



## Arkansas Lifeline Individual Verification Effort

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Little Rock, AR 72201

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### ALIVE Board

March 17, 2015

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##### Greg Ashcraft

S. Arkansas Telephone Co., Inc.  
P.O. Box 130  
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The Honorable Governor Mike Beebe  
Legislative Council  
Arkansas Public Service Commission  
Legislative Joint Auditing Committee

RE: ALIVE Board 2014 annual report

Dear Governor Beebe:

Pursuant to the provisions of A.C.A. 25-37-101 et.seq. the Arkansas Lifeline Individual Verification Effort Corporation (ALIVE) was established in 2006. The ALIVE Board is pleased to provide you with this 2013 annual report.

The ALIVE Board oversees the Federal Communication Commission's programs that assist low income individuals in obtaining and maintaining discounts for local telephone service provided by eligible telecommunications carriers (ETCs) that participate in the ALIVE Board's process. Large carriers do not participate in the ALIVE Board process. Currently there are 11 rural telephone companies participating in the ALIVE Board's process. The ALIVE Board's process is intended to assist small telephone companies and their low income customers with full participation in the low income programs called "LIFELINE" for existing customers.

The ALIVE Board's structure is helpful to rural companies and its customers by having a board assist in the implementation of very complex federal regulations that would be difficult for any one company to solely administer. In addition, the ALIVE Board has developed a customer friendly process to assist customers and find applicants for service through advertising, promotion, and individual contact. The companies that participate in the ALIVE process pool resources in order to have the best available assistance and promotions of the low income program for their low income customers. The ALIVE Board uses a contractor to certify and recertify participants in the programs. Solix, Inc. from Parsippany, NJ, is the current contractor for this service.

The ALIVE Board has developed customer friendly recertification procedures that include numerous contacts by mail and by telephone in the process that is not mandated by federal law. Overall, this "hands on" customer friendly process has assisted many low income individuals who would have difficulty recertifying to maintain their Lifeline discount.

In 2014, the ALIVE Board companies certified 214 new Lifeline customers, which brings the total Lifeline customer count to 768. The ALIVE Board and its member companies worked hard to achieve that high number in 2015. That number was achieved with the assistance of workshops designed to train customer service representatives in identifying and finding low income individuals who are eligible. The ALIVE Board assisted in the development of brochures and customer friendly forms to be used to sign-up for the program.

The ALIVE Board's goals in 2015 are to add more Lifeline customers, continue to develop procedures and training that will assist low income customers, and to assist companies to achieve full compliance with all federal and state guidelines for the Lifeline program.

If I can be of greater assistance or you need additional information, please feel free to call or write me.

Sincerely,

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

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**GREG ASHCRAFT, President  
ALIVE Board**

## 2014 ALIVE Payments

Year 2014	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Totals
AR Telephone Co.	239.23	238.62	359.89	358.89	356.62	355.73	356.06	351.83	354.56	350.75	349.79	348.47	4,020.44
ArkWest (Yell County)	169.16	253.68	255.12	256.02		254.76	506.04	251.70	251.34	250.80	250.38	249.90	2,948.90
Central AR Tele Coop	93.32	139.62	92.60	139.26	139.74	139.38	139.32	139.26	139.44	139.62	139.74	139.62	1,580.92
Magazine Telephone Co.	30.48	30.64	45.72	45.42	45.30	45.12	44.94	44.58	44.46	44.70	44.76	44.64	510.76
NATCO	194.68	194.12	289.56	288.42	287.94	287.34	286.50	283.80	283.92	282.84	281.40	279.42	3,239.94
Pinnacle Communications	41.27	40.75	61.09	61.63	61.04	60.80	60.53	60.14	59.84	60.33	59.18	59.10	685.70
Prairie Grove	271.20	265.73	405.10	397.62	396.90	392.39	391.13	389.91	388.21	388.28	386.95	383.99	4,457.41
Rice Belt Telephone Co.	23.40	23.24	23.00	22.52	58.14	33.96	34.14	34.08	33.96	35.28	35.10	35.34	392.16
Ritter Telephone	106.36	106.32	106.64	213.28	159.90	159.90	159.66	161.22	158.64	159.06	158.46	157.26	1,806.70
SATCO	101.48	101.64	151.74	152.04	152.28	151.20	150.81	150.54	149.70	149.16	148.92	148.14	1,707.65
Tri-County	217.28	216.72	214.84	430.04	322.86	322.02	313.08	302.58	301.62	302.40	301.98	302.40	3,547.82
Walnut Hill Telephone Co.	142.27	Out											142.27
Year 2014	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Totals
Totals	1,630.13	1,611.08	2,005.30	2,365.14	1,980.72	2,202.60	2,442.21	2,169.64	2,165.69	2,163.22	2,156.66	2,148.28	25,040.67

## Number of Participants

Year 2014	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
AR Telephone Co.	238	241	242	241	230	234	233	235	232	234	238	238
ArkWest (Yell County)	83	85	90	89	87	80	78	75	76	74	71	68
Central AR Tele Coop	72	72	74	73	70	67	66	66	64	66	64	64
Magazine Telephone Co.	26	26	28	27	27	25	25	23	23	24	22	22
NATCO	188	189	186	189	181	180	169	170	171	173	172	171
Pinnacle Communications	11	11	11	10	11	11	10	10	10	10	10	8
Prairie Grove	197	161	166	169	175	175	181	181	183	182	184	184
Rice Belt Telephone Co.	3	3	3	4	4	4	4	4	4	4	4	4
Ritter Telephone	151	154	159	159	156	154	154	145	142	142	140	120
SATCO	20	20	19	23	23	23	23	21	22	17	22	22
Tri-County	199	200	203	207	210	211	211	208	207	209	207	206
Walnut Hill Telephone Co.	58	Out										
Year 2014	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Totals	1246	1162	1181	1191	1174	1164	1154	1138	1134	1135	1134	1107

**ARKANSAS LIFELINE  
INDIVIDUAL VERIFICATION EFFORT CORPORATION**

**LITTLE ROCK, ARKANSAS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2014 AND 2013**

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FINANCIAL STATEMENTS

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**INDEPENDENT AUDITOR'S REPORT**

TO THE BOARD OF DIRECTORS  
ARKANSAS LIFELINE INDIVIDUAL VERIFICATION EFFORT CORPORATION  
LITTLE ROCK, ARKANSAS

WE HAVE AUDITED THE ACCOMPANYING FINANCIAL STATEMENTS OF ARKANSAS LIFELINE INDIVIDUAL VERIFICATION EFFORT CORPORATION (A NONPROFIT CORPORATION), WHICH COMPRISE THE STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2014 AND 2013, AND THE RELATED STATEMENTS OF ACTIVITIES AND CASH FLOWS FOR THE YEARS THEN ENDED, AND THE RELATED NOTES TO THE FINANCIAL STATEMENTS.

***MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS***

MANAGEMENT IS RESPONSIBLE FOR THE PREPARATION AND FAIR PRESENTATION OF THESE FINANCIAL STATEMENTS IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA; THIS INCLUDES THE DESIGN, IMPLEMENTATION, AND MAINTENANCE OF INTERNAL CONTROL RELEVANT TO THE PREPARATION AND FAIR PRESENTATION OF FINANCIAL STATEMENTS THAT ARE FREE FROM MATERIAL MISSTATEMENT, WHETHER DUE TO FRAUD OR ERROR.

***AUDITOR'S RESPONSIBILITY***

OUR RESPONSIBILITY IS TO EXPRESS AN OPINION ON THESE FINANCIAL STATEMENTS BASED ON OUR AUDIT. WE CONDUCTED OUR AUDIT IN ACCORDANCE WITH AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. THOSE STANDARDS REQUIRE THAT WE PLAN AND PERFORM THE AUDIT TO OBTAIN REASONABLE ASSURANCE ABOUT WHETHER THE FINANCIAL STATEMENTS ARE FREE OF MATERIAL MISSTATEMENT.

AN AUDIT INVOLVES PERFORMING PROCEDURES TO OBTAIN AUDIT EVIDENCE ABOUT THE AMOUNTS AND DISCLOSURES IN THE FINANCIAL STATEMENTS. THE PROCEDURES SELECTED DEPEND ON THE AUDITOR'S JUDGMENT, INCLUDING THE ASSESSMENT OF THE RISKS OF MATERIAL MISSTATEMENT OF THE FINANCIAL STATEMENTS, WHETHER DUE TO FRAUD OR ERROR. IN MAKING THOSE RISK ASSESSMENTS, THE AUDITOR CONSIDERS INTERNAL CONTROL RELEVANT TO THE ENTITY'S PREPARATION AND FAIR PRESENTATION OF THE FINANCIAL STATEMENTS IN ORDER TO DESIGN 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. ACCORDINGLY, WE EXPRESS NO SUCH OPINION. AN AUDIT ALSO INCLUDES EVALUATING THE APPROPRIATENESS OF ACCOUNTING POLICIES USED AND THE REASONABLENESS OF SIGNIFICANT ACCOUNTING ESTIMATES MADE BY MANAGEMENT, AS WELL AS EVALUATING THE OVERALL PRESENTATION OF THE FINANCIAL STATEMENTS.

WE BELIEVE THAT THE AUDIT EVIDENCE WE HAVE OBTAINED IS SUFFICIENT AND APPROPRIATE TO PROVIDE A BASIS FOR OUR AUDIT OPINION.

**OPINION**

IN OUR OPINION, THE FINANCIAL STATEMENTS REFERRED TO ABOVE PRESENT FAIRLY, IN ALL MATERIAL RESPECTS, THE FINANCIAL POSITION OF ARKANSAS LIFELINE INDIVIDUAL VERIFICATION EFFORT CORPORATION AS OF DECEMBER 31, 2014 AND 2013, AND THE CHANGES IN ITS NET ASSETS AND ITS CASH FLOWS FOR THE YEARS THEN ENDED IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA.

Robert D. Schicht II, CPA

CERTIFIED PUBLIC ACCOUNTANTS

CONWAY, ARKANSAS  
FEBRUARY 25, 2015

ARKANSAS LIFELINE INDIVIDUAL VERIFICATION EFFORT CORPORATION  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2014 AND 2013

	<u>ASSETS</u>	
	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
CASH	\$ 5,421	\$ 10,181
ACCOUNTS RECEIVABLE	<u>2,077</u>	<u>1,443</u>
TOTAL CURRENT ASSETS	<u>7,498</u>	<u>11,624</u>
TOTAL ASSETS	<u>\$ 7,498</u>	<u>\$ 11,624</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	<u>\$ 1,738</u>	<u>\$ 1,884</u>
TOTAL CURRENT LIABILITIES	<u>1,738</u>	<u>1,884</u>
TOTAL LIABILITIES	<u>1,738</u>	<u>1,884</u>
NET ASSETS		
UNRESTRICTED	<u>5,760</u>	<u>9,740</u>
TOTAL NET ASSETS	<u>5,760</u>	<u>9,740</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,498</u>	<u>\$ 11,624</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

ARKANSAS LIFELINE INDIVIDUAL VERIFICATION EFFORT CORPORATION  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUES		
ASSESSMENT REVENUES	<u>\$ 25,466</u>	<u>\$ 20,919</u>
TOTAL UNRESTRICTED REVENUES	<u>25,466</u>	<u>20,919</u>
EXPENSES		
LIFELINE & LINKUP VERIFICATION CONTRACT SERVICES	23,330	22,038
ADMINISTRATIVE AND GENERAL	<u>6,116</u>	<u>6,196</u>
TOTAL UNRESTRICTED EXPENSES	<u>29,446</u>	<u>28,234</u>
CHANGE IN UNRESTRICTED NET ASSETS	(3,980)	(7,315)
NET ASSETS BEGINNING OF YEAR	<u>9,740</u>	<u>17,055</u>
NET ASSETS END OF YEAR	<u><u>\$ 5,760</u></u>	<u><u>\$ 9,740</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

ARKANSAS LIFELINE INDIVIDUAL VERIFICATION EFFORT CORPORATION  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
INCREASE (DECREASE) IN NET ASSETS	\$ (3,980)	\$ (7,315)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CHANGES IN ASSETS AND LIABILITIES		
CHANGE IN ACCOUNTS RECEIVABLE	(634)	(229)
CHANGE IN ACCOUNTS PAYABLE	<u>(146)</u>	<u>(2,183)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(4,760)</u>	<u>(9,727)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,760)	(9,727)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>10,181</u>	<u>19,908</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,421</u>	<u>\$ 10,181</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

ARKANSAS LIFELINE INDIVIDUAL VERIFICATION EFFORT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. NATURE OF BUSINESS - THE ARKANSAS LIFELINE INDIVIDUAL VERIFICATION EFFORT CORPORATION (THE ORGANIZATION) IS ORGANIZED AS A GOVERNMENTAL NON-PROFIT CORPORATION PURSUANT TO ARKANSAS LEGISLATIVE ACT 2289 OF 2005. THE ORGANIZATION PROVIDES SERVICES TO VERIFY ELIGIBILITY UNDER THE LIFELINE ASSISTANCE PROGRAM FOR INDIVIDUALS FOR WHOM OTHER GOVERNMENTAL ENTITIES DO NOT VERIFY THE DATA; AND WITH BOARD APPROVAL, TO VERIFY ELIGIBILITY UNDER THE LINK-UP AMERICA PROGRAM FOR INDIVIDUALS FOR WHOM OTHER GOVERNMENTAL ENTITIES DO NOT VERIFY THE DATA.

PARTICIPATION IN THE VERIFICATION PROGRAM IS AVAILABLE ONLY FOR ELIGIBLE TELECOMMUNICATIONS CARRIERS HAVING A CUSTOMER ACCESS BASE OF FIFTEEN THOUSAND (15,000) OR FEWER. THE ORGANIZATION'S REVENUES COME FROM ASSESSMENTS COLLECTED BY ELIGIBLE TELECOMMUNICATIONS CARRIERS FROM THEIR CUSTOMERS AND TRANSMITTED MONTHLY TO THE ORGANIZATION. AN ELIGIBLE TELECOMMUNICATIONS CARRIER MAY ELECT NOT TO PARTICIPATE IN THE PROGRAM WITHOUT THE NEED FOR APPROVAL BY THE ORGANIZATION.

THE ASSESSMENTS WERE FOUR CENTS (\$.04) AND SIX CENTS (\$.06) PER SUBJECT ACCESS LINE PER MONTH FOR 2014 AND THREE CENTS (\$.03) AND FOUR CENTS (\$.04) FOR 2013.

- b. BASIS OF ACCOUNTING - THE ACCOMPANYING FINANCIAL STATEMENTS HAVE BEEN PREPARED ON THE ACCRUAL BASIS OF ACCOUNTING IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. UNDER THE ACCRUAL BASIS OF ACCOUNTING, REVENUES ARE RECORDED WHEN EARNED AND EXPENSES ARE RECORDED WHEN INCURRED, REGARDLESS OF WHEN CASH IS RECEIVED OR PAID.
- c. ACCOUNTS RECEIVABLE - UNCOLLECTIBLE ACCOUNTS RECEIVABLE ARE CHARGED DIRECTLY AGAINST EARNINGS WHEN THEY ARE DETERMINED TO BE UNCOLLECTIBLE. USE OF THIS METHOD DOES NOT RESULT IN A MATERIAL DIFFERENCE FROM THE VALUATION METHOD REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.
- d. INCOME TAXES - THE ORGANIZATION IS EXEMPT FROM FEDERAL AND STATE INCOME TAXES.
- e. CASH AND CASH EQUIVALENTS - FOR PURPOSES OF THE STATEMENT OF CASH FLOWS, THE ORGANIZATION CONSIDERS ALL CERTIFICATES OF DEPOSIT AND ALL LIQUID CASH INVESTMENTS WITH ORIGINAL MATURITIES OF LESS THAN THREE MONTHS TO BE CASH EQUIVALENTS. AT DECEMBER 31, 2014 AND 2013, THE ORGANIZATION HAD NO CASH EQUIVALENTS.
- f. USE OF ESTIMATES - THE PREPARATION OF FINANCIAL STATEMENTS IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES REQUIRES MANAGEMENT TO MAKE ESTIMATES AND ASSUMPTIONS THAT AFFECT THE REPORTED AMOUNTS OF ASSETS AND LIABILITIES AND DISCLOSURE OF CONTINGENT ASSETS AND LIABILITIES AT THE DATE OF THE FINANCIAL STATEMENTS AND THE REPORTED AMOUNTS OF REVENUES AND EXPENSES DURING THE REPORTING PERIOD. ACTUAL RESULTS COULD DIFFER FROM THOSE ESTIMATES.

ARKANSAS LIFELINE INDIVIDUAL VERIFICATION EFFORT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

2. LONG-TERM CONTRACTS

THE ORGANIZATION RECEIVES LIFELINE AND LINKUP VERIFICATION SERVICES FROM A THIRD PARTY PROVIDER. THE CURRENT AGREEMENT IS EFFECTIVE FOR THREE YEARS AT MONTHLY RATES AS FOLLOWS:

SEPTEMBER 1, 2014 THROUGH DECEMBER 31, 2014	\$0.042 PER ACCESS LINE
SEPTEMBER 1, 2013 THROUGH AUGUST 31, 2014	\$0.040 PER ACCESS LINE
JANUARY 1, 2013 THROUGH AUGUST 1, 2013	\$0.039 PER ACCESS LINE

THE AGREEMENT WAS SET TO EXPIRE IN AUGUST 2013. THE ORGANIZATION HAS THE OPTION TO EXTEND THE AGREEMENT FOR TWO ADDITIONAL ONE (1) YEAR TERMS.

3. RELATED PARTY TRANSACTIONS

THE ORGANIZATION PAYS AN ADMINISTRATION FEE OF \$150 PER MONTH TO THE ARKANSAS TELECOMMUNICATIONS CORPORATION (ATA) FOR ADMINISTRATIVE SERVICES. AT DECEMBER 31, 2014 AND 2013, ACCOUNTS PAYABLE INCLUDED \$150 DUE TO ATA FOR SERVICES RENDERED. TOTAL ATA ADMINISTRATIVE FEE EXPENSE FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 WAS \$1,800 PER YEAR.

THE ORGANIZATION'S BOARD CONSISTS, IN PART, OF PERSONS EMPLOYED BY ELIGIBLE TELECOMMUNICATIONS CARRIERS. TOTAL ASSESSMENT REVENUE FROM THESE CARRIERS WAS \$11,502 AND \$8,061 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013, RESPECTIVELY, OF WHICH APPROXIMATELY \$909 AND \$618 WAS INCLUDED IN ACCOUNTS RECEIVABLE AT DECEMBER 31, 2014 AND 2013, RESPECTIVELY. THE ORGANIZATION REIMBURSES BOARD MEMBERS FOR CERTAIN EXPENSES. TOTAL REIMBURSEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 WERE \$342 AND \$464, RESPECTIVELY.

4. CONCENTRATION OF CREDIT RISK

THE CARRYING AMOUNTS OF THE ORGANIZATION'S DEPOSITS WERE \$5,421 AND \$10,181 AT DECEMBER 31, 2014 AND 2013, RESPECTIVELY, WHILE THE BANK BALANCES WERE \$6,937 AND \$11,844 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013, RESPECTIVELY. THE DIFFERENCES BETWEEN THE CARRYING AMOUNTS AND THE BANK BALANCES REPRESENT OUTSTANDING CHECKS AND DEPOSITS IN TRANSIT. THE BANK BALANCES WERE INSURED BY FEDERAL DEPOSITORY INSURANCE OF UP TO \$250,000 DURING 2014 AND 2013.

OTHER FINANCIAL INSTRUMENTS THAT POTENTIALLY SUBJECT THE ORGANIZATION TO CONCENTRATIONS OF CREDIT RISK CONSIST PRINCIPALLY OF ACCOUNTS RECEIVABLE.

5. DONATED SERVICES

NO AMOUNTS HAVE BEEN REFLECTED IN THE FINANCIAL STATEMENTS FOR DONATED SERVICES. THE ORGANIZATION'S OFFICERS AND DIRECTORS VOLUNTEER THEIR TIME AND PERFORM A VARIETY OF TASKS THAT ASSIST THE ORGANIZATION, BUT THESE SERVICES DO NOT MEET THE CRITERIA FOR RECOGNITION AS CONTRIBUTED SERVICES.

ARKANSAS LIFELINE INDIVIDUAL VERIFICATION EFFORT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

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6. SUBSEQUENT EVENT

MANAGEMENT EVALUATED THE EVENTS AND TRANSACTIONS SUBSEQUENT TO ITS DECEMBER 31, 2014 STATEMENT OF FINANCIAL POSITION DATE AND IN ACCORDANCE WITH FASB ASC 855-10-50 DETERMINED THAT THERE WERE NO SIGNIFICANT EVENTS TO REPORT THROUGH FEBRUARY 25, 2015 WHICH IS THE DATE THE ORGANIZATION'S FINANCIAL STATEMENTS WERE AVAILABLE FOR ISSUE.