

March 18, 2022

To the Board of Directors  
Entrepreneurs' Organization and Subsidiary  
500 Montgomery Avenue, Suite 700  
Alexandria, Virginia 22314

We have audited the consolidated financial statements of Entrepreneurs' Organization and Subsidiary (collectively, "EO") as of and for the year ended June 30, 2021, and have issued our report thereon dated March 18, 2022. Professional standards require that we advise you of the following matters relating to our audit.

*Our Responsibility in Relation to the Consolidated Financial Statement Audit*

As communicated in our engagement letter dated June 17, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the consolidated financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the consolidated financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement. An audit of consolidated financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of EO solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

*Planned Scope and Timing of the Audit*

We performed our audit according to the planned scope and timing previously communicated in our meeting with management and the chair of the standing finance committee about planning matters on September 27, 2021 and October 6, 2021, respectively.

*Compliance with All Ethics Requirements Regarding Independence*

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

## *Qualitative Aspects of the Entity's Significant Accounting Practices*

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by EO is included in Note 2 to the consolidated financial statements. As described in Note 2 to the consolidated financial statements, during the year, EO changed its method of accounting for revenue recognition by adopting Financial Accounting Standards Board's Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"). Other than the adoption of ASU 2014-09, there have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the consolidated financial statements were:

#### *Depreciation and Amortization*

Depreciation and amortization expense is computed using the straight-line method over the estimated useful lives of the related assets. We evaluated the key factors and assumptions used to record depreciation and amortization expense in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

#### *Functional Allocation of Expenses*

The cost of EO's programs and supporting services has been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Staffing costs and other indirect expenses have been allocated among the program and support departments based on management's estimate of the time related to each activity.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting EO's consolidated financial statements relate to:

#### *Investments and Fair Value Measurements*

The disclosures in Note 5 and 16 to the consolidated financial statements were based upon fair values and classification of assets and liabilities into Level 1, 2 or 3 based on the quality of the market information available.

#### *Risk and Uncertainties*

The disclosure in Note 17 discusses the COVID-19 virus and the impact it has had on the EO and the considerable amount of uncertainty around the duration of this global pandemic.

### *Significant Difficulties Encountered during the Audit*

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### *Uncorrected and Corrected Misstatements*

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the consolidated financial statements as a whole. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period consolidated financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the consolidated financial statements currently under audit.

### *Disagreements with Management*

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

### *Representations Requested from Management*

We have requested certain written representations from management that are included in the management representation letter dated March 18, 2022.

### *Management's Consultations with Other Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### *Other Significant Matters, Findings or Issues*

In the normal course of our professional association with EO we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as EO's auditors.

This report is intended solely for the information and use of the Board of Directors and management of EO and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



CohnReznick LLP  
Bethesda, Maryland

**Entrepreneurs' Organization**

Year End: June 30, 2021

**Unrecorded/Proposed Journal Entries**

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Number	Date	Name	Account No	Reference	Debit	Credit
PAJE # 101	06/30/21	Net Assets	30000-0000-0000	4150.10		165,105.00
PAJE # 101	06/30/21	Interest Income	47200-9001-GLOB	4150.10	165,105.00	

*To adjust investments at June 30, 2021*

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