EXHIBIT A

EideBailly

Memo

To: Phil Horan, Chairman
Incline Village General Improvement District Audit Committee

From: Daniel Carter, Partner
Eide Bailly LLP

Date: May 23, 2016

Subject: Facility Fee Clarification

Eide Bailly presented our June 30, 2015 audit report to the Audit Committee of the Incline Village General Improvement District at the December 16, 2015 meeting. At this meeting a question was raised regarding the transition from enterprise fund accounting to governmental fund accounting. During my explanation of the use of governmental fund accounting, specifically as it relates to utilization of special revenue funds to account for the Facility Fee, I referred to the Facility Fee as a tax. This was an incorrect statement resulting from an attempt to simplify the discussion of the differences between exchange fees and imposed non-exchange revenues. By way of clarification I offer the following expanded explanation.

Enterprise fund accounting is primarily used when exchange fees (for example, the fee to play a round of golf) support the fund so that it is expected to be self-sustaining. Imposed non-exchange revenues result from assessments imposed by governments on individuals (for example, property tax or other assessment). Classification of imposed non-exchange transaction may be more appropriately accounted for in a special revenue fund.

While the Facility Fee meets the definition of an imposed non-exchange revenue it is not a tax. The Facility Fee is a charge pursuant to NRS 318.197 and collected on the tax roll pursuant to NRS 318.201.