family cannot express enough how much we thank you.” Previously the agency had helped some 100 Americans to resettle after they were forced to evacuate the Cayman Islands in September 2004 and a small number of American evacuees who were escaping political unrest in Haiti.
International Social Service (ISS) is a nonsectarian, nonprofit international social work agency. ISS provides services to children, families and adults who encounter social legal problems around the world. There are over 150 national branches, affiliated bureaus and correspondents with its General Secretariat in Geneva.

Each of the ISS units operates as an individual, autonomous entity within a federated structure. This network expedites communication among social service agencies in different countries in order to resolve social legal problems of individuals and families.

The reach of the ISS federation is worldwide. In 2006 International Social Service (ISS-USA) provided intercountry casework services on five continents.

In all, the federation served more than 29,011 households last year.

How Stefan Found Eszter

“I have always known I was adopted, but it wasn’t until I started to have children myself that I became really curious to find my birth parents.” Stefan, a proud parent of two sons and currently living in the Netherlands, began his search like many others, on the internet. Armed with the name and birth date of his biological mother, he was able to find an address and telephone number in the United States after only a few hours. Worried about her possible reaction to a direct call, Stefan enlisted the help of ISS in the Netherlands and ISS-USA to initiate the first contact and that eventually led to a visit to America. Worries that after 35 years apart his mother might not recognize him receded quickly when she replied: “Don’t worry, I will recognize my own son.” They were happily reunited and after regular contact Stefan now hopes his mother will visit his family in the Netherlands.
Home Study And Adoption Services
ISS-USA provides adoption related services including certified international home studies, placement with relatives, child welfare and follow-up services, and adoption coordination.

Home Assessments
ISS-USA can arrange a home assessment in more than 150 countries for families who are being considered for a child placement. This typically includes a thorough analysis of a family’s overall situation, including a background check and a written report prepared in English by a certified translator. Home studies are often used to resolve permanent placement issues in court, private family, and international adoption problems. ISS-USA provides follow-up assessments after the initial in-depth home report is completed.

U.S. Citizen Repatriation
The U.S. Repatriation Program provides temporary assistance, care and treatment for citizens after they have returned to the U.S. However, help provided under this program is comparable to a loan which must be repaid to the U.S. Government. Federal assistance to destitute or ill citizens returned to the U.S. is authorized by Section 1113 of the Social Security Act. Assistance to the mentally ill is authorized by Public Law 86-571. See below: “How Jacob regained His Life” to learn more about the repatriation of unaccompanied American children.

Document Search
ISS-USA can assist in locating birth records, criminal background checks or child abuse registry checks.

International Tracing
ISS-USA can assist in finding and then facilitating communication between birth parents, children, siblings, and grandparents who may have relatives living in another country. See page 9: “How Stefan found Eszter.”

How Jacob Regained His Life
A one-year-old American boy—who we will call Jacob—was found playing with hypodermic needles in a hotel room in Mexico. His parents had disappeared. Jacob was taken to a nearby orphanage and the U.S. Department of State in partnership with ISS-USA began planning his repatriation as an unaccompanied minor. As ISS-USA worked for nearly one year with local U.S. authorities to find a suitable home for Jacob, he was 'discovered' by a California couple who routinely visit Mexican orphanages. “We decided early on that we were going to do whatever it takes to get this kid out” said the “soon to be” foster mom who then contacted ISS-USA. Jacob has recently celebrated his second birthday in California with a loving family and has now been placed in a permanent home.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Individuals Repatriated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>167</td>
</tr>
<tr>
<td>1998</td>
<td>137</td>
</tr>
<tr>
<td>1999</td>
<td>152</td>
</tr>
<tr>
<td>2000</td>
<td>124</td>
</tr>
<tr>
<td>2001</td>
<td>140</td>
</tr>
<tr>
<td>2002</td>
<td>160</td>
</tr>
<tr>
<td>2003</td>
<td>182</td>
</tr>
<tr>
<td>2004</td>
<td>205</td>
</tr>
<tr>
<td>2005</td>
<td>168</td>
</tr>
<tr>
<td>2006</td>
<td>504</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1943</td>
</tr>
</tbody>
</table>
From the beginning, Peter and I talked about adoption as a way to build a family. Nine years later we were working in Tanzania when we decided to adopt a Tanzanian child. Because we are American citizens we had to comply with both Tanzanian and U.S. adoption laws. International Social Services worked seamlessly with Tanzanian Social Services, the U.S. Embassy in Dar es Salaam, and the Tanzanian Adoption Society to prepare the necessary home studies and reference reports. After almost two years of waiting we received baby Rebecca. She was 8 and ½ months old, extremely healthy and happy and we bonded immediately. We are grateful to everyone who helped us through the arduous process. We couldn’t be more delighted with the outcome.”

—Soyeon Kim
Statement of Activities and Changes in Net Assets
Year ended December 31, 2006 with Summarized Information for 2005

<table>
<thead>
<tr>
<th>SUPPORT AND REVENUE</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundations and agencies</td>
<td>$ 81,520</td>
<td>$ 218,636</td>
<td>$ 300,156</td>
<td>$ 175,105</td>
</tr>
<tr>
<td>Individuals and corporations</td>
<td>2,800</td>
<td>–</td>
<td>2,800</td>
<td>8,375</td>
</tr>
<tr>
<td>Total</td>
<td>84,320</td>
<td>218,636</td>
<td>302,956</td>
<td>183,480</td>
</tr>
<tr>
<td>Services Provided</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Government</td>
<td>1,047,428</td>
<td>–</td>
<td>1,047,428</td>
<td>908,712</td>
</tr>
<tr>
<td>State Governments</td>
<td>192,300</td>
<td>–</td>
<td>192,300</td>
<td>167,050</td>
</tr>
<tr>
<td>Other</td>
<td>39,342</td>
<td>–</td>
<td>39,342</td>
<td>52,575</td>
</tr>
<tr>
<td>Total</td>
<td>1,279,070</td>
<td>–</td>
<td>1,279,070</td>
<td>1,128,337</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>759</td>
<td>–</td>
<td>759</td>
<td>1,402</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>79,385</td>
<td>(79,385)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total Support and Revenue</td>
<td>1,443,534</td>
<td>139,251</td>
<td>1,582,785</td>
<td>1,313,219</td>
</tr>
</tbody>
</table>

EXPENSES

<table>
<thead>
<tr>
<th>Program Services</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercountry casework/repatriation</td>
<td>1,198,203</td>
<td>–</td>
<td>1,198,203</td>
<td>1,072,064</td>
</tr>
<tr>
<td>Management and General Administrative</td>
<td>284,342</td>
<td>–</td>
<td>284,342</td>
<td>192,111</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>1,482,545</td>
<td>–</td>
<td>1,482,545</td>
<td>1,264,175</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>(39,011)</td>
<td>139,251</td>
<td>100,240</td>
<td>49,044</td>
</tr>
</tbody>
</table>

NET ASSETS

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>260,563</td>
<td>27,402</td>
<td>287,965</td>
<td>238,921</td>
</tr>
<tr>
<td>End of Year</td>
<td>$ 221,552</td>
<td>$ 166,653</td>
<td>$ 388,205</td>
<td>$ 287,965</td>
</tr>
</tbody>
</table>

The accompanying financial information has been derived from the audited financial statements of ISS-USA for the year ended December 31, 2006. A full copy of this statement, prepared by Tait, Weller and Baker LLP Certified Public Accountants is available upon request.

ISS-USA gratefully acknowledges the financial support of the Hadley Family/New York Community Trust, the Jessie Ball duPont Fund and Family and Children Services of Central Maryland for providing Senior Aides. The agency acknowledges the financial gifts of individual supporters including Board, staff, former clients and friends of ISS-USA.
Board of Directors

Robert Charles Hill
President
Founder of Hill & Associates, PLLC. His law firm is focused on providing professional services to meet the special needs of global sports and entertainment organizations and international athletes and other celebrities in immigration and visa matters.

Mary Jane Fales
Vice President
Human services consultant. She is an individually elected member of the International Council of the ISS world federation and a former executive director of ISS-USA.

Alex Papachristou
Treasurer
Director and general counsel of NCH Capital, Inc. in New York City. The firm manages a series of limited partnerships investing in private equity and public securities in Russia, Ukraine, Kazakhstan, Latvia, Romania and Bulgaria.

Richard Krenzke
Secretary
Served nine years as the Executive Director for the Board for Human Care Ministries of the Lutheran Church, Missouri Synod. He retired in January 2000.

Muni Figueres
Previous held positions: Director of Investment and Trade Promotion Agency for the Government of Costa Rica; Minister of Foreign Trade, Costa Rica; Division Chief, Trade and Integration, Inter American Development Bank (IDB), Washington, D.C.

Nancy Greene
A Legal Recruiter for E.P. Dine, Inc., NY, NY. She is a former director of Inter-country Services for ISS-USA.

Jacqueline Bhabha
Executive director of the University Committee on Human Rights Studies at Harvard. She is a lecturer at Harvard Law School and an adjunct lecturer at the Harvard Kennedy School of Government.

Robert Miles
President and Chief Executive Officer of Lutheran Child & Family Service of Michigan. He is also the Immediate Past Chairman of the Board of Directors of Lutheran Services in America (LSA).

Bruce Morrison
Chairman of the Morrison Public Affairs Group (MPAG), founded in 2001 to offer strategic advice and representation for domestic and international clients.

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Concept and Design
Vincent Winter Associes
Since 1995 VWA, which is headquartered in Paris, has created editorial design strategies and concepts for magazines, newspapers, annual reports and websites in the U.S., France, the U.K., Switzerland, Holland, Greece and Germany.

In addition to his design expertise, founder Vincent Winter, is also an award winning photographer.

Contact: vw@abparis.com