

2018 Q4 accounting change survey

Summary report



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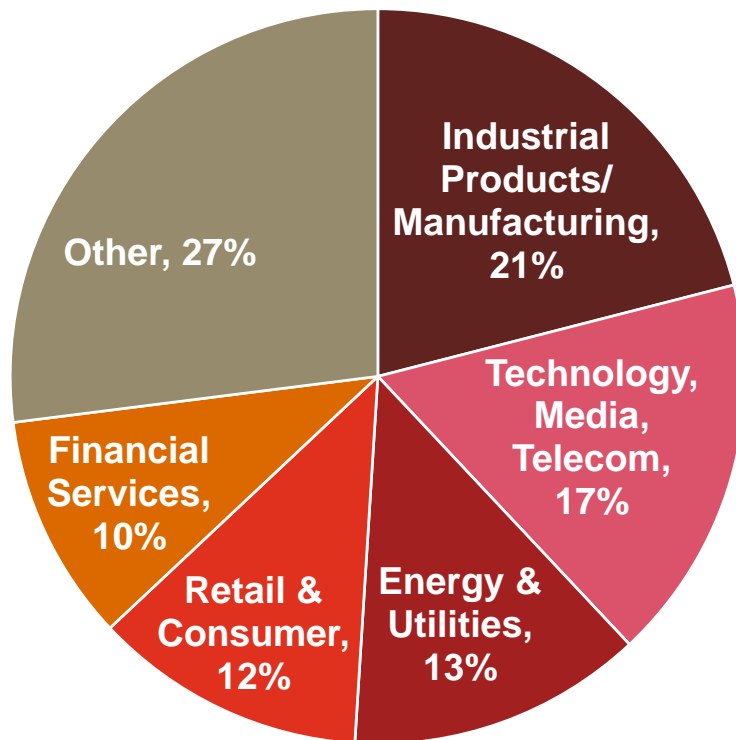
About this survey

With new accounting standards taking effect soon – lease accounting for public companies and revenue recognition for private companies – are organizations meeting their implementation goals? To find out, our 2018 Q4 accounting change survey gauges progress since Q2, top challenges and lessons learned so far.

Responses were collected through an open, online survey in late October 2018. More than 450 executives from a wide range of industries participated and responses are summarized here. For additional information, including insights, analysis, and access to an interactive data explorer, visit our accounting change survey web page:

pwc.com/us/accountingsurvey

Which of the following best describes your company's primary industry?

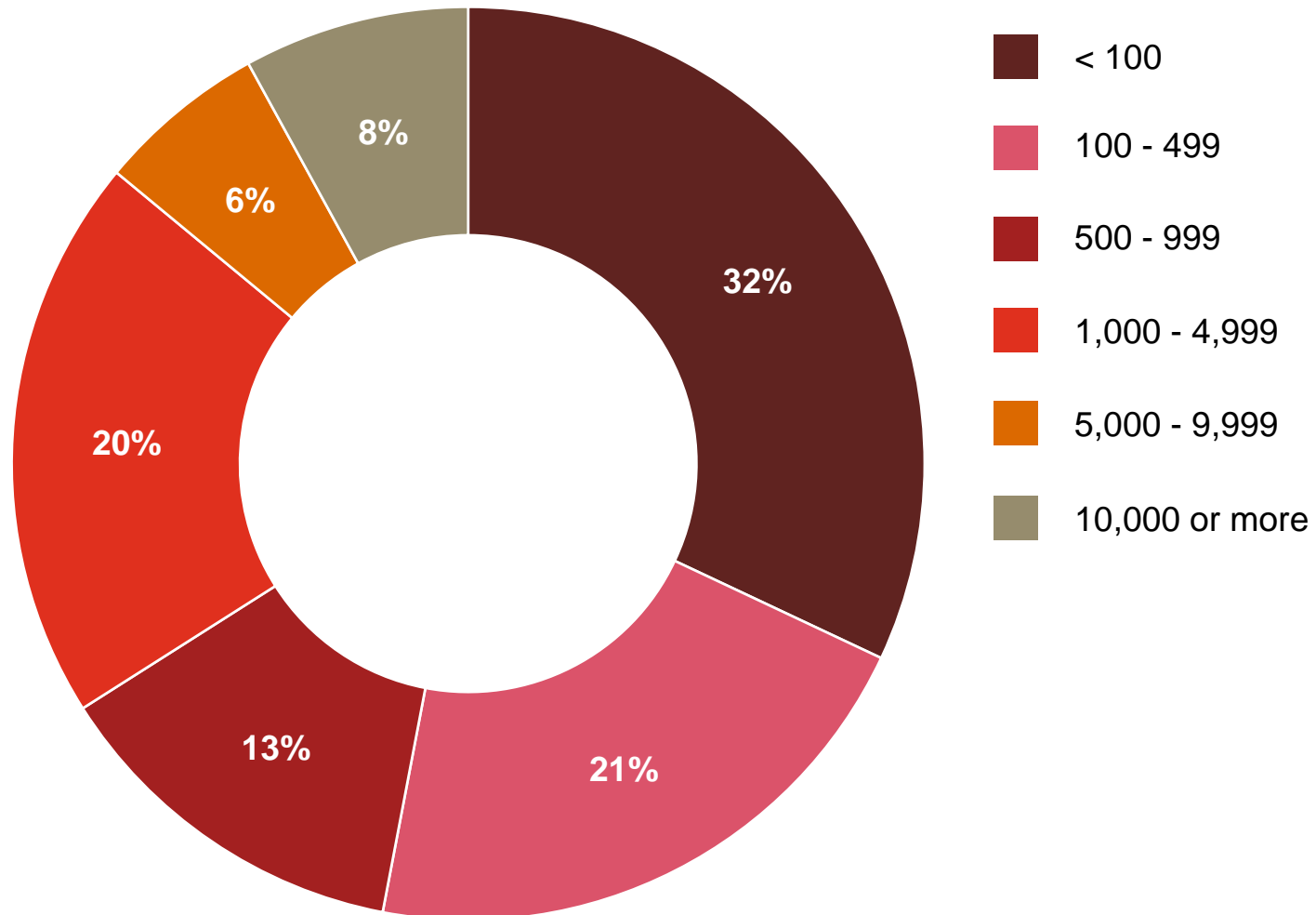


Other demographics of respondents

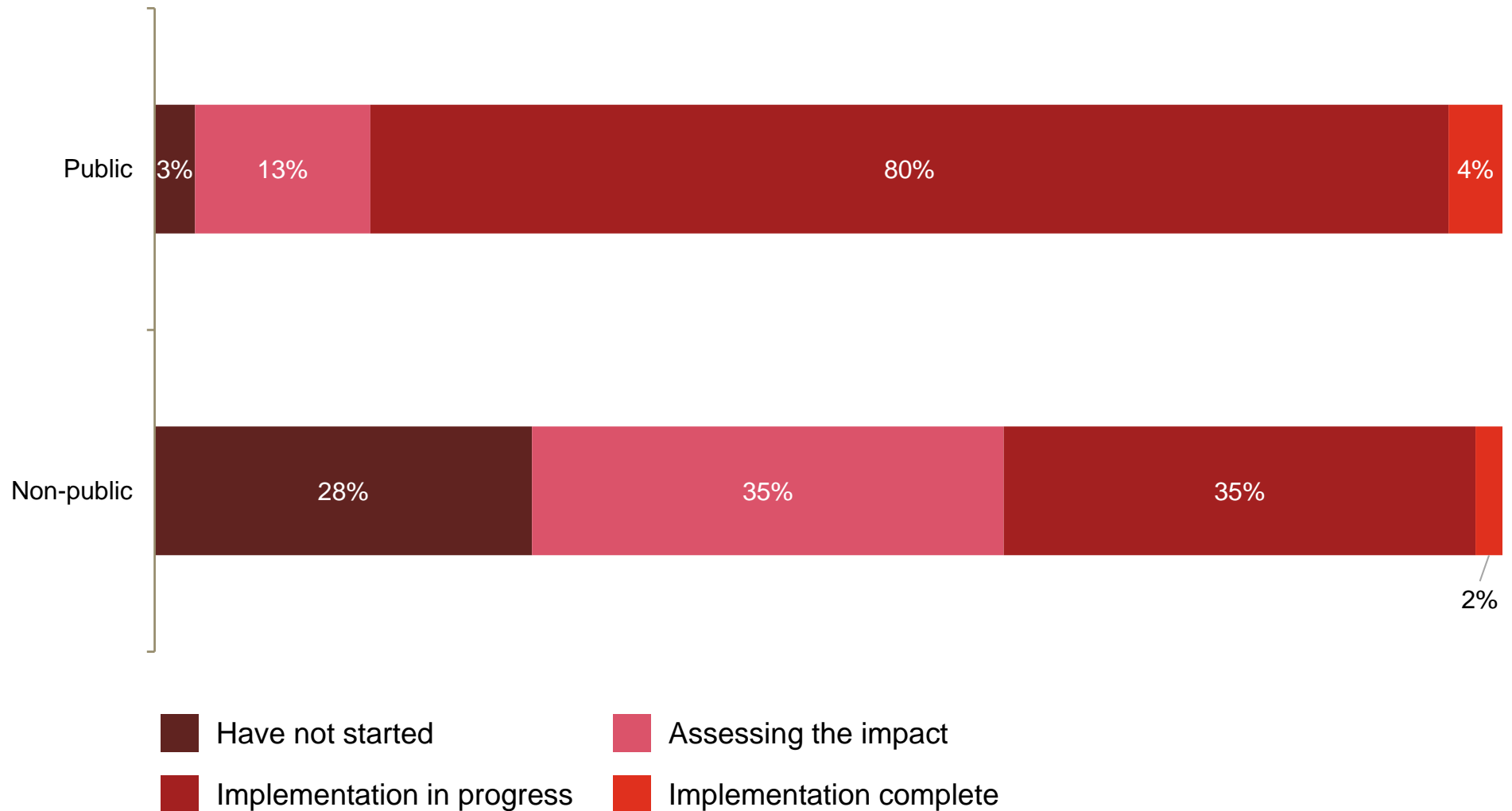
- 86% reported their title as CFO, controller or finance/accounting director or manager.
- 72% were from public companies.
- 91% were US GAAP reporters.
- 58% were from companies with revenue of \$1 billion or more.

Lease accounting

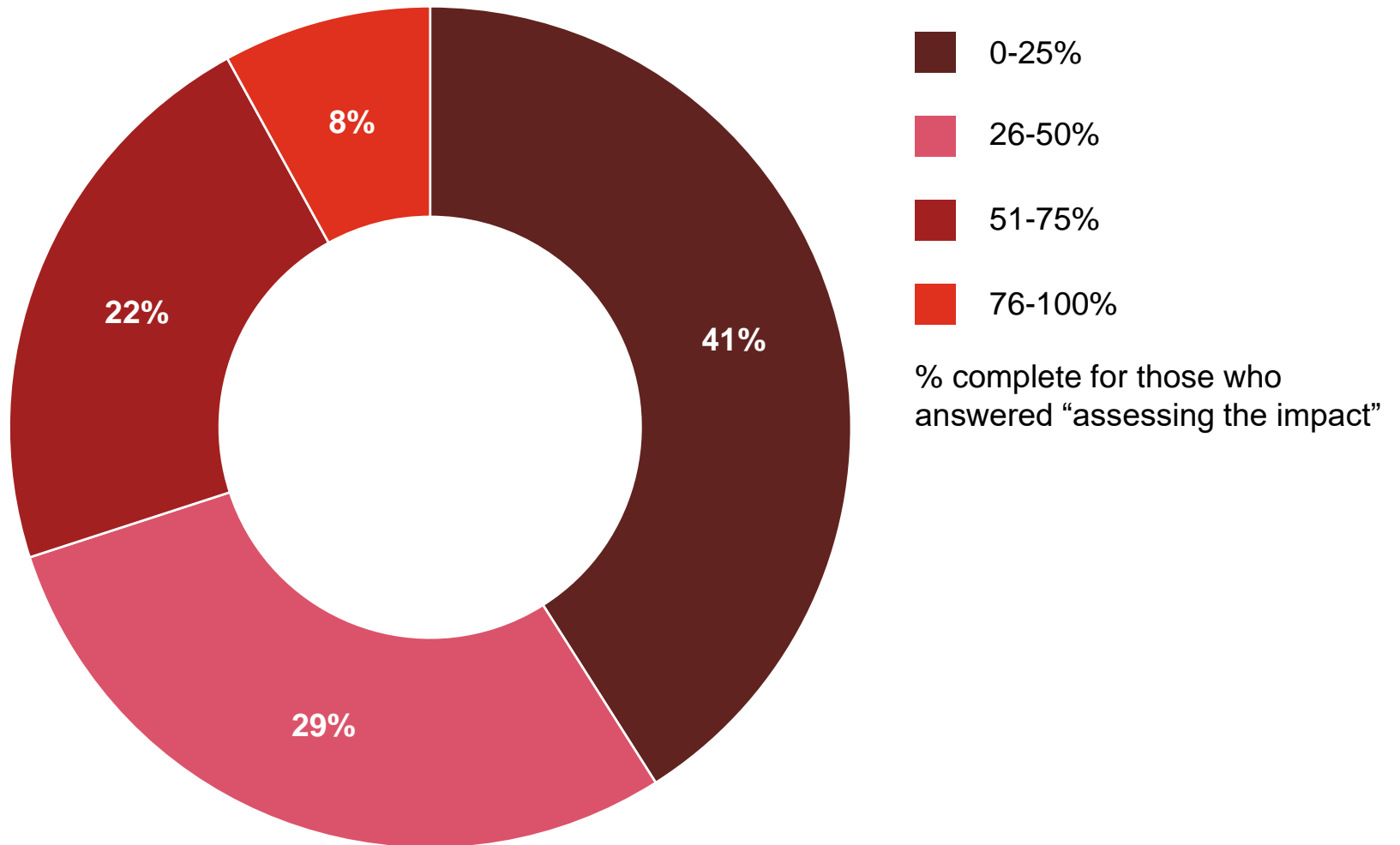
Approximately, how many assets are leased?



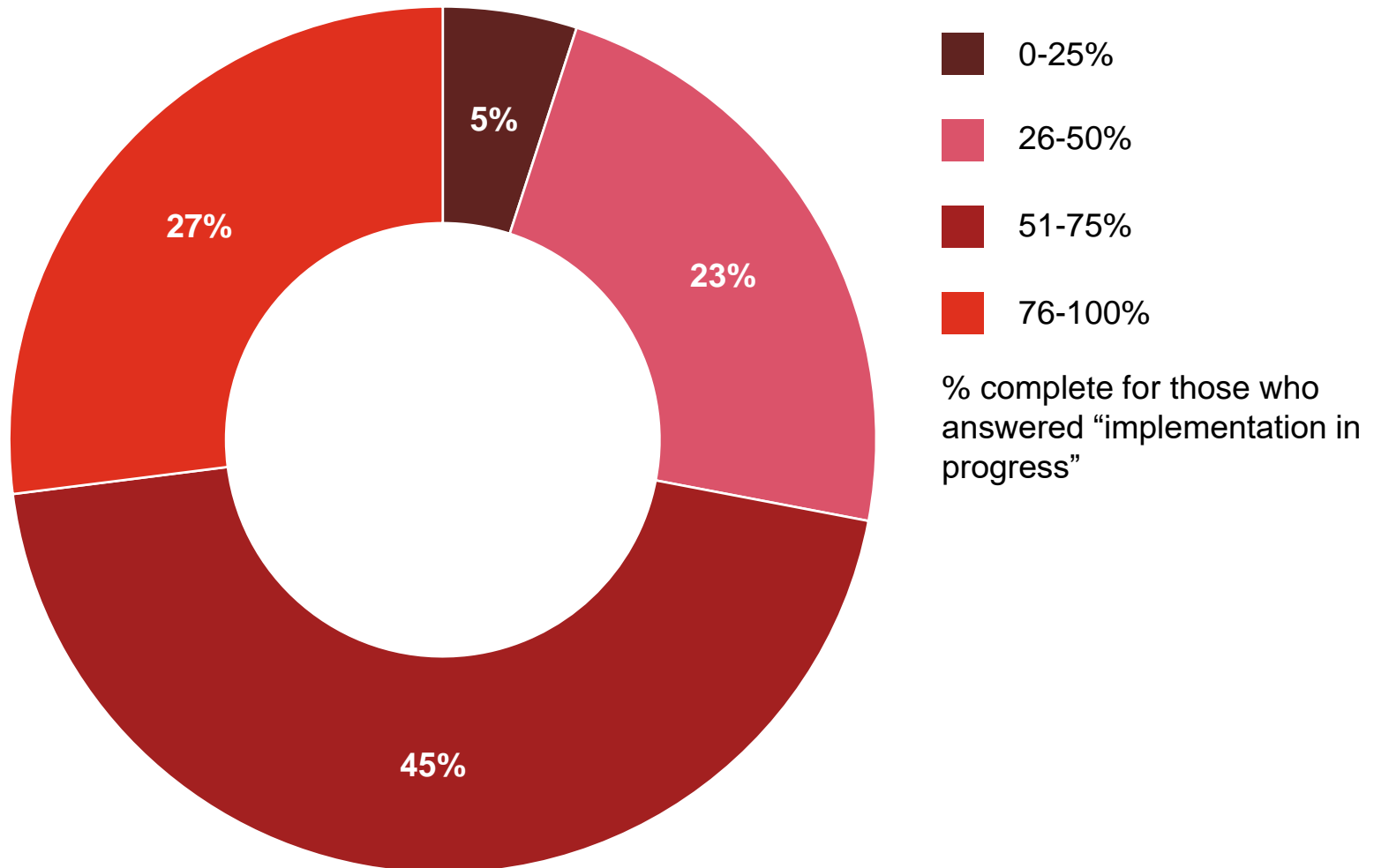
Which of the following best describes your company's status in adopting the new lease accounting standards?



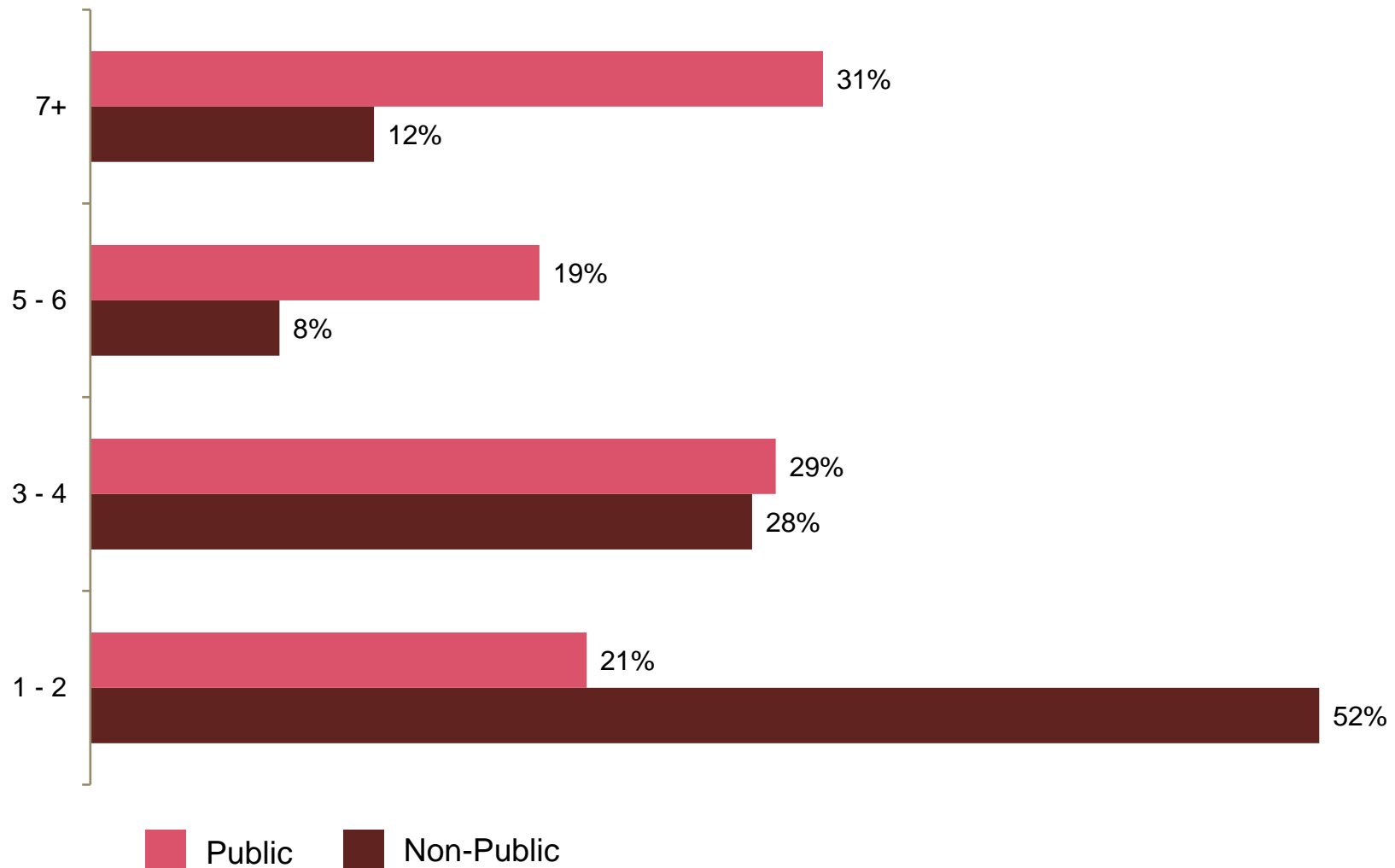
How far along is your company in assessing the new lease accounting standards?



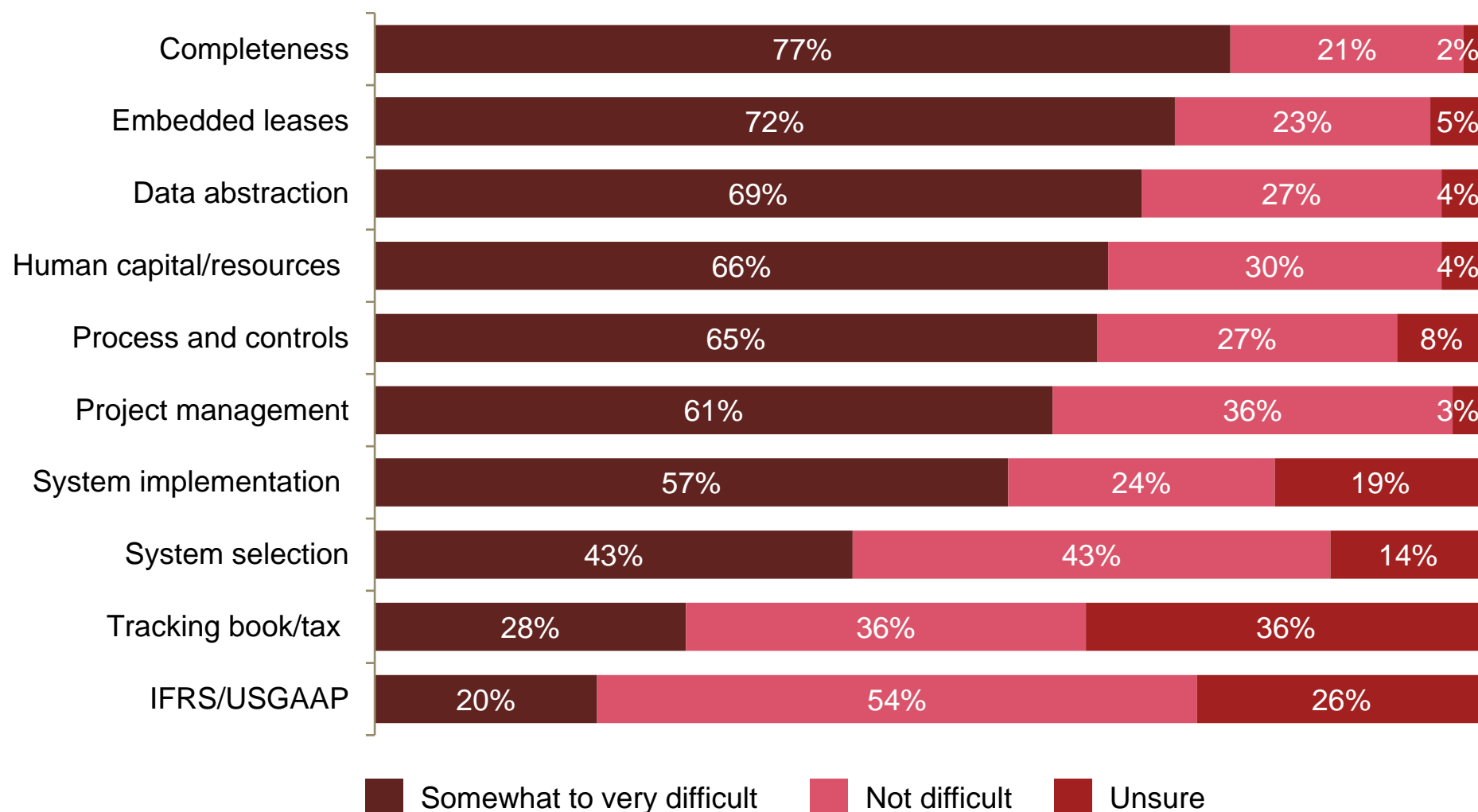
How far along is your company in implementing the new lease accounting standards?



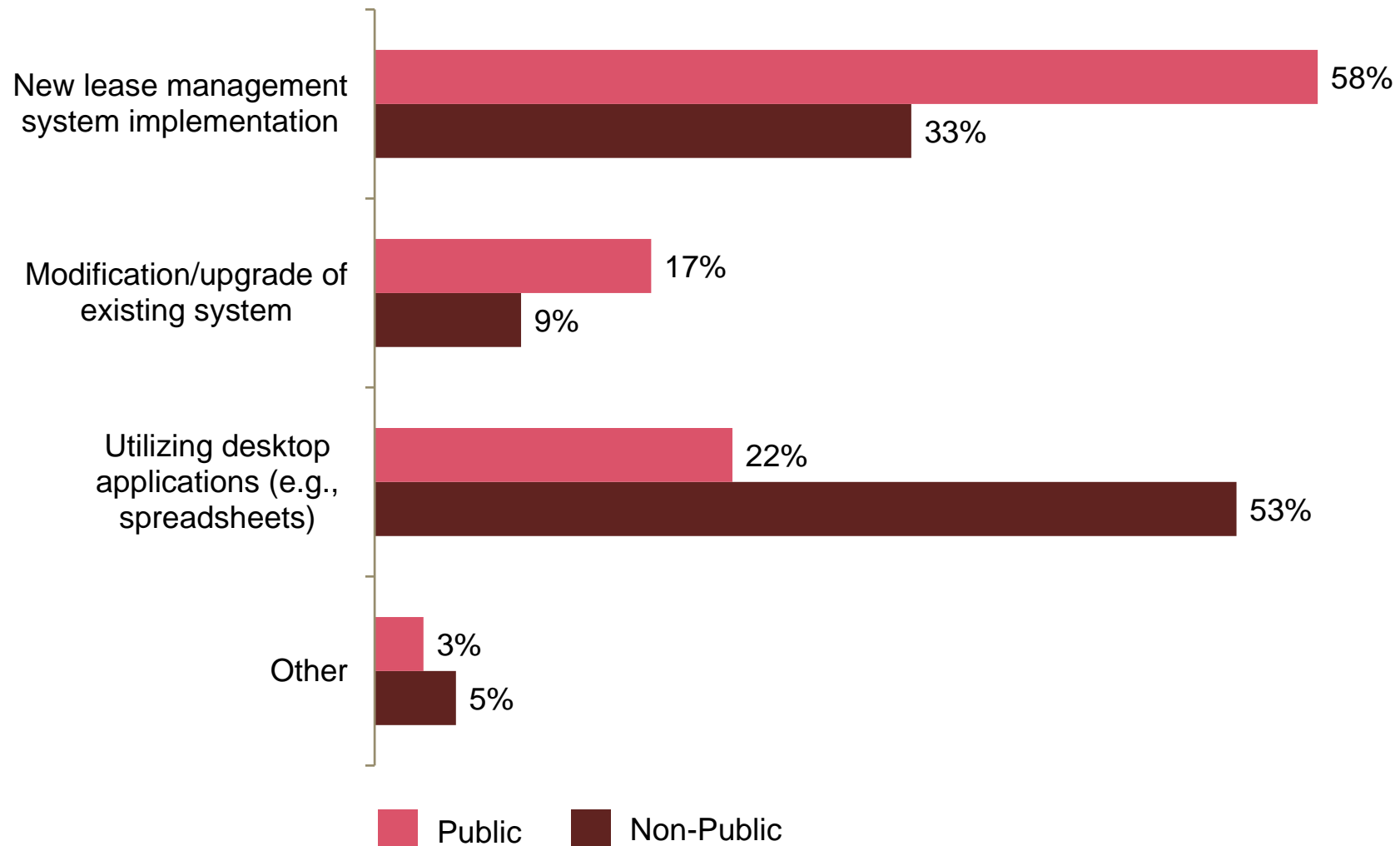
What is the approximate size of your overall leasing implementation team (internal and external)?



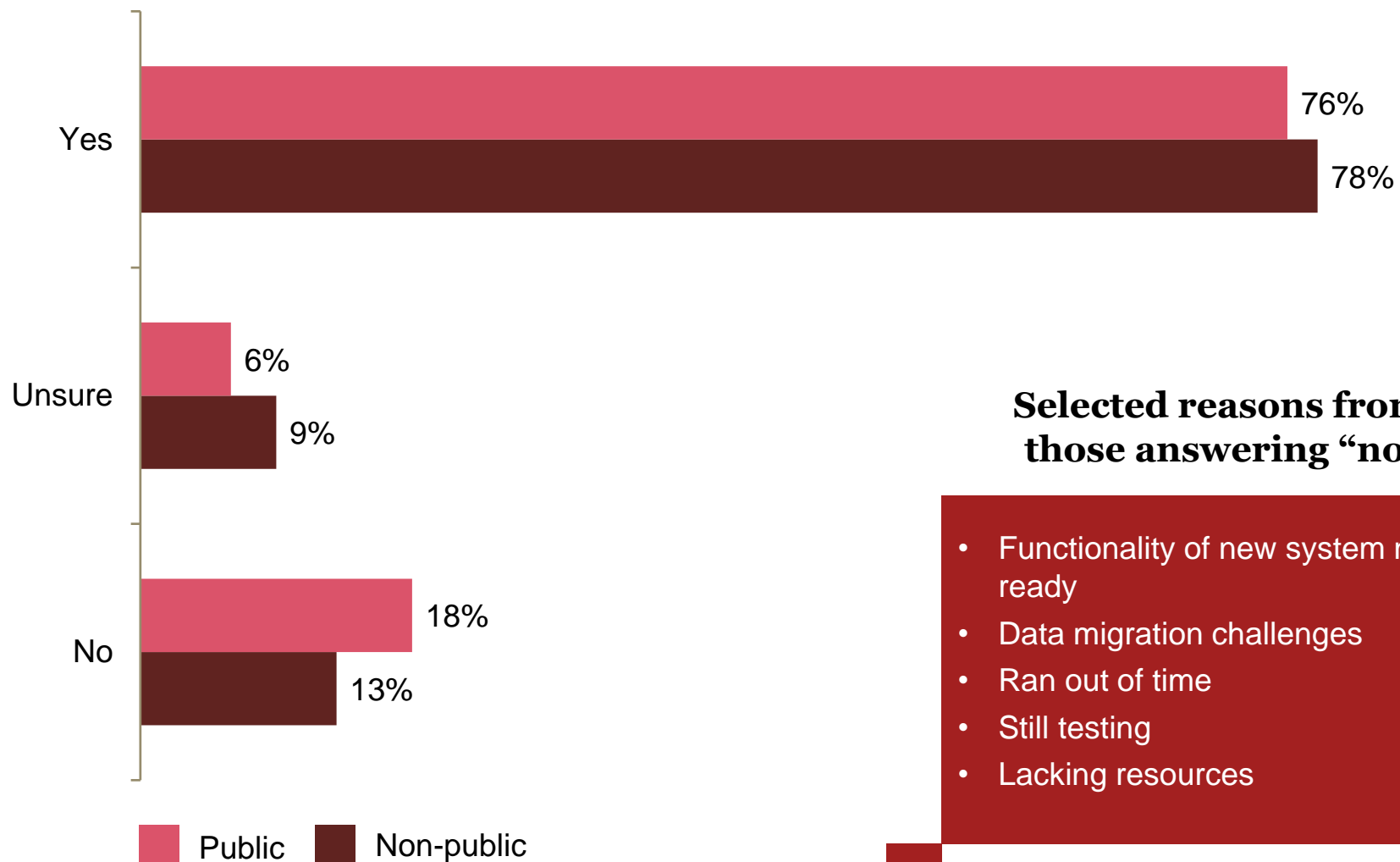
For each of the following implementation considerations, please rate the difficulty level for your organization



What tools will you use to account for leases under ASC 842?



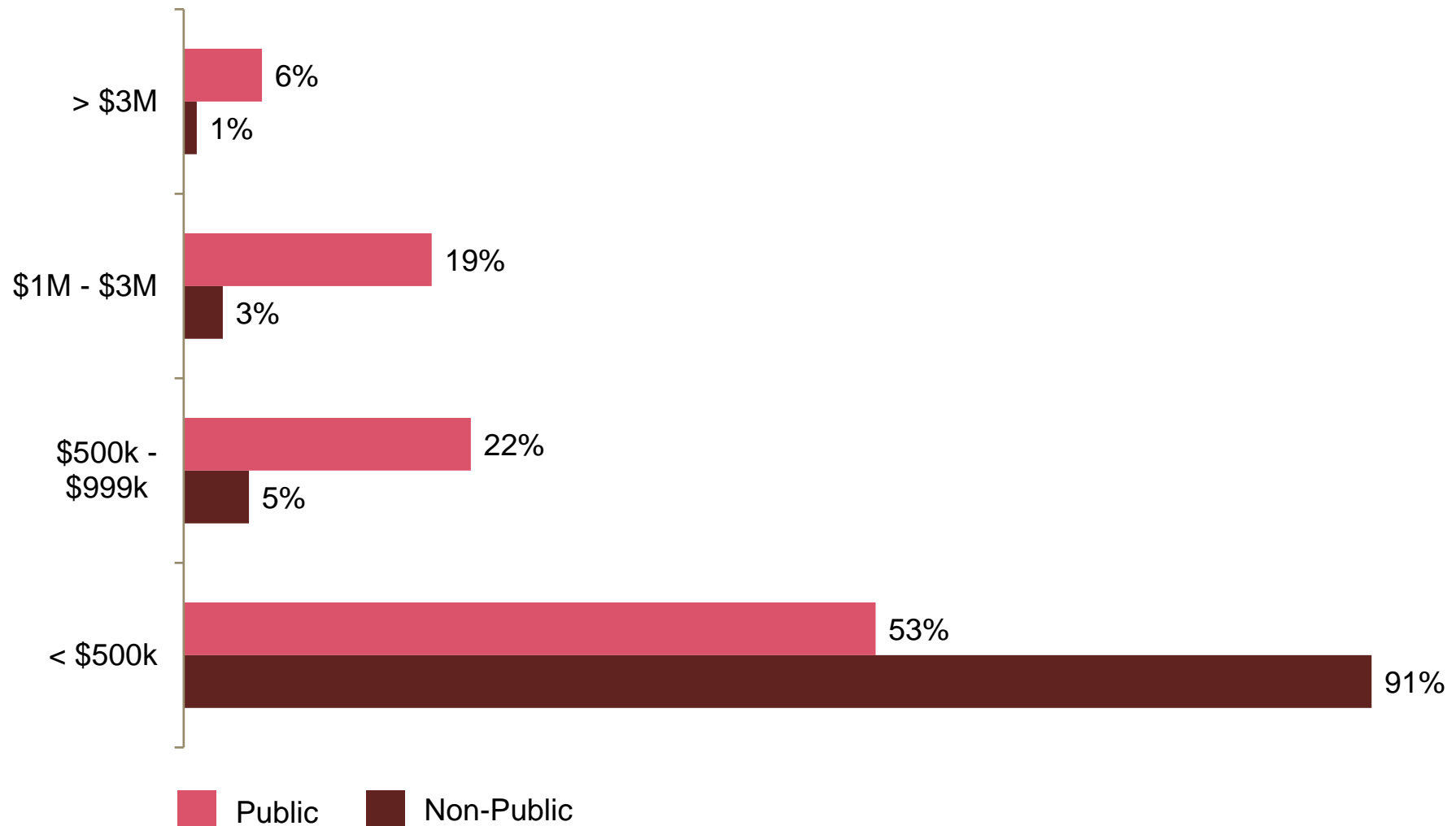
Do you expect to go live with system changes prior to your effective date?



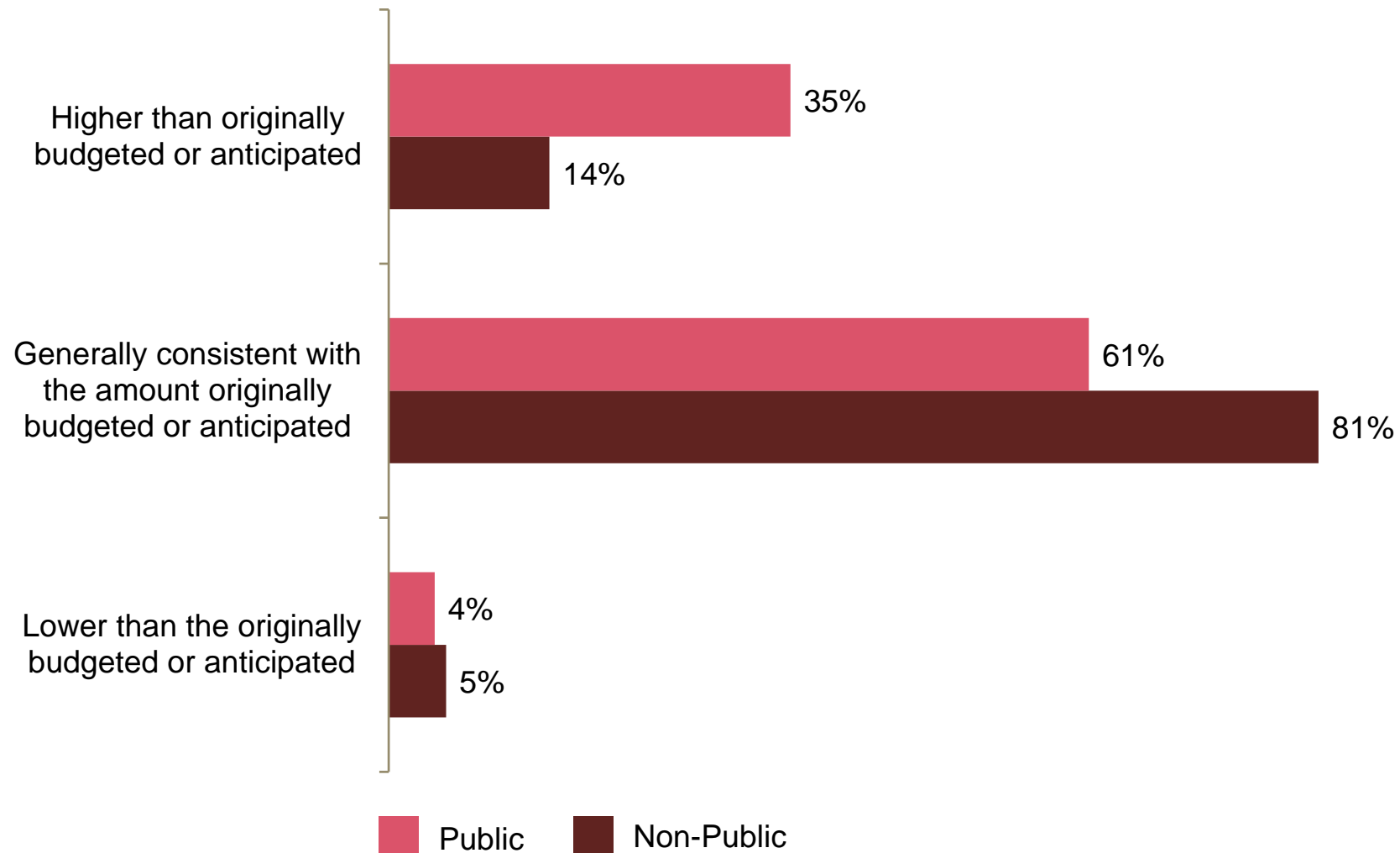
Selected reasons from those answering “no”

- Functionality of new system not ready
- Data migration challenges
- Ran out of time
- Still testing
- Lacking resources

What level of total incremental costs (internal and external) do you expect will be incurred to implement the new leasing standards?



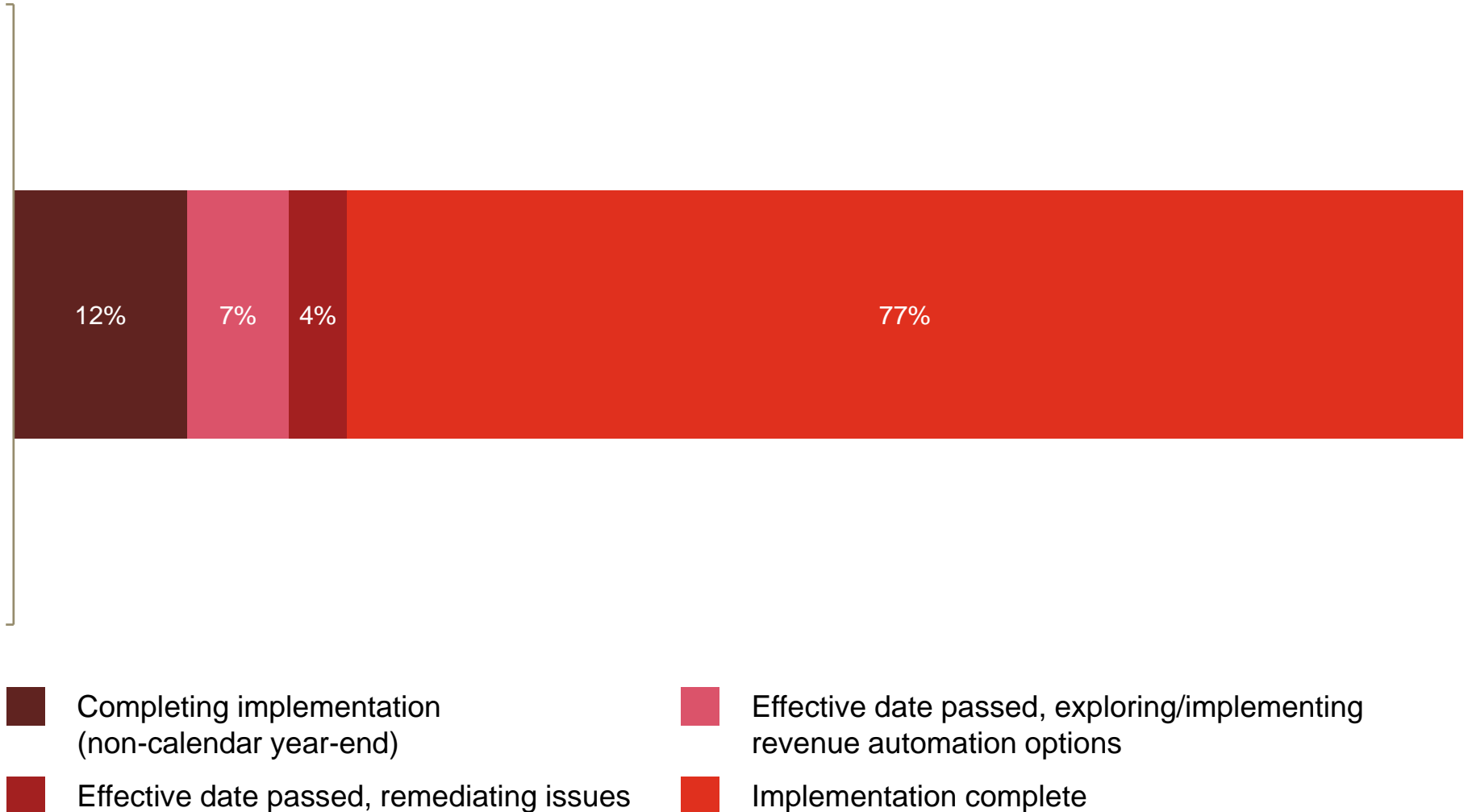
Which best describes your organization's total costs to implement the new leasing standard?



Revenue recognition

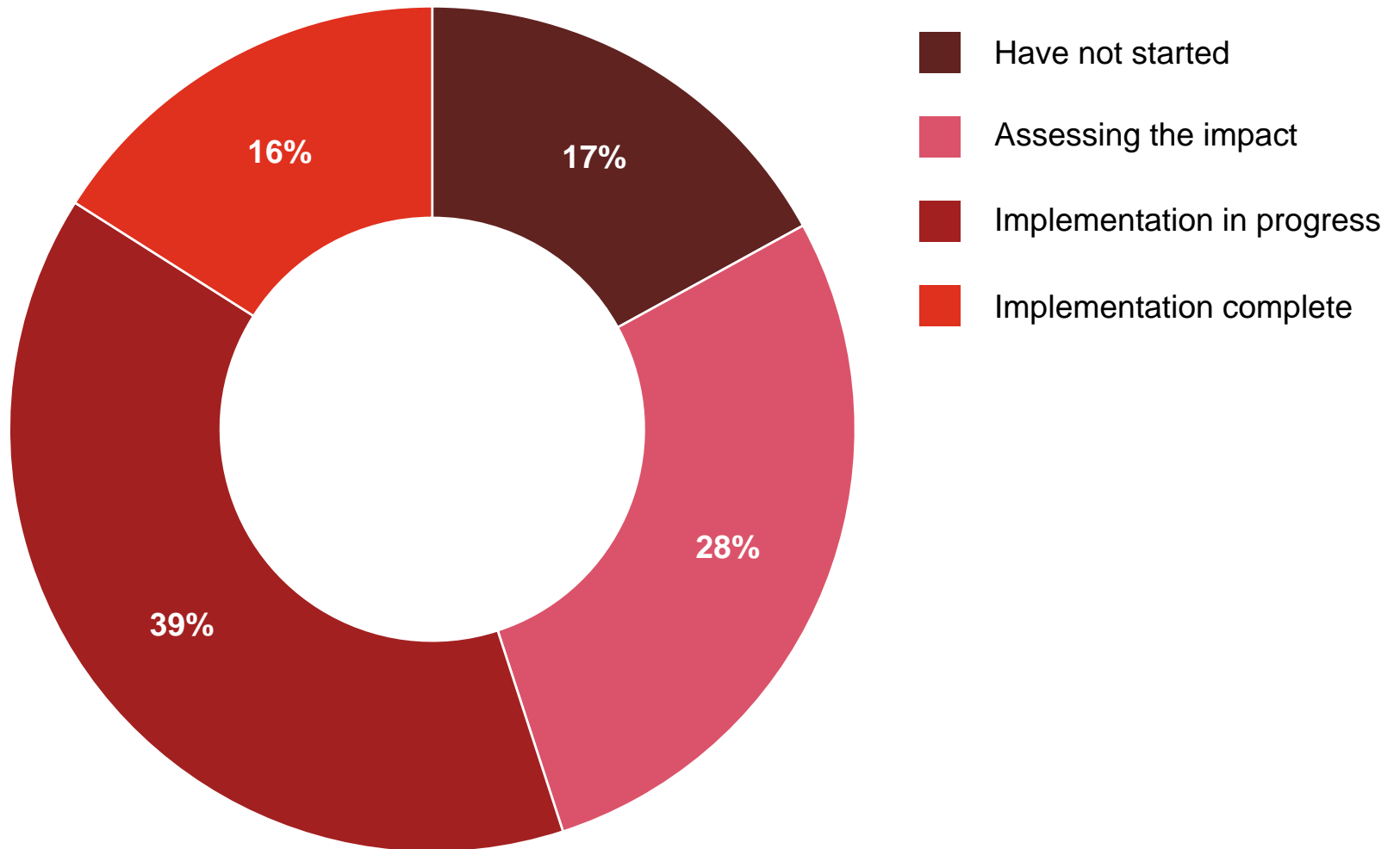
Which of the following best describes your company's status in adopting the new revenue standards?

Public company financial reporting status

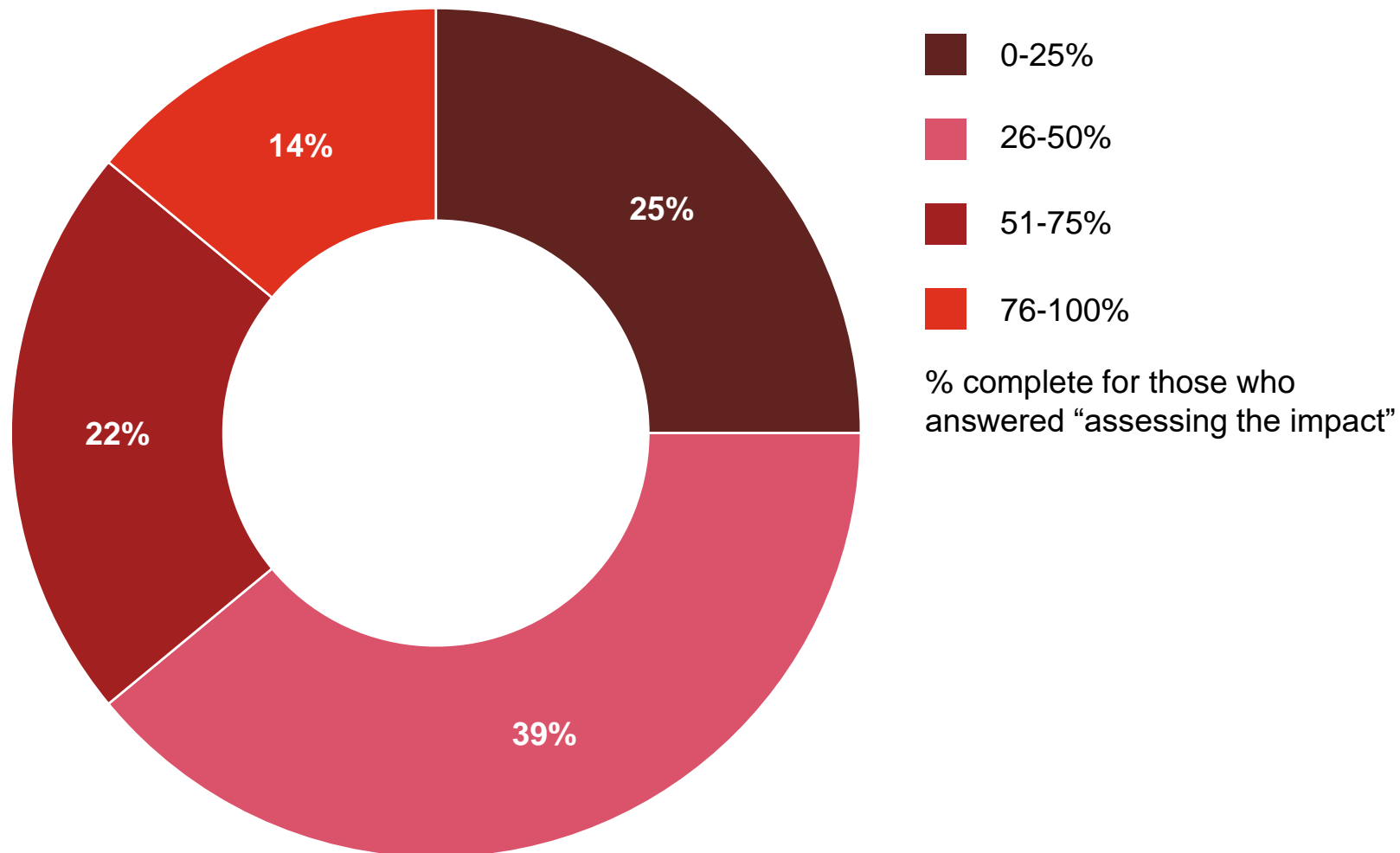


Which of the following best describes your company's status in adopting the new revenue standards?

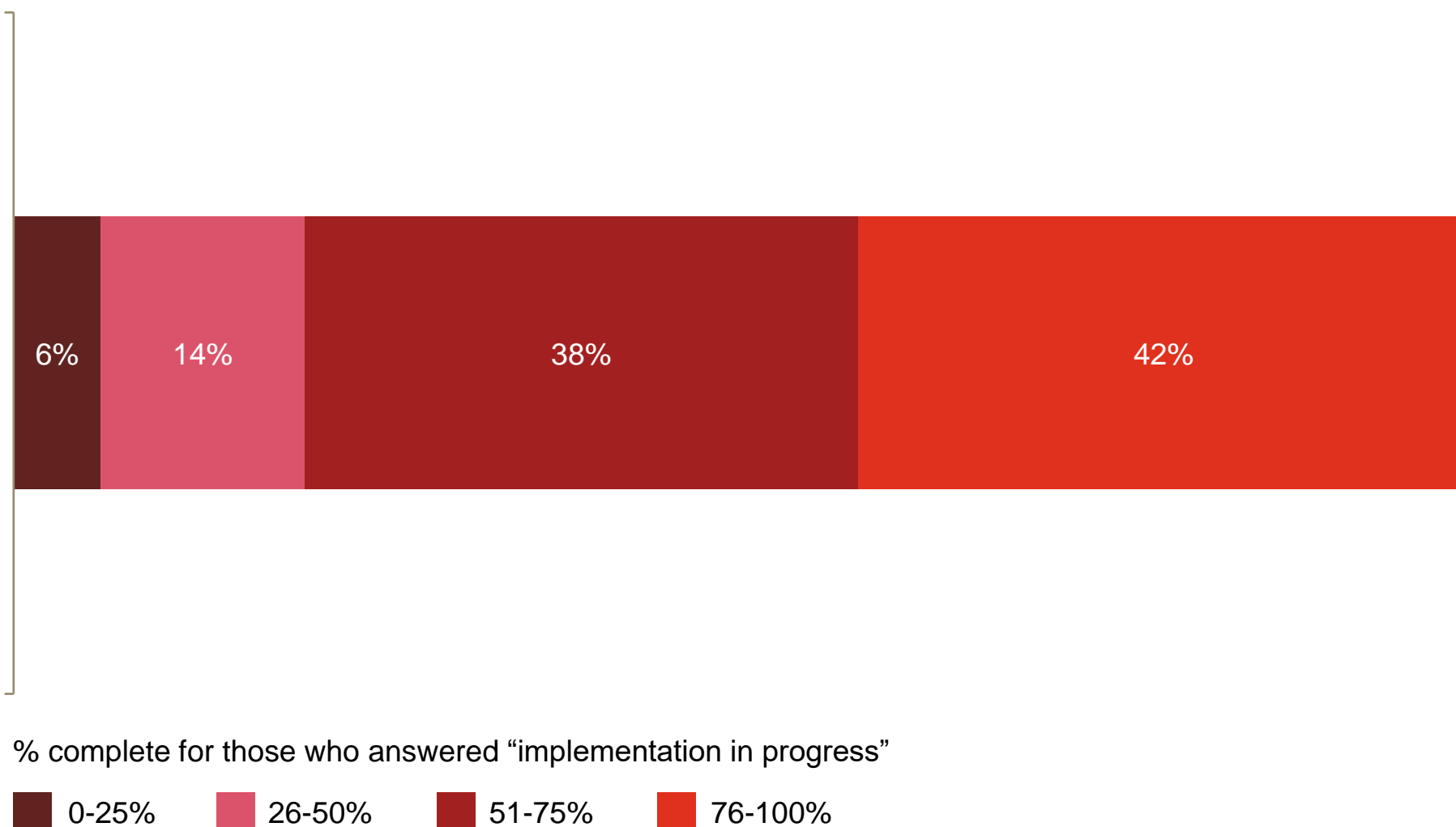
Non-public company financial reporting status



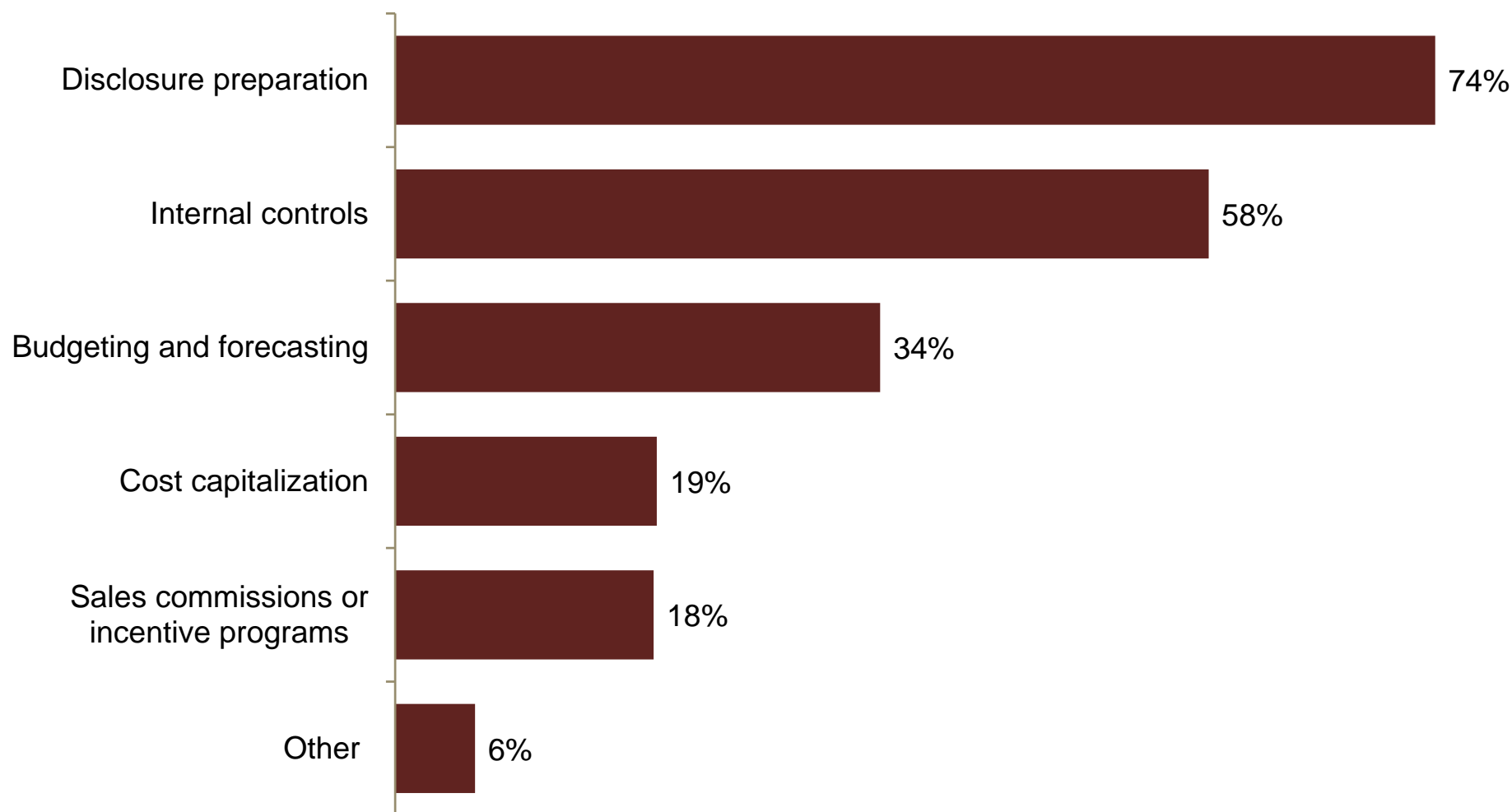
How far along is your company in assessing the new revenue recognition standards?



How far along is your company in implementing the new revenue recognition standards?

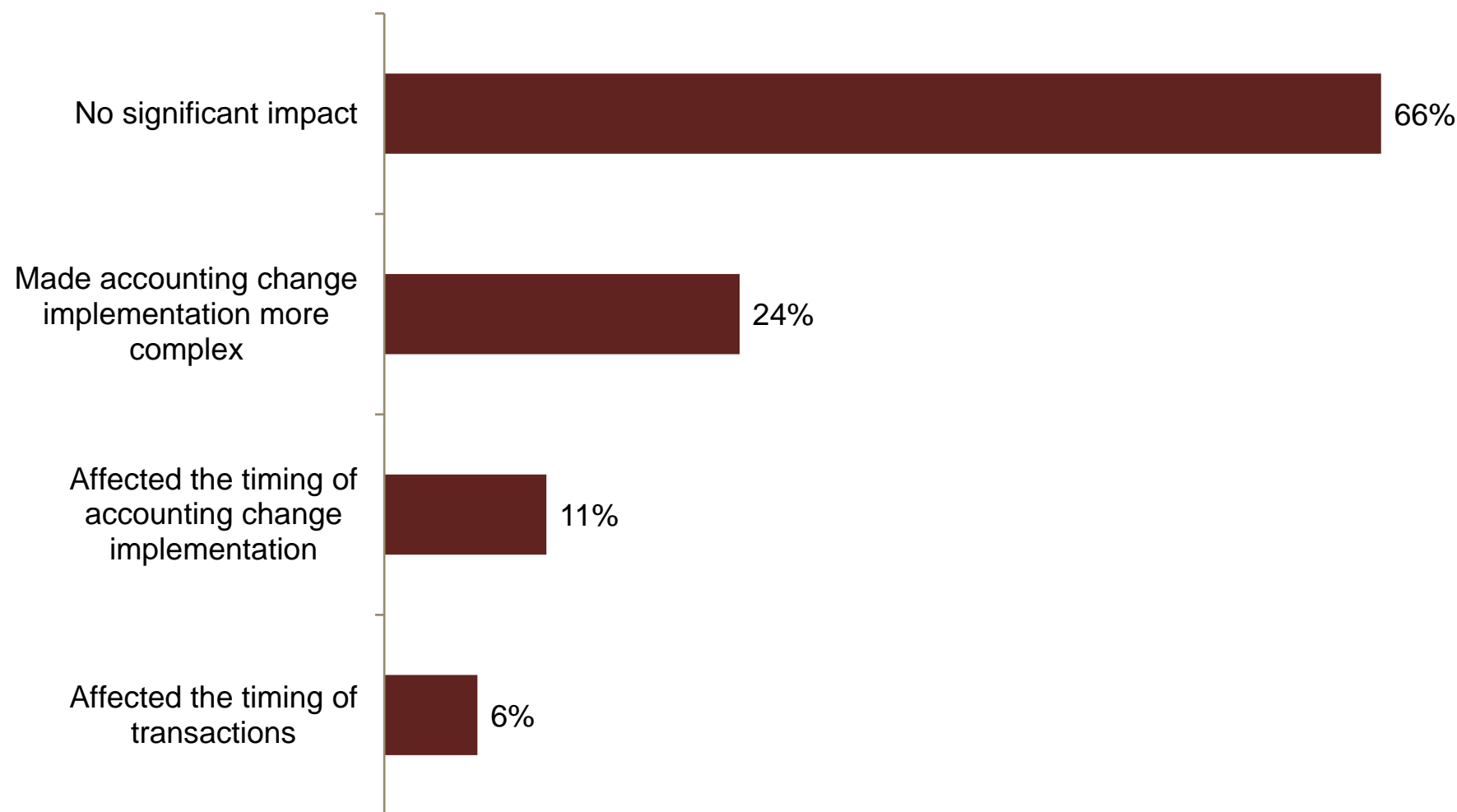


Which of the following processes have been or are expected to be modified as a result of ASC 606 adoption (check all that apply)?



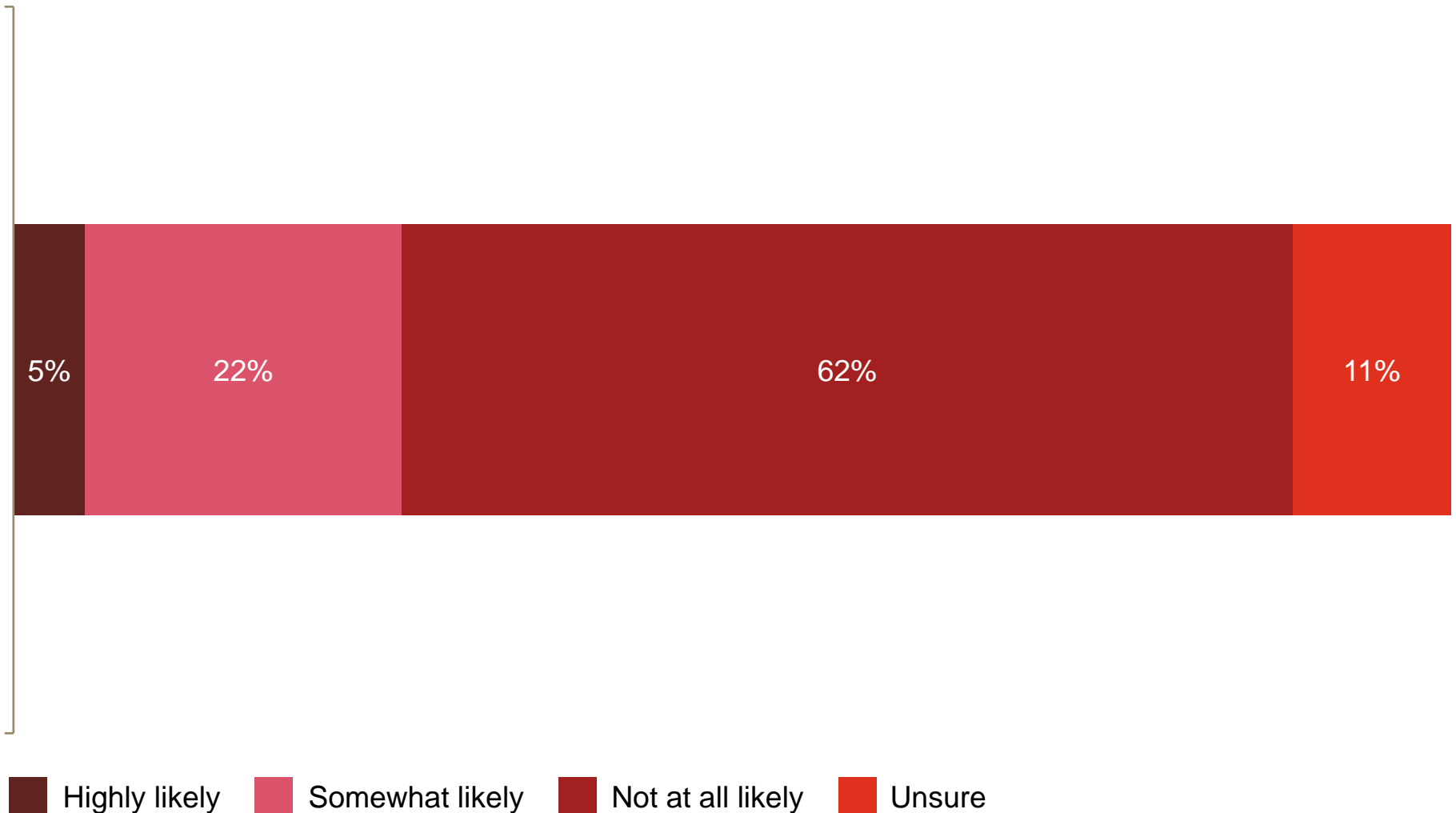
Values do not total 100% because participants could choose more than one answer.

How have deals (e.g., mergers, acquisitions, debt or securities offerings) impacted – or been impacted by – Your organization’s implementation of the new revenue recognition, leasing or hedge accounting standards (check all that apply)?

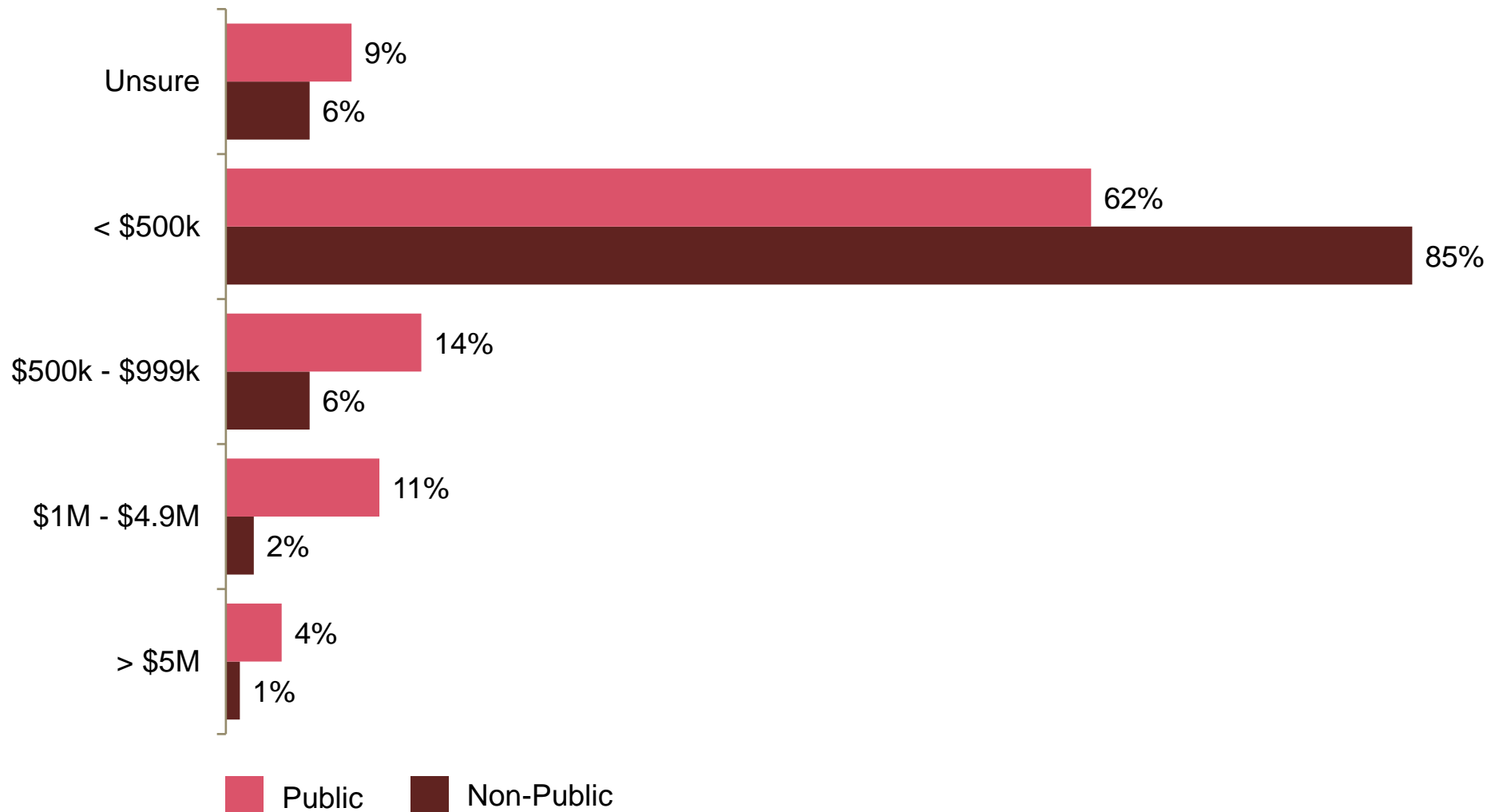


Values do not total 100% because participants could choose more than one answer.

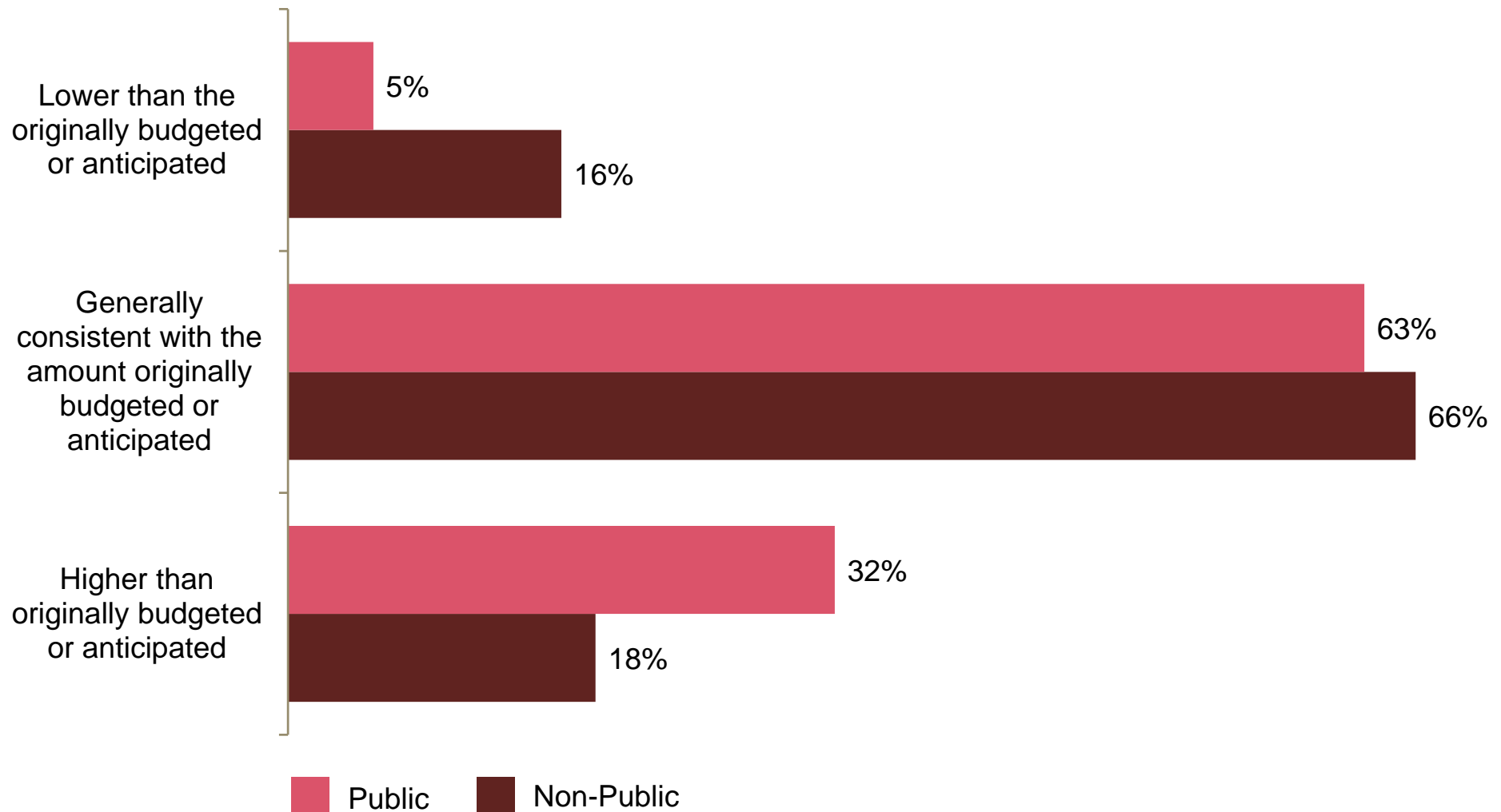
How likely are near-term changes to your organization's business models to impact your approach to revenue recognition under ASC 606?



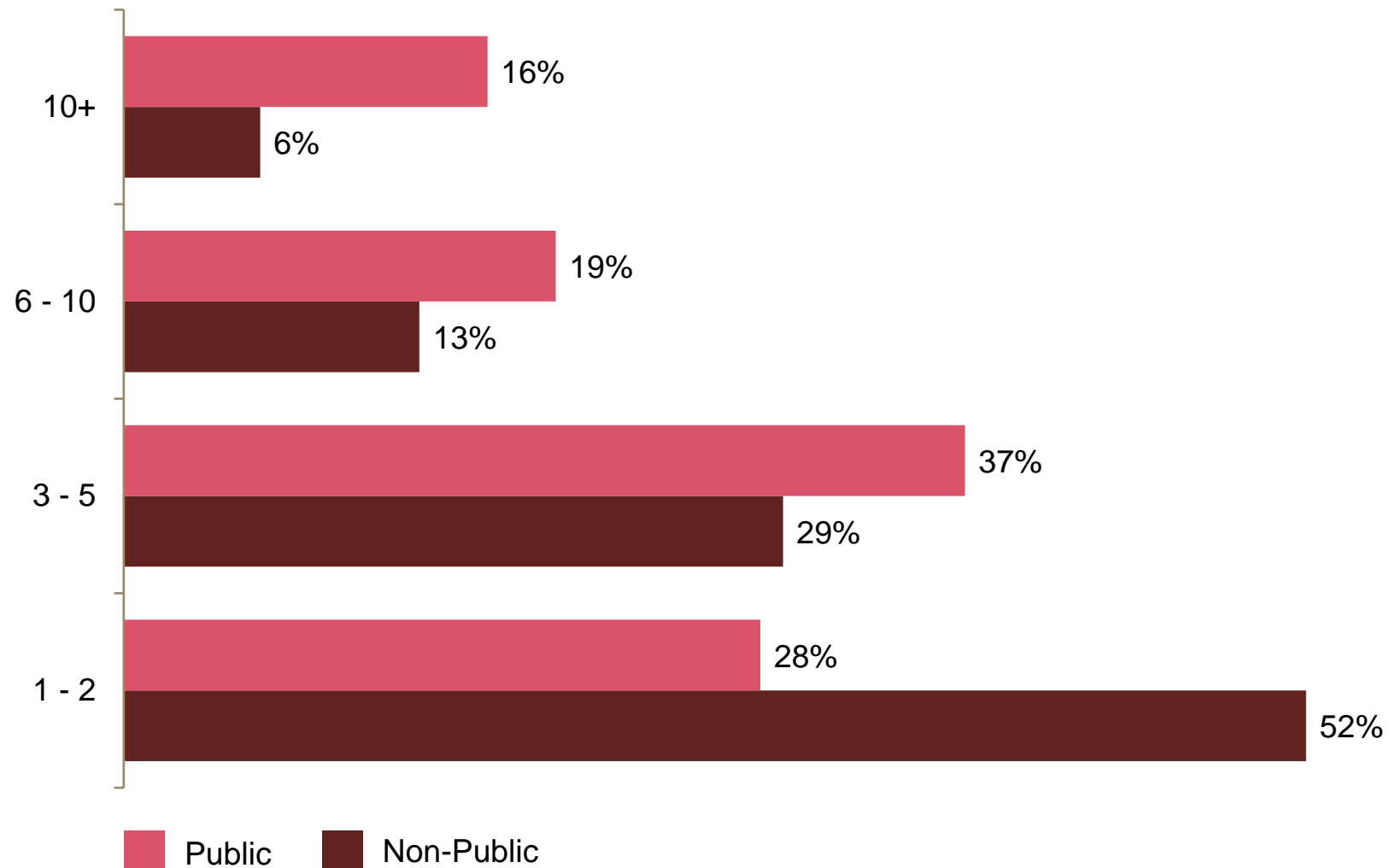
What level of total incremental costs (both internal and external) did you incur to implement the new revenue standards?



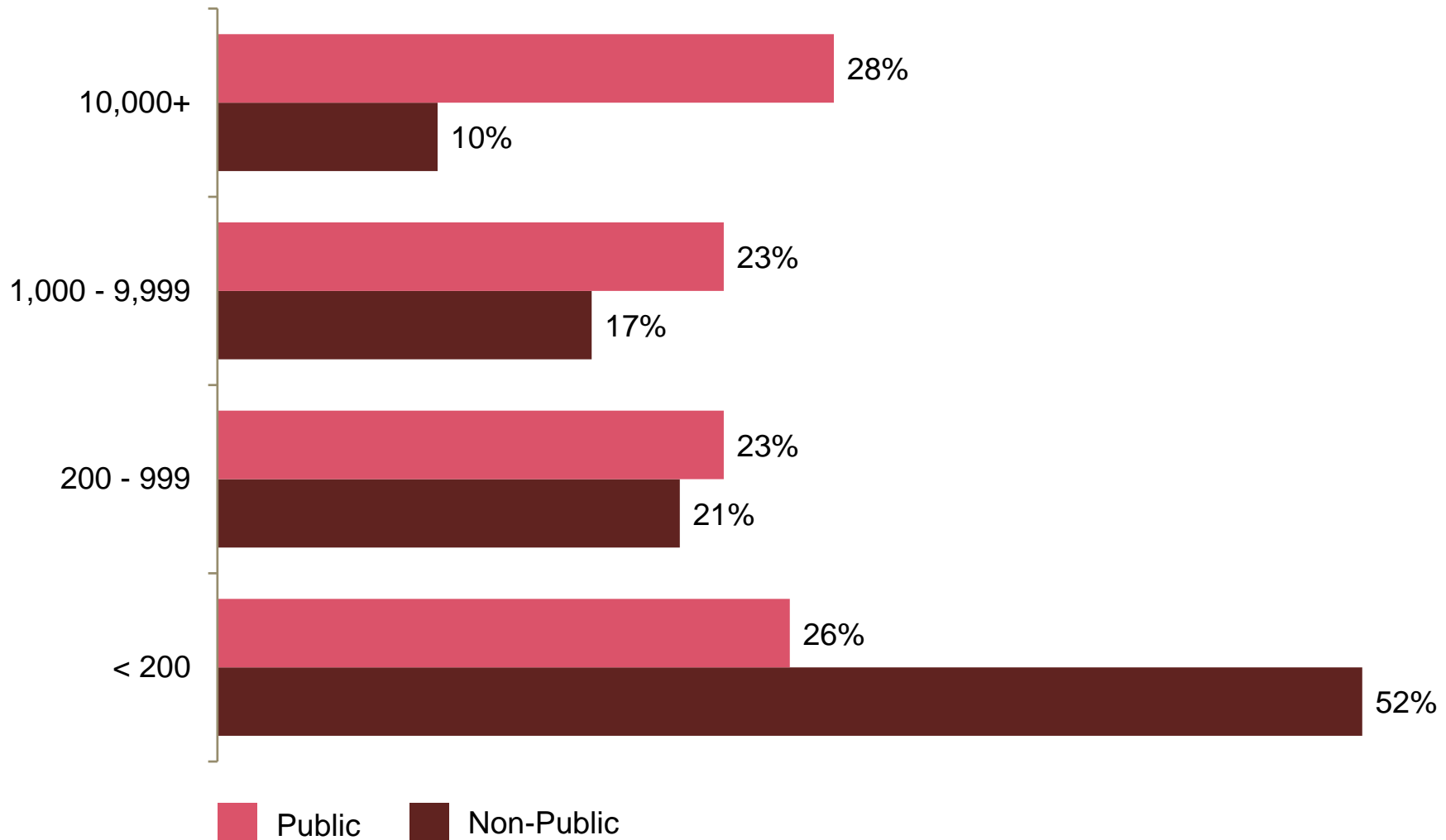
Which best describes your organization's total costs to implement the new revenue recognition standard?



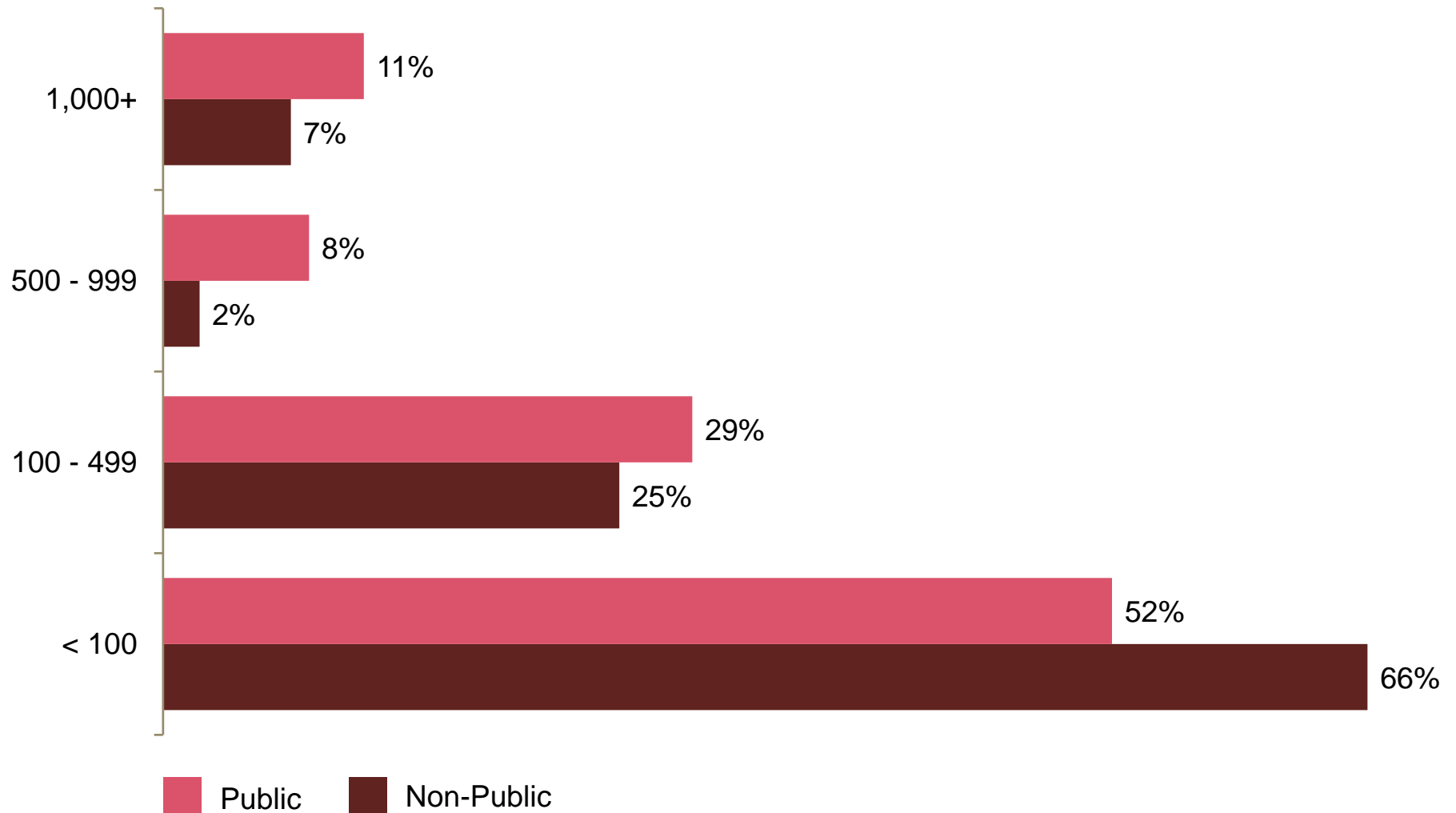
What is the approximate size of your overall revenue recognition implementation team (internal and external)?



Approximately how many contracts with customers do you maintain?

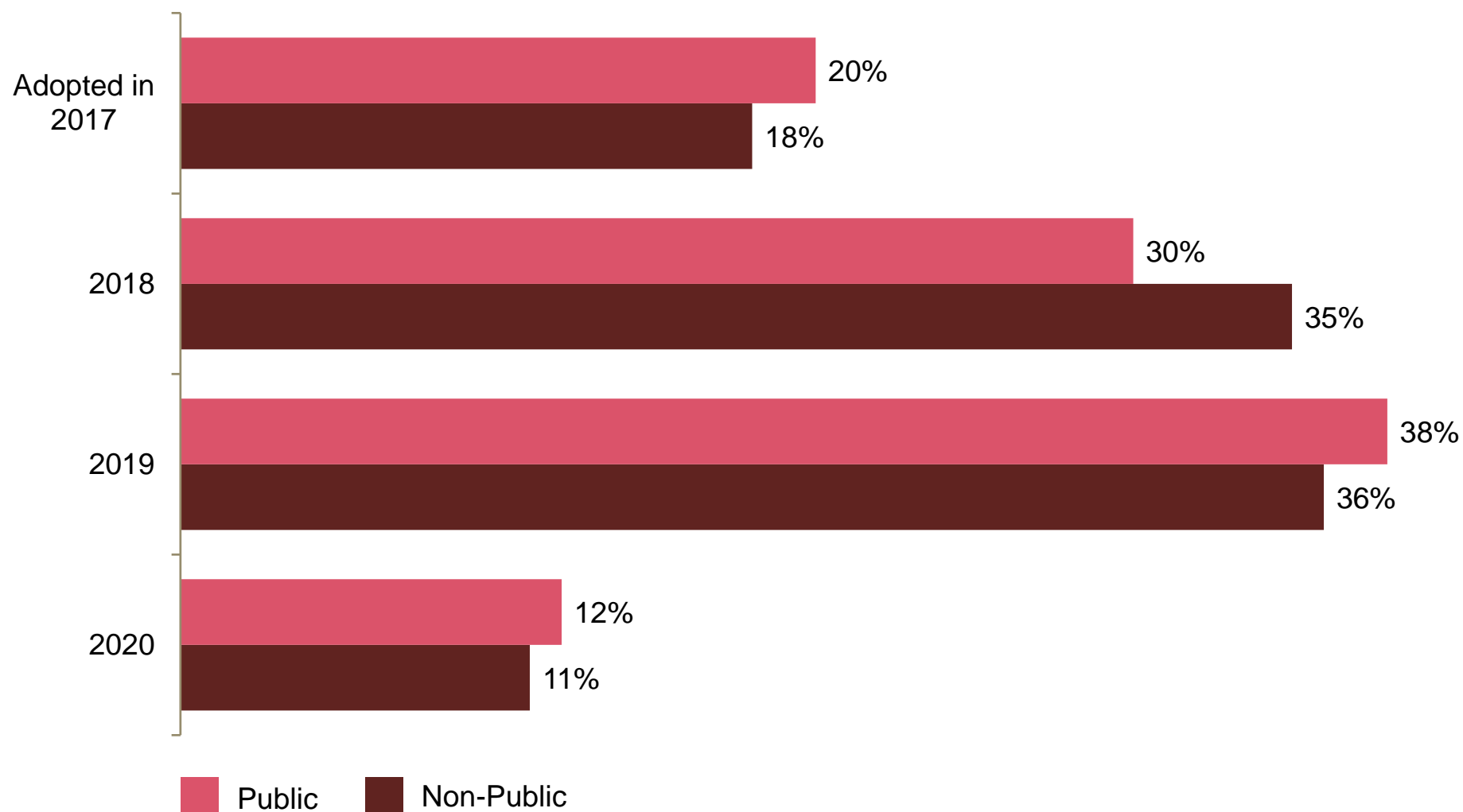


Approximately how many contracts with customers did you review or do you expect to review as part of your adoption process?

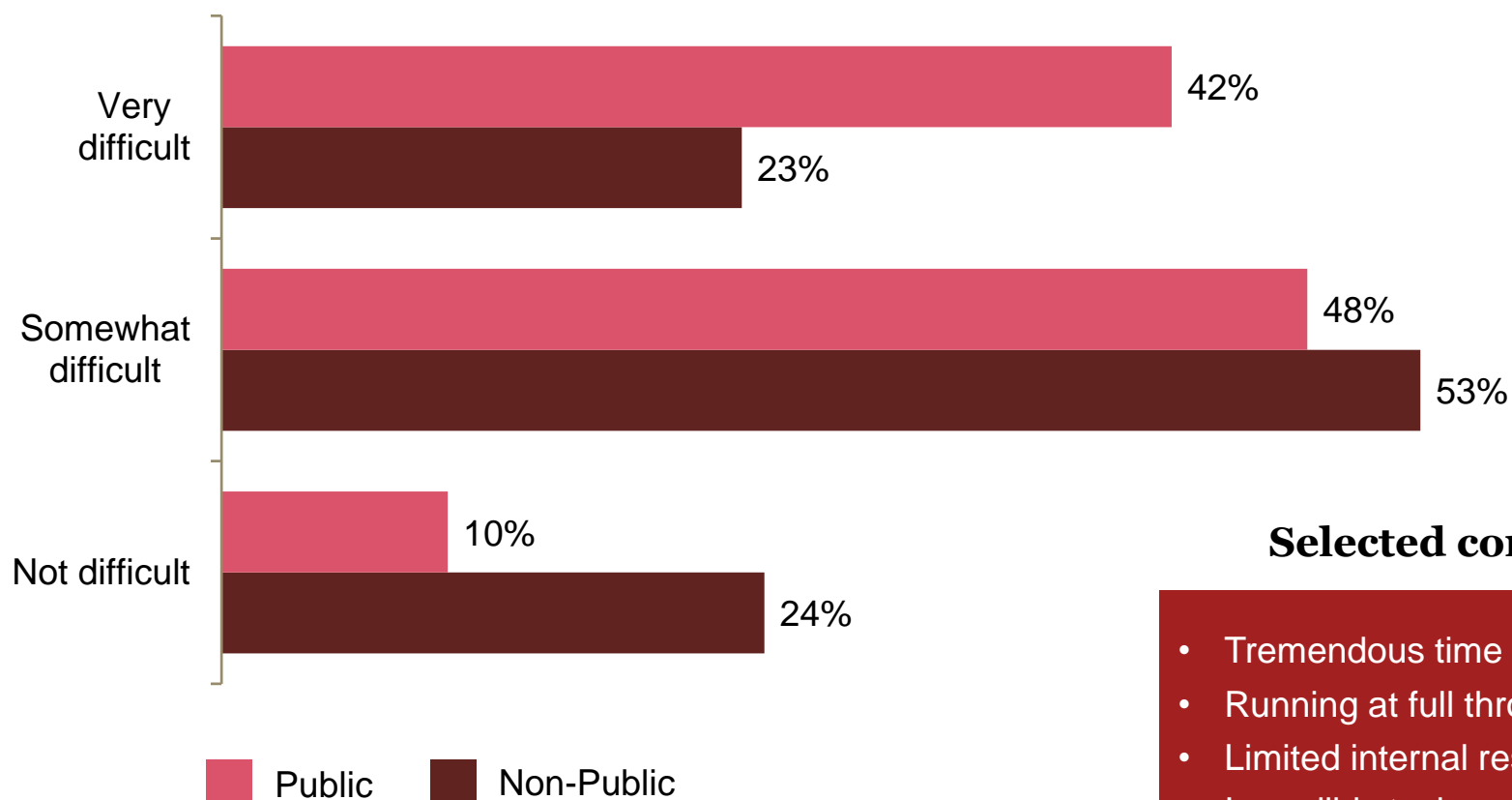


Other

When do you plan to adopt the new hedge accounting standard?



How would you rate the combined difficulty for your company in adopting the changes to accounting standards affected over the past four years?



Selected comments

- Tremendous time and expense
- Running at full throttle
- Limited internal resources
- Incredibly taxing
- It's going to be tight
- Less difficult if plan and start early
- Personnel have been added

PwC contacts

To have a deeper conversation about how the new accounting standards impact your organization, please contact your PwC representative or one of our accounting change leaders:

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