

Where Food Comes From, Inc.
Statements of Income

	Three Months Ended March 31,	
	<u>2013</u>	<u>2012</u>
Revenues		
Service revenues	\$ 853,606	\$ 845,827
Product sales	129,009	156,954
Other revenues	<u>42,888</u>	<u>26,503</u>
Total revenues	<u>1,025,503</u>	<u>1,029,284</u>
Costs of revenues		
Labor and other costs of services	405,792	355,453
Costs of products	<u>85,889</u>	<u>102,872</u>
Total costs of revenue	<u>491,681</u>	<u>458,325</u>
Gross profit	533,822	570,959
Selling, general and administrative expenses	<u>625,515</u>	<u>488,137</u>
Income (loss) from operations	(91,693)	82,822
Other expense (income):		
Interest expense	6,779	7,872
Other income, net	<u>(447)</u>	<u>(2,662)</u>
Income (loss) before income taxes	(98,025)	77,612
Income tax benefit	<u>(34,288)</u>	<u>(282,090)</u>
Net income (loss)	(63,737)	359,702
Net loss attributable to		
non-controlling interest	<u>5,354</u>	<u>2,431</u>
Net income (loss) attributable to Where Food Comes From, Inc.	<u>\$ (58,383)</u>	<u>\$ 362,133</u>
Net income (loss) per share:		
Basic	<u>\$ -</u>	<u>\$ 0.02</u>
Diluted	<u>\$ -</u>	<u>\$ 0.02</u>
Weighted average number of common shares outstanding:		
Basic	<u>21,439,355</u>	<u>20,609,639</u>
Diluted	<u>21,439,355</u>	<u>21,105,614</u>

Where Food Comes From, Inc.
Balance Sheets

	March 31, <u>2013</u>	December 31, <u>2012</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,505,638	\$ 1,403,489
Accounts receivable, net	329,850	377,072
Prepaid expenses and other current assets	52,217	80,189
Deferred tax assets	<u>277,232</u>	<u>242,944</u>
Total current assets	2,164,937	2,103,694
Property and equipment, net	139,602	146,563
Intangible and other assets, net	293,776	303,810
Goodwill	532,997	532,997
Long-term deferred tax assets	<u>277,177</u>	<u>277,177</u>
Total assets	<u>\$ 3,408,489</u>	<u>\$ 3,364,241</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 149,907	\$ 134,913
Accrued expenses and other current liabilities	42,918	58,808
Customer deposits	30,969	27,478
Deferred revenue	207,990	139,022
Short-term debt and current portion of notes payable	23,745	22,873
Current portion of capital lease obligations	<u>4,012</u>	<u>5,506</u>
Total current liabilities	459,541	388,600
Capital lease obligations, net of current portion	13,958	14,981
Notes payable and other long-term debt, net of current portion	184,465	191,106
Notes payable, related party	<u>200,000</u>	<u>200,000</u>
Total liabilities	<u>857,964</u>	<u>794,687</u>
Stockholders' equity:		
Common stock	21,977	21,837
Additional paid-in capital	3,713,124	3,668,556
Treasury stock	(121,294)	(121,294)
Accumulated deficit	<u>(1,345,923)</u>	<u>(1,287,540)</u>
Total Where Food Comes From, Inc. equity	2,267,884	2,281,559
Non-controlling interest	<u>282,641</u>	<u>287,995</u>
Total equity	<u>2,550,525</u>	<u>2,569,554</u>
Total liabilities and stockholders' equity	<u>\$ 3,408,489</u>	<u>\$ 3,364,241</u>