

**Comptroller's Directive No. 2-18**  
**Attachment HE-3**  
**Beginning Net Position Reconciliation**

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**Purpose**

This attachment will provide explanations for any restatement of the beginning net position amount. This reconciles the prior year ending net position amount reported on the prior year's Attachment HE-10, Financial Statement Template (including correcting AJEs), to the beginning net position amount that will be reported on the FY 2018 Attachment HE-10, Financial Statement Template. This attachment is similar to the prior year's Attachment HE-3.

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**Applicable institutions**

All institutions **must** complete this attachment.

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**Due date**

**July 19, 2018**

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**Certification**

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

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**AU-C 265**

AU-C 265, *Communicating Internal Control Related Matters Identified in an Audit*, states that the identification by the auditors of a material misstatement, identification of fraud by senior management, and ineffective oversight of an entity's financial reporting are indicators of a material weakness in internal control. This also includes restatements of previously issued financial statements to reflect a correction of a material misstatement. This applies regardless of whether the auditors or the agency discovers the restatement. .

**Note:** This does not apply to a change in accounting principle to comply with a new accounting principle or a justifiable voluntary change from one GAAP to another. Agencies must ensure controls are in place to avoid material misstatements and/or misclassifications in the attachments and other financial information submitted to DOA.

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**Current year  
implement-  
ations**

The following GASB statements are effective for fiscal year 2018 and thereafter:

- **GASBS No. 75**, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- **GASBS No. 81**, *Irrevocable Split-Interest Agreements*
- **GASBS No. 85**, *Omnibus 2017*
- **GASBS No. 86**, *Certain Debt Extinguishment Issues*

If the institution has restatements as a result of implementing new GASB statements, these restatements should be listed separately in the Changes in Reporting section on the TAB 1, HEI.

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**Submission requirements**

Contact DOA if the institution has any problems with the files.

**After downloading the Excel file, rename the file using the Institution Number-Institution Acronym followed by Attachment HE-3.** The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-3.xlsx file as 260-VCCS Attachment HE-3.xlsx.

Please include the **Institution Number-Institution Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to [finrept-HE@doa.virginia.gov](mailto:finrept-HE@doa.virginia.gov). Copy APA via e-mail to [APAFinRept@apa.virginia.gov](mailto:APAFinRept@apa.virginia.gov).

**Do not submit paper copies of this spreadsheet.**

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**Attachment revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log tab (RCL) in the attachment Excel file.**

Enter the revision date, tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

**Note: Each time a revision is submitted, the [Certification](#) tab should be updated with new signatures and dates.** Include “**REVISED – date**” in the subject line of the e-mail as well as in the **file name**.

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