

February 14, 2018

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

In planning and performing our audit of the consolidated financial statements of Entrepreneurs' Organization and Subsidiary ("EO") as of and for the year ended June 30, 2017 in accordance with auditing standards generally accepted in the United States of America, we considered EO's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of EO's internal control. Accordingly, we do not express an opinion on the effectiveness of EO's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and, therefore, material weaknesses may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in EO's internal control to be a material weakness:

Related Party Transactions

Near the conclusion of our audit, there were two adjustments made that were material entries. Due to the size of the entries, and that they were not timely identified during the year, they are considered a material weakness.

During the audit, management identified and corrected an adjustment related to the accounting for amounts due to regions, which were incorrectly recorded as a liability at June 30, 2017. The regions of EO are not separate entities and therefore, the amounts should not be recorded as a liability. Monies that are due to internally designated "entities" such as regions should not be accrued as liabilities by EO, but tracked by EO's accounting department as designated net assets. As a result, an audit adjustment was required for approximately \$1.4 million to reverse the liability at June 30, 2017, of which \$725,000 related to prior years.

During our testwork over EO UK transactions, it was noted that certain conference revenue and expenses were recorded twice, once in the general ledger of EO Global and once in the general ledger of EO UK. As a result, we recorded an adjustment for approximately \$790,000 to reduce conference revenue and conference expenses. As part of EO's internal review of its budget to actual reports, we recommend that EO also review the reporting of related parties.

We also have the following informational comment for your consideration:

Industry Update: New Revenue Recognition Standard

In 2016 and 2017, the FASB has issued updates to the new standard on revenue recognition that will supersede the current revenue recognition requirements of for-profit and not-for-profit entities. Under the new guidance issued, the new standard will not change the accounting for contributions, but may affect the recording of certain types of revenue earned through exchange transactions, such as long-term contracts and bundled product sales. The effective date for the revenue recognition standard is annual periods beginning after December 15, 2018. We look forward to providing EO with further guidance on this standard in the near future. Additionally, in August 2017, the FASB issued an exposure draft of a standard that would clarify the accounting of grants and contributions by providing a framework for determining whether a grant or contribution is a contribution or an exchange transaction. It is too early to tell the outcome of the proposed changes.

This communication is intended solely for the information and use of management and the Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to take this opportunity to express our appreciation for the courtesy and cooperation extended to us during the audit. If you have any questions or comments concerning the items contained in this letter, we will be happy to discuss them with you at your convenience.

Sincerely,

A handwritten signature in black ink that reads "CohnReznick LLP". The signature is written in a cursive, flowing style.

COHNREZNICK LLP