

Where Food Comes From, Inc.
Statements of Income (Loss)

	(Unaudited)		Year Ended	
	Three Months Ended		December 31,	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues				
Service revenue	\$1,583,762	\$1,073,011	\$4,682,738	\$4,328,277
Product sales	179,237	183,098	723,449	809,084
Other revenue	<u>34,042</u>	<u>33,631</u>	<u>127,277</u>	<u>124,006</u>
Total revenue	<u>1,797,041</u>	<u>1,289,740</u>	<u>5,533,464</u>	<u>5,261,367</u>
Costs of revenue				
Labor and other costs of services	875,570	457,156	2,307,846	1,844,655
Costs of products	<u>123,057</u>	<u>132,488</u>	<u>519,221</u>	<u>586,767</u>
Total costs of revenue	<u>998,627</u>	<u>589,644</u>	<u>2,827,067</u>	<u>2,431,422</u>
Gross profit	798,414	700,096	2,706,397	2,829,945
Selling, general and administrative expenses	<u>773,154</u>	<u>585,621</u>	<u>2,679,089</u>	<u>2,341,665</u>
Income from operations	25,260	114,475	27,308	488,280
Other expense (income):				
Interest expense	3,699	6,168	33,588	25,929
Gain (loss) on sale of marketable securities	-	263	-	(11,892)
Gain on disposal of property and equipment	-	(3,208)	-	(3,208)
Other income, net	<u>(244)</u>	<u>(330)</u>	<u>(1,469)</u>	<u>(4,239)</u>
Income (loss) before income taxes	21,805	111,582	(4,811)	481,690
Income tax expense (benefit)	<u>10,355</u>	<u>(28,506)</u>	<u>(1,778)</u>	<u>(391,478)</u>
Net income (loss)	11,450	140,088	(3,033)	873,168
Net income (loss) attributable to				
non-controlling interest	<u>(22,765)</u>	<u>253</u>	<u>(30,527)</u>	<u>(2,810)</u>
Net income (loss) attributable to Where Food				
Comes From, Inc.	<u>\$ (11,315)</u>	<u>\$ 140,341</u>	<u>\$ (33,560)</u>	<u>\$ 870,358</u>
Net income (loss) per share:				
Basic	<u>\$ *</u>	<u>\$ 0.01</u>	<u>\$ *</u>	<u>\$ 0.04</u>
Diluted	<u>\$ *</u>	<u>\$ 0.01</u>	<u>\$ *</u>	<u>\$ 0.04</u>
Weighted average number of common				
shares outstanding:				
Basic	<u>22,868,786</u>	<u>20,852,052</u>	<u>21,893,794</u>	<u>20,943,966</u>
Diluted	<u>22,686,786</u>	<u>20,880,391</u>	<u>21,893,794</u>	<u>21,678,858</u>

* Less than a penny (\$0.01) per share

Where Food Comes From, Inc.
Balance Sheets

	December 31, <u>2013</u>	December 31, <u>2012</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,067,537	\$ 1,403,489
Accounts receivable, net	683,800	377,072
Prepaid expenses and other current assets	143,576	80,189
Deferred tax assets	<u>190,184</u>	<u>242,944</u>
Total current assets	2,085,097	2,103,694
Property and equipment, net	253,206	146,563
Intangible and other assets, net	1,716,115	303,810
Goodwill	1,279,762	532,997
Long-term deferred tax assets	<u>480,294</u>	<u>277,177</u>
Total assets	<u>\$ 5,814,474</u>	<u>\$ 3,364,241</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 277,633	\$ 134,913
Accrued expenses and other current liabilities	56,091	58,808
Customer deposits	39,134	27,478
Deferred revenue	149,660	139,022
Short-term debt and current portion of notes payable	24,782	22,873
Current portion of capital lease obligations	<u>4,173</u>	<u>5,506</u>
Total current liabilities	551,473	388,600
Capital lease obligations, net of current portion	10,808	14,981
Notes payable and other long-term debt, net	165,755	191,106
Notes payable, related party	<u>-</u>	<u>200,000</u>
Total liabilities	<u>728,036</u>	<u>794,687</u>
Contingently redeemable non-controlling interest	1,018,396	-
Stockholders' equity:		
Common stock	23,233	21,837
Additional paid-in capital	5,216,327	3,668,556
Treasury stock	(150,849)	(121,294)
Accumulated deficit	<u>(1,321,100)</u>	<u>(1,287,540)</u>
Total Where Food Comes From, Inc. equity	3,767,611	2,281,559
Non-controlling interest	<u>300,431</u>	<u>287,995</u>
Total Equity	<u>4,068,042</u>	<u>2,569,554</u>
Total liabilities and stockholders' equity	<u>\$ 5,814,474</u>	<u>\$ 3,364,241</u>