

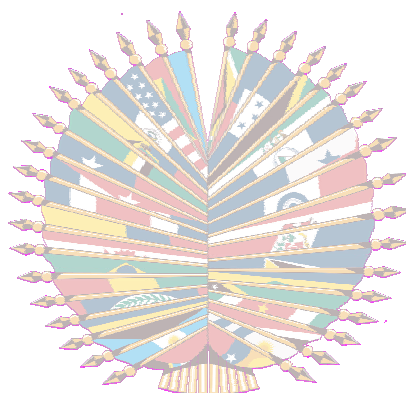
CHAPTER 5

DEPARTMENT FOR DEMOCRATIC AND POLITICAL AFFAIRS

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INDEPENDENT PUBLIC ACCOUNTANTS' REPORT

The Board of External Auditors
Organization of American States

We have audited the accompanying statement of assets, liabilities and fund balance of the Department of Democratic and Political Affairs of the Organization of American States (the Unit), as of December 31, 2005, and the related combined statement of activity and changes in fund balance for the year then ended. These financial statements are the responsibility of the Unit's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the external auditing requirements prescribed in Chapter IX of the General Standards of the Organization of American States. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the financial statements of the Unit have been prepared on the basis of accounting principles prescribed or permitted by the Budgetary and Financial Rules (which include the applicable financially-oriented General Standards adopted by the General Assembly of the Organization of American States), which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balance of the Unit as of December 31, 2005, and the activity and changes in fund balances for the year then ended on the basis of accounting described in Note 2.

March 22, 2006

SB & Company, LLC

