

Federal Diagnostics

Critical Messages

None

Electronic Filing

None

Informational Messages

- Force field entered with data "23,615" on Screen A
- Force field entered with data "23,615" on Screen A
- Form 1120S, Page 2, Schedule B, Line 6 question proforma'd from prior year; review data entry
- S Corporation loans from shareholder per ending balance sheet does not agree with sum of the loans displayed on the Shareholder Basis Worksheet item for "Principal amount of loan owed to shareholder at end of the year"; review data in View > Shareholder Information > Other Info tab > Shareholder Basis > Loan tab
- Salutation used in the Transmittal Letter is blank
- Net income per books automatically calculated for Schedule M-1
- Data was accepted via Datasharing
- The extension can only be electronically filed after the tax year end and before the due date unless it has been rejected and within the 5 day grace period
- This return is marked to be filed electronically
- This extension is marked to be filed electronically
- Preparer 'Ade Rogers, CPA'
- UltraTax CS client SAFA0052 matches Sch K1 TIN: 462-41-0052; a K1 package will print to FileCabinet CS
- UltraTax CS client SAFA8944 matches Sch K1 TIN: 616-50-8944; a K1 package will print to FileCabinet CS

Missing Data

	Prior Year Data
Income and Deductions	
<input type="checkbox"/> Salaries and wages	64,710
<input type="checkbox"/> Rents	8,500
<input type="checkbox"/> Other income	856
Balance Sheet, Page 2	
<input type="checkbox"/> Accounts payable	13,754
<input type="checkbox"/> Accumulated adjustments	-2,598,760
<input type="checkbox"/> Other adjustments	-1,188
<input type="checkbox"/> Retained earnings	-882,285
<input type="checkbox"/> Adjustment shareholder equity	-2,030,619

Form 1120S Return Summary

For calendar year 2016 or tax year beginning **ZIPZAP, INC**, ending **36-4592031**

Ordinary Business Income (Loss)

Total income	-39,724	
Total deductions	26,988	
Ordinary business income (loss)	-66,712	
Total S Corporation taxes		0

Schedule K, Line 18

Ordinary business income (loss)	-66,712	
Net rental real estate income (loss)		
Other net rental income (loss)		
Interest income		
Dividends		
Royalties		
Short-term capital gain (loss)		
Long-term capital gain (loss)		
Net Section 1231 gain (loss)		
Other income (loss)		
Section 179 deduction		
Contributions		
Investment interest expense		
Section 59(e)(2) expenditures		
Other deductions		
Foreign taxes paid or accrued		
Income (loss) reconciliation (Schedule K, Line 18)	-66,712	

Schedule L

	Prior Year		Current Year
Assets	83,959		32,742
Liabilities	83,959		32,742
Difference	0		0

Schedule M-1

Schedule M-1	-66,712
Schedule K, Line 18	-66,712
Difference	0

Retained Earnings

	Schedule L		Schedule M-2
AAA	-2,701,524		-2,701,524
OAA	-1,188		-1,188
UTI			
R.E. Unapprop	-329,269		-329,269
Total	-3,031,981		-3,031,981

Schedule M-3

Schedule M-3	
Schedule K, Line 18	
Difference	0

Total number of shareholders **2**
 Total ownership percentage **100.000000**

Rogers & Associates, CPA
1338 E Center Court Dr Ste 203
Covina, CA 91724-3681
626-480-1414

April 11, 2017

CONFIDENTIAL

ZIPZAP, INC
21 ORINDA WAY #C-260
ORINDA, CA 94563

Dear :

We have prepared the following returns from information provided by you without verification or audit:

U.S. Income Tax Return for an S Corporation (Form 1120S)
California S Corporation Franchise or Income Tax Return (Form 100S)

We suggest that you examine these returns carefully to fully acquaint yourself with all items contained therein to ensure that there are no omissions or misstatements. Attached are instructions for signing and filing each return. Please follow those instructions carefully.

Also enclosed is any material you furnished for use in preparing the returns. If the returns are examined, requests may be made for supporting documentation. Therefore, we recommend that you retain all pertinent records for at least seven years.

In order that we may properly advise you of tax considerations, please keep us informed of any significant changes in your financial affairs or of any correspondence received from taxing authorities.

If you have any questions, or if we can be of assistance in any way, please call.

Sincerely,

Rogers & Associates, CPA

**Rogers & Associates, CPA
1338 E Center Court Dr Ste 203
Covina, CA 91724-3681
626-480-1414**

April 11, 2017

CONFIDENTIAL

ZIPZAP, INC
21 ORINDA WAY #C-260
ORINDA, CA 94563

For professional services rendered in connection with the preparation of your 2016 corporate tax return:

Form 1120S (S Corporation Return)	\$	<u>2,000.00</u>
Amount due	\$	<u><u>2,000.00</u></u>

Filing Instructions

ZIPZAP, INC

Form 8879-S

U.S. S Corporation Income Tax Declaration for an IRS *e-file* Return with Electronic Filing Personal Identification Number

Taxable Year Ended December 31, 2016

Date Due: September 15, 2017

Remittance: None is required. No amount is due or overpaid.

Signature: You are using the Personal Identification Number (PIN) for signing your return electronically. Form 8879-S, IRS e-file Signature Authorization for Form 1120S should be signed and dated by an authorized officer of the corporation and returned to:

Rogers & Associates, CPA
1338 E Center Court Dr Ste 203
Covina, CA 91724-3681

***Important:* Your return will not be filed with the IRS until the signed Form 8879-S, IRS e-file Signature Authorization for Form 1120S has been received by this office.**

Other: Your return is being filed electronically with the IRS and is not required to be mailed. If you mail a paper copy of Form 1120S to the IRS it will delay processing of your return.

Form **8879-S**

IRS e-file Signature Authorization for Form 1120S

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service
Name of corporation

Don't send to the IRS. Keep for your records.
 Information about Form 8879-S and its instructions is at www.irs.gov/form8879s.
For calendar year 2016, or tax year beginning _____, and ending _____.

2016

Employer identification number
36-4592031

ZIPZAP, INC

Part I Tax Return Information (Whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1120S, line 1c)	1	14,427
2	Gross profit (Form 1120S, line 3)	2	-39,724
3	Ordinary business income (loss) (Form 1120S, line 21)	3	-66,712
4	Net rental real estate income (loss) (Form 1120S, Schedule K, line 2)	4	
5	Income (loss) reconciliation (Form 1120S, Schedule K, line 18)	5	-66,712

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2016 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize **Rogers & Associates, CPA** to enter my PIN **92031** as my signature on the corporation's 2016 electronically filed income tax return.
ERO firm name don't enter all zeros

As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2016 electronically filed income tax return.

Officer's signature **ALAN SAFAHI** Date **04/11/17** Title **CEO**

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. **96355063550**
don't enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2016 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature **Ade Rogers, CPA** Date **04/11/17**

**ERO Must Retain This Form — See Instructions
Don't Submit This Form to the IRS Unless Requested To Do So**

Form **1120S**

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

2016

Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

For calendar year 2016 or tax year beginning _____, ending _____

A S election effective date 08/12/06	TYPE OR PRINT	Name ZIPZAP, INC	D Employer identification number 36-4592031
B Business activity code number (see instructions) 522298		Number, street, and room or suite no. If a P.O. box, see instructions. 21 ORINDA WAY #C-260	E Date incorporated 06/01/2006
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code ORINDA CA 94563	F Total assets (see instructions) \$ 32,742

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year _____ **2**

Caution. Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a	Gross receipts or sales	1a	14,427	
	1b	Returns and allowances	1b		
	1c	Balance. Subtract line 1b from line 1a	1c		14,427
	2	Cost of goods sold (attach Form 1125-A)	2		54,151
	3	Gross profit. Subtract line 2 from line 1c	3		-39,724
	4	Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4		
Deductions <small>(see instructions for limitations)</small>	5	Other income (loss) (see instructions—attach statement)	5	See Stmt 1	0
	6	Total income (loss). Add lines 3 through 5	6		-39,724
	7	Compensation of officers (see instructions—attach Form 1125-E)	7		
	8	Salaries and wages (less employment credits)	8		
	9	Repairs and maintenance	9		
	10	Bad debts	10		
	11	Rents	11		
	12	Taxes and licenses	12		
	13	Interest	13		
	14	Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14		
Tax and Payments	15	Depletion (Do not deduct oil and gas depletion.)	15		
	16	Advertising	16		93
	17	Pension, profit-sharing, etc., plans	17		
	18	Employee benefit programs	18		
	19	Other deductions (attach statement)	19	See Stmt 2	26,895
	20	Total deductions. Add lines 7 through 19	20		26,988
	21	Ordinary business income (loss). Subtract line 20 from line 6	21		-66,712
	22a	Excess net passive income or LIFO recapture tax (see instructions)	22a		
	22b	Tax from Schedule D (Form 1120S)	22b		
	22c	Add lines 22a and 22b (see instructions for additional taxes)	22c		
Sign Here	23a	2016 estimated tax payments and 2015 overpayment credited to 2016	23a		
	23b	Tax deposited with Form 7004	23b		
	23c	Credit for federal tax paid on fuels (attach Form 4136)	23c		
	23d	Add lines 23a through 23c	23d		
	24	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	24		
	25	Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25		
	26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26		
27	Enter amount from line 26 Credited to 2017 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	27			

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Sign Here	Signature of officer ALAN SAFAHI	Date	Title CEO	
Paid Preparer Use Only	Print/Type preparer's name Ade Rogers, CPA	Preparer's signature Ade Rogers, CPA	Date 04/11/17	Check <input type="checkbox"/> if self-employed PTIN P00282924
	Firm's name <input type="checkbox"/> Rogers & Associates, CPA	Firm's EIN <input type="checkbox"/> 46-5119147		
	Firm's address <input type="checkbox"/> 1338 E Center Court Dr Ste 203 Covina, CA 91724-3681	Phone no. 626-480-1414		

Schedule K Shareholders' Pro Rata Share Items

		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	-66,712
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Interest income	4	
	5 Dividends: a Ordinary dividends	5a	
	b Qualified dividends	5b	
	6 Royalties	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
Deductions	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
	b Collectibles (28%) gain (loss)	8b	
	c Unrecaptured section 1250 gain (attach statement)	8c	
	9 Net section 1231 gain (loss) (attach Form 4797)	9	
10 Other income (loss) (see instructions)	10		
Credits	11 Section 179 deduction (attach Form 4562)	11	
	12a Charitable contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type <input type="checkbox"/> (2) Amount <input type="checkbox"/>	12c(2)	
Foreign Transactions	d Other deductions (see instructions)	12d	
	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	
	d Other rental real estate credits (see instructions) Type <input type="checkbox"/>	13d	
	e Other rental credits (see instructions) Type <input type="checkbox"/>	13e	
	f Biofuel producer credit (attach Form 6478)	13f	
g Other credits (see instructions) Type <input type="checkbox"/>	13g		
Alternative Minimum Tax (AMT) Items	14a Name of country or U.S. possession <input type="checkbox"/>		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level		
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement)	14f	
	Deductions allocated and apportioned at shareholder level		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income		
i Passive category	14i		
j General category	14j		
k Other (attach statement)	14k		
Other information			
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l		
m Reduction in taxes available for credit (attach statement)	14m		
n Other foreign tax information (attach statement)			
Items Affecting Shareholder Basis	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties – gross income	15d	
	e Oil, gas, and geothermal properties – deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Distributions (attach statement if required) (see instructions)	16d	
	e Repayment of loans from shareholders	16e	

Schedule K Shareholders' Pro Rata Share Items (continued)		Total amount	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	18	-66,712

	Schedule L Balance Sheets per Books			
	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		57,392		6,175
2a Trade notes and accounts receivable	2,952		2,952	
b Less allowance for bad debts	()	2,952	()	2,952
3 Inventories		23,615		23,615
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement) Stmt 3				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)				
10a Buildings and other depreciable assets				
b Less accumulated depreciation	()		()	
11a Depletable assets				
b Less accumulated depletion	()		()	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
14 Other assets (attach statement)				
15 Total assets		83,959		32,742
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach statement) Stmt 4		2,325,048		2,325,048
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		538,546		606,046
21 Other liabilities (attach statement)				
22 Capital stock		133,269		133,629
23 Additional paid-in capital				
24 Retained earnings		-882,285		-3,031,981
25 Adjustments to shareholders' equity (attach statement) Stmt 5		-2,030,619		
26 Less cost of treasury stock	()		()	
27 Total liabilities and shareholders' equity		83,959		32,742

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The corporation may be required to file Schedule M-3 (see instructions)

1 Net income (loss) per books	-66,712	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize)		a Tax-exempt interest \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14I (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14I, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$		7 Add lines 5 and 6	
4 Add lines 1 through 3	-66,712	8 Income (loss) (Schedule K, line 18). Line 4 less line 7	-66,712

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	-2,634,812	-1,188	
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Loss from page 1, line 21	66,712		
5 Other reductions			
6 Combine lines 1 through 5	-2,701,524	-1,188	
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	-2,701,524	-1,188	

Form **1125-A**

(Rev. October 2016)
 Department of the Treasury
 Internal Revenue Service

Cost of Goods Sold

OMB No. 1545-0123

☐ **Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.**
 ☐ **Information about Form 1125-A and its instructions is at www.irs.gov/form1125a.**

Name: **ZIPZAP, INC** Employer identification number: **36-4592031**

1	Inventory at beginning of year	1	23,615
2	Purchases	2	53,751
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) Stmt 6	5	400
6	Total. Add lines 1 through 5	6	77,766
7	Inventory at end of year	7	23,615
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	54,151

- 9a Check all methods used for valuing closing inventory:
- (i) Cost
 - (ii) Lower of cost or market
 - (iii) Other (Specify method used and attach explanation.) ☐
- b Check if there was a writedown of subnormal goods ☐
- c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐
- d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO **9d** ☐
- e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions ☐ Yes No
- f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes No

For Paperwork Reduction Act Notice, see instructions.

Form **1125-A** (Rev. 10-2016)

Final K-1 Amended K-1

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

2016

For calendar year 2016, or tax
year beginning _____
ending _____

**Shareholder's Share of Income, Deductions,
Credits, etc.** See back of form and separate instructions.

Part I Information About the Corporation		Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items		
A Corporation's employer identification number 36-4592031	1 Ordinary business income (loss) <div style="text-align: right; font-weight: bold;">-63,376</div>	13	Credits	
B Corporation's name, address, city, state, and ZIP code ZIPZAP, INC 21 ORINDA WAY #C-260 ORINDA CA 94563	2 Net rental real estate income (loss)			
C IRS Center where corporation filed return e-file	3 Other net rental income (loss)			
Part II Information About the Shareholder	4 Interest income			
D Shareholder's identifying number 462-41-0052	5a Ordinary dividends			
E Shareholder's name, address, city, state, and ZIP code ALAN SAFAHI 58 PERSIMMON WALK ORINDA CA 94563	5b Qualified dividends	14	Foreign transactions	
F Shareholder's percentage of stock ownership for tax year 95.000000 %	6 Royalties			
For IRS Use Only	7 Net short-term capital gain (loss)			
	8a Net long-term capital gain (loss)			
	8b Collectibles (28%) gain (loss)			
	8c Unrecaptured section 1250 gain			
	9 Net section 1231 gain (loss)			
	10 Other income (loss)	15	Alternative minimum tax (AMT) items	
	11 Section 179 deduction	16	Items affecting shareholder basis	
	12 Other deductions			
			17	Other information
* See attached statement for additional information.				

Final K-1 Amended K-1

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

2016

For calendar year 2016, or tax
year beginning _____
ending _____

**Shareholder's Share of Income, Deductions,
Credits, etc.** See back of form and separate instructions.

Part I Information About the Corporation		Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items		
A Corporation's employer identification number 36-4592031		1 Ordinary business income (loss) -3,336	13 Credits	
B Corporation's name, address, city, state, and ZIP code ZIPZAP, INC 21 ORINDA WAY #C-260 ORINDA CA 94563		2 Net rental real estate income (loss)		
C IRS Center where corporation filed return e-file		3 Other net rental income (loss)		
Part II Information About the Shareholder		4 Interest income		
D Shareholder's identifying number 616-50-8944		5a Ordinary dividends		
E Shareholder's name, address, city, state, and ZIP code SEAN SAFAHI 7584 E. MARTELLA LN ANAHEIM CA 92808		5b Qualified dividends	14 Foreign transactions	
F Shareholder's percentage of stock ownership for tax year 5.000000 %		6 Royalties		
For IRS Use Only		7 Net short-term capital gain (loss)		
		8a Net long-term capital gain (loss)		
		8b Collectibles (28%) gain (loss)		
		8c Unrecaptured section 1250 gain		
		9 Net section 1231 gain (loss)		
		10 Other income (loss)	15 Alternative minimum tax (AMT) items	
		11 Section 179 deduction	16 Items affecting shareholder basis	
		12 Other deductions		
			17 Other information	
	* See attached statement for additional information.			

Federal Statements

Statement 1 - Form 1120S, Page 1, Line 5 - Other Income (Loss)

Description	Amount
WEB HOSTING	\$
Total	\$ 0

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

Description	Amount
BANK SERVICE CHARGE	\$
DUES & SUBSCRIPTION	
COMPUTER AND INTERNET	
CREDIT CARD PROCESSING	
MERCHANT CARD PROCESSING	
PAYMENT PROCESSING	
SHIPPING	473
Telephone/TELECOM	445
ONLINE SERVICES	
OFFICE SUPPLIES	
EQUIPMENT LEASE	
ENGINEERING DEV/CLOUD COMPUTI	
TRAVEL	4,705
PROFESSIONAL SERVICES	1,381
OUTSIDE SERVICES	11,923
DEPRECIATION	
MISCELLANEOUS	767
OFFICE EXPENSE	
REFERRAL FEES	
IMPLEMENTATION FEES	
NETWORK	5,913
BANK FEES	750
CONSULTING	
SOFTWARE DEV AMORT	
Security VERIFICATION	538
ADP PAYROLL FEES	
EMPLOYEE BENEFIT	
GENERAL & ADMINISTRATIVE	
DUPLICATING	
Total	\$ 26,895

Statement 3 - Form 1120S, Page 4, Schedule L, Line 6 - Other Current Assets

Description	Beginning of Year	End of Year
PREPAID EXPENSES	\$	\$
Total	\$ 0	\$ 0

Federal Statements

Statement 4 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities

Description	Beginning of Year	End of Year
ACCRUED EXPENSES	\$ 165,548	\$ 165,548
NOTES PAYABLE-OTHER	2,159,500	2,159,500
Total	\$ 2,325,048	\$ 2,325,048

Statement 5 - Form 1120S, Page 4, Schedule L, Line 25 - Adjustments to Shareholders' Equity

Description	Beginning of Year	End of Year
Adjustments to Shr Equity	\$ -2,030,619	\$ _____
Total	\$ -2,030,619	\$ _____ 0

Federal Statements

Statement 6 - Form 1125-A, Line 5 - Other Costs

<u>Description</u>	<u>Amount</u>
CARD COSTS	\$
REFUND	<u>400</u>
Total	<u>\$ 400</u>

Form 1120S	Schedule K-1 Summary Worksheet	2016
-------------------	---------------------------------------	-------------

Name ZIPZAP, INC	Employer Identification Number 36-4592031
----------------------------	---

	Shareholder Name	SSN/EIN
Column A	ALAN SAFAHI	462-41-0052
Column B	SEAN SAFAHI	616-50-8944
Column C		
Column D		

Schedule K Items	Column A	Column B	Column C	Column D	Sch K Total
1 Ordinary income	-63,376	-3,336			-66,712
2 Net rental RE inc					
3c Net other rental inc					
4 Interest income					
5a Ordinary dividends					
5b Qualified dividends					
6 Royalties					
7 Net ST capital gain					
8a Net LT capital gain					
8b Collectibles 28% gain					
8c Unrecap Sec 1250					
9 Net Sec 1231 gain					
10 Other income (loss)					
11 Sec 179 deduction					
12a Contributions					
12b Invest interest exp					
12c Sec 59(e)(2) exp					
12d Other deductions					
13a Low-inc house 42j5					
13b Low-inc house other					
13c Qualif rehab exp					
13d Rental RE credits					
13e Other rental credits					
13f Biofuel credit					
13g Other credits					
14b Gross inc all src					
14d-f Total foreign inc					
14g-k Total foreign deds					
14l Total foreign taxes					
14m Reduct in taxes					
15a Depr adjustment					
15b Adjusted gain (loss)					
15c Depletion					
15d Inc-oil/gas/geoth					
15e Ded-oil/gas/geoth					
15f Other AMT items					
16a Tax-exempt interest					
16b Other tax-exempt					
16c Nonded expense					
16d Distributions					
16e Shr loan reprints					
17a Investment income					
17b Investment expense					
18 Income (loss)	-63,376	-3,336			-66,712

Form 1120S	Retained Earnings Reconciliation Worksheet	2016
For calendar year 2016 or tax year beginning _____, ending _____		
Name ZIPZAP, INC		Employer Identification Number 36-4592031

Schedule L - Retained Earnings

Retained Earnings - Unappropriated	<u>-329,269</u>
Accumulated Adjustments Account	<u>-2,701,524</u>
Other Adjustments Account	<u>-1,188</u>
Undistributed Previously Taxed Income	<u>0</u>
 Schedule L, Line 24 - Retained Earnings	 <u><u>-3,031,981</u></u>

Schedule M-2 - Retained Earnings

	Accumulated Adjustments Account	Other Adjustments Account	Undistributed Previously Taxed Income	Retained Earnings Unappropriated/ Timing Differences	Total Retained Earnings
Beg Yr Bal	<u>-2,634,812</u>	<u>-1,188</u>	<u>0</u>	<u>1,753,715</u>	<u>-882,285</u>
Ordinary Inc (Loss)	<u>-66,712</u>				<u>-66,712</u>
Other Additions					
Other Reductions				<u>2,082,984</u>	<u>2,082,984</u>
Distributions					
End Yr Bal	<u><u>-2,701,524</u></u>	<u><u>-1,188</u></u>	<u><u>0</u></u>	<u><u>-329,269</u></u>	<u><u>-3,031,981</u></u>

Form 1120S		Two Year Comparison Worksheet Page 1		2015 & 2016
Name ZIPZAP, INC			Employer Identification Number 36-4592031	
Income	Gross profit percentage	2015 92,9379	2016 -275,3448	Differences -368,2827
	Net receipts	145,226	14,427	-130,799
	Cost of goods sold	10,256	54,151	43,895
	Gross profit	134,970	-39,724	-174,694
	Net gain (loss) from Form 4797			
	Other income (loss)	856		-856
	Total income (loss)	135,826	-39,724	-175,550
Deductions	Compensation of officers	64,710		-64,710
	Salaries and wages less employment credits			
	Repairs and maintenance			
	Bad debts			
	Rents	8,500		-8,500
	Taxes and licenses			
	Interest			
	Depreciation			
	Depletion			
	Advertising	2,541	93	-2,448
	Pension, profit-sharing, etc., plans			
Employee benefit programs				
Other deductions	96,127	26,895	-69,232	
Total deductions	171,878	26,988	-144,890	
Ordinary business income (loss)	-36,052	-66,712	-30,660	
Tax and Payments	Excess net passive income or LIFO recapture tax			
	Tax from Schedule D			
	Total tax	0	0	0
	Estimated tax and prior year overpayment credited			
	Tax deposited with Form 7004			
	Credit for federal tax paid on fuels			
	Refund applied for on Form 4466	()	()	
	Total payments and credits			
	Tax due (overpayment)	0	0	0
	Estimated tax penalty from Form 2220			
Penalties and interest				
Net tax due (overpayment)	0	0	0	
Overpayment credited to next year's estimated tax				
Overpayment refunded				

Form 1120S	Two Year Comparison Worksheet Page 2	2015 & 2016
-------------------	---	------------------------

Name ZIPZAP, INC	Employer Identification Number 36-4592031
----------------------------	---

		2015	2016	Differences
Income (Loss)	Ordinary business income (loss)	-36,052	-66,712	-30,660
	Net rental real estate income (loss)			
	Other net rental income (loss)			
	Interest income			
	Dividends			
	Royalties			
	Net short-term capital gain (loss)			
	Net long-term capital gain (loss)			
	Net Section 1231 gain (loss)			
Other income (loss)				
Deductions	Section 179 deduction			
	Charitable contributions			
	Investment interest expense			
	Section 59(e)(2) expenditures			
	Other deductions			
Credits	Low-income housing credit (Section 42(j)(5))			
	Low-income housing credit (other)			
	Qualified rehabilitation expenditures (rental real estate)			
	Other rental real estate credits			
	Other rental credits			
	Biofuel producer credit			
Other credits				
Foreign Transactions	Total foreign gross income			
	Total foreign deductions			
	Total foreign taxes			
	Reduction in taxes available for credit			
AMT Items	Post-1986 depreciation adjustment			
	Adjusted gain or loss			
	Depletion (other than oil and gas)			
	Oil, gas, and geothermal properties-gross income			
	Oil, gas, and geothermal properties-deductions			
Other AMT items				
Items Affecting S/H Basis	Tax-exempt interest income			
	Other tax-exempt income			
	Nondeductible expenses			
	Distributions			
Repayment of loans from shareholders	35,000		-35,000	
Other Information	Investment income			
	Investment expenses			
	Dividend distributions paid from accumulated E&P			
	Income (loss) (if Schedule M-1 is required)	-36,052	-66,712	-30,660

Form 1120S	Two Year Comparison Worksheet Page 3	2015 & 2016
-------------------	---	------------------------

Name ZIPZAP, INC	Employer Identification Number 36-4592031
----------------------------	---

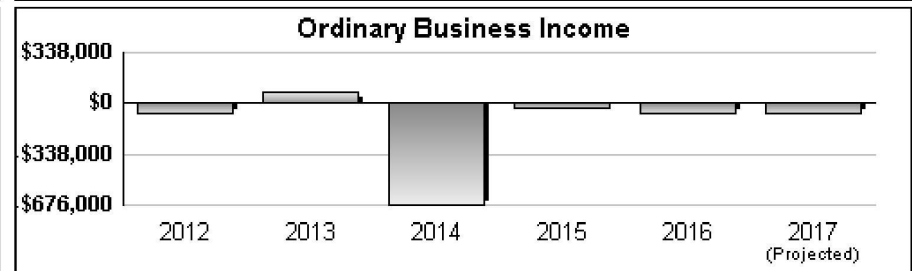
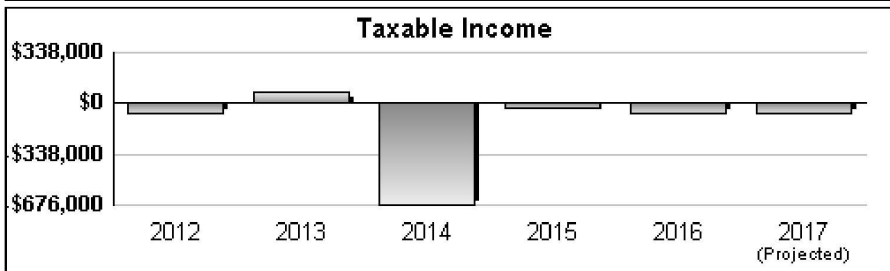
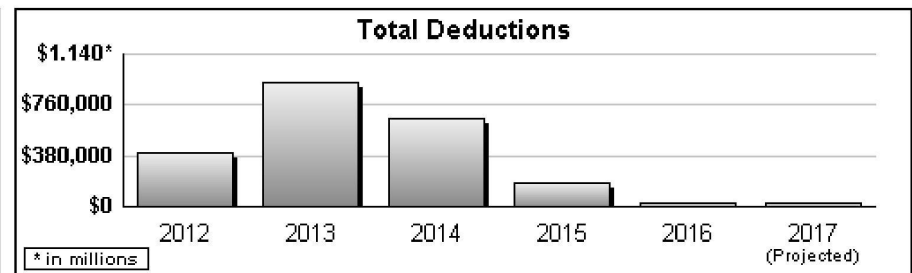
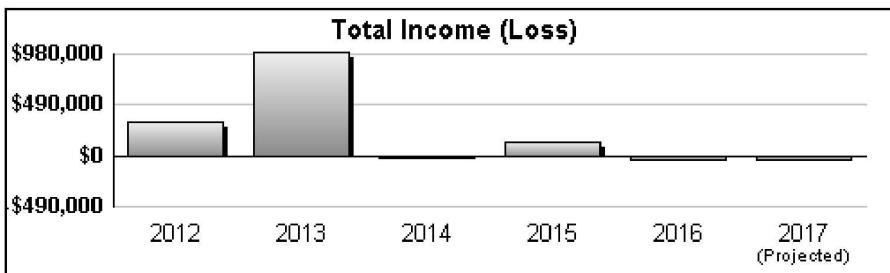
		2015	2016	Differences
Schedule L	Beginning assets	134,144	83,959	-50,185
	Beginning liabilities and equity	134,144	83,959	-50,185
	Ending assets	83,959	32,742	-51,217
	Ending liabilities and equity	83,959	32,742	-51,217
Schedule M-1	Net income (loss) per books	-36,052	-66,712	-30,660
	Taxable income not on books			
	Book expenses not deducted			
	Income on books not on return			
	Return deductions not on books			
	Income (loss) per return	-36,052	-66,712	-30,660
Schedule M-2 AAA	Balance at beginning of year	-2,598,760	-2,634,812	-36,052
	Ordinary income (loss) from page 1	-36,052	-66,712	-30,660
	Other additions			
	Other reductions			
	Distributions other than dividend distributions			
Balance at end of year	-2,634,812	-2,701,524	-66,712	
Schedule M-2 OAA	Balance at beginning of year	-1,188	-1,188	
	Other additions			
	Other reductions			
	Distributions other than dividend distributions			
Balance at end of year	-1,188	-1,188		
Schedule M-2 PTI	Balance at beginning of year			
	Distributions other than dividend distributions			
	Balance at end of year			
Schedule M-3	Total income (loss) items:			
	Income (loss) per income statement			
	Temporary difference			
	Permanent difference			
	Income (loss) per tax return			
	Total expense/deduction items:			
	Expense per income statement			
	Temporary difference			
	Permanent difference			
	Deduction per tax return			
	Other items with no differences:			
	Income (loss) per income statement			
	Income (loss) per tax return			
	Reconciliation totals:			
	Income (loss) per income statement			
	Temporary difference			
Permanent difference				
Income (loss) per tax return				

Form **1120S** | Tax Return History Report Page 1 | **2016**

Name
ZIPZAP, INC

Employer Identification Number
36-4592031

	2012	2013	2014	2015	2016	2017 Projected
Net receipts	326,809	1,213,421	1,135,000	145,226	14,427	14,427
Cost of goods sold		215,448	1,154,609	10,256	54,151	54,151
Gross profit	326,809	997,973	-19,609	134,970	-39,724	-39,724
Gross profit percentage	100.0000	82.2446	-1.7277	92.9379	-275.3448	-275.3448
Other income (loss)				856		
Total income (loss)	326,809	997,973	-19,609	135,826	-39,724	-39,724
Officer compensation						
Salaries and wages	144,880	157,335	161,078	64,710		
Bad debts						
Taxes and licenses		1,955				
Interest						
Depreciation						
Depletion (other than oil and gas)						
Pension and employee benefits						
Other deductions	252,505	761,652	495,388	107,168	26,988	26,988
Total deductions	397,385	920,942	656,466	171,878	26,988	26,988
Ordinary business income (loss)	-70,576	77,031	-676,075	-36,052	-66,712	-66,712

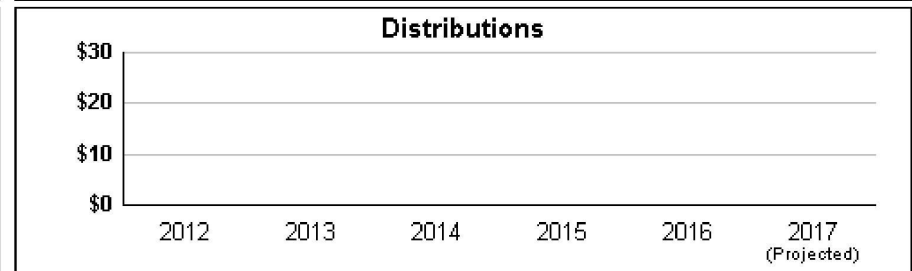
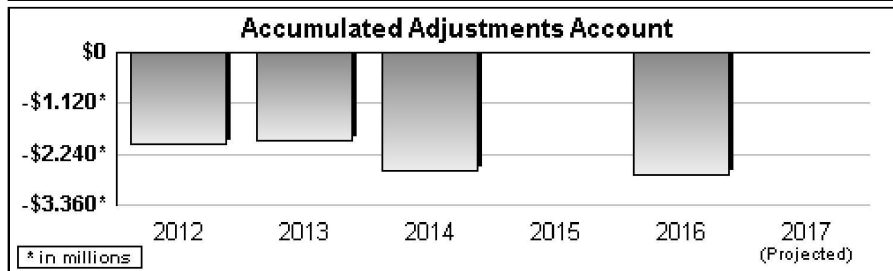
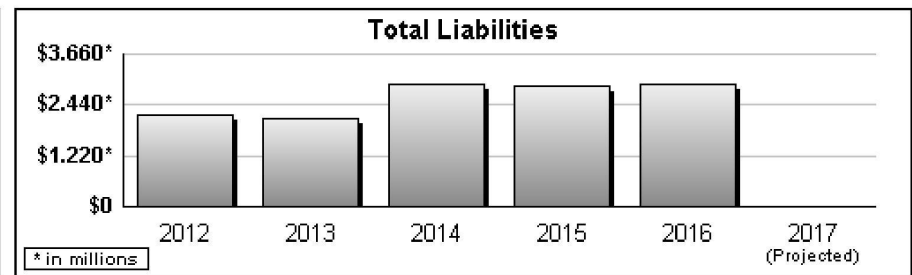
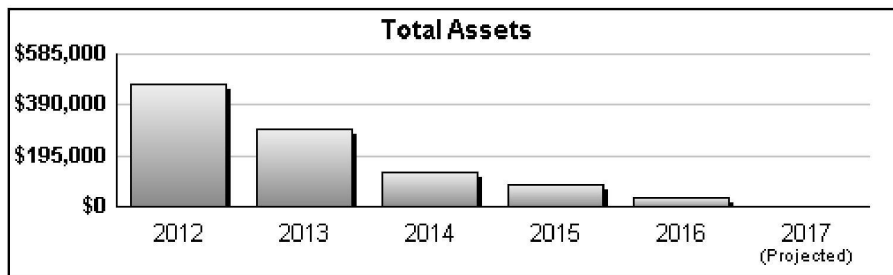


Form **1120S** Tax Return History Report Page 2 **2016**

Name
ZIPZAP, INC

Employer Identification Number
36-4592031

	2012	2013	2014	2015	2016	2017 Projected
Ordinary business income (loss)	-70,576	77,031	-676,075	-36,052	-66,712	-66,712
Total rental income (loss)						
Interest, dividends and royalties						
Total capital gain (loss)						
Section 1231 gain (loss)						
Other income (loss)						
Section 179 deduction						
Charitable contributions						
Other deductions						
Total foreign taxes						
S Corporation taxable income (loss)	-70,576	77,031	-676,075	-36,052	-66,712	-66,712
Total assets	468,543	295,443	134,144	83,959	32,742	
Total liabilities	2,179,665	2,104,579	2,912,348	2,863,594	2,931,094	
Net equity	-1,711,122	-1,809,136	-2,778,204	-2,779,635	-2,898,352	
S Corporation book income (loss)	-70,576	77,031	-676,075	-36,052	-66,712	
Accumulated adjustments account	-1,999,716	-1,922,685	-2,598,760		-2,701,524	
Retained earnings unappropriated	-81,787	-81,787	-81,787	-882,285	-329,269	
Distributions from S Corporation earnings						
Dividend distributions						



Form 1120S Schedule K-1	Shareholder's Basis Worksheet Page 2	2016
For calendar year 2016 or tax year beginning _____, ending _____		

Name ZIPZAP, INC ALAN SAFAHI	Taxpayer Identification Number 36-4592031 462-41-0052
--	---

Loss Allocated to Stock and Loan Basis

	Suspended Losses	Current Year Loss	Total Loss	Percent	Allowed Stock Loss	Disallowed Loss	Percent	Allowed Loan Loss	Loss to Carryforward	Total Allowed Loss
Nondeductible noncap expenses										
Deductible items:										
Ordinary business loss		63,376	63,376	100.00		63,376	100.00	63,376		63,376
Net rental real estate loss										
Other net rental loss										
Short-term capital loss										
Long-term capital loss										
Net Section 1231 loss										
Other portfolio loss										
Other losses										
Section 179 expense										
Cash contributions (50%)										
Cash contributions (30%)										
Noncash contributions (50%)										
Qual conserv contrib (50%)										
Noncash contributions (30%)										
Cap gain prop 50% org (30%)										
Cap gain prop (20%)										
Qual conserv contrib (100%)										
Portfolio deductions (2% floor)										
Portfolio deductions (other)										
Investment interest expense										
Deductions-royalty income										
Section 59(e)(2) expend										
Preproductive period exp										
Commercial revitalization ded										
Reforestation expense ded										
Other deductions										
Foreign taxes										
Loss on disposal of 179 assets										
Total deductible items		63,376	63,376	100.00		63,376	100.00	63,376		63,376
Total nonded and deductible items		63,376	63,376			63,376		63,376		63,376

Note to shareholder: This worksheet was prepared based on corporation records. Please consult with your tax advisor for adjustments.

Federal Statements

Form 1120S, Page 1, Line 12 - Taxes and Licenses

Description	Amount
Other Taxes and Licenses	\$
Employer Taxes	\$
Total	\$ 0

Form 1120S, Page 4, Schedule L, Line 2a - Trade Notes and Accounts Receivable

Description	Beginning of Year	End of Year
ACCOUNTS RECEIVABLE	\$ 2,952	\$ 2,952
Total	\$ 2,952	\$ 2,952

Form 1120S, Page 4, Schedule L, Line 3 - Inventories

Description	Beginning of Year	End of Year
Total	\$ 23,615	\$ 23,615

Form 1120S, Page 4, Schedule L, Line 20 - Mortgages, Notes, Bonds Payable in One Year or More

Description	Beginning of Year	End of Year
NOTE PAYABLE-NON CURRENT	\$ 538,546	\$ 606,046
Total	\$ 538,546	\$ 606,046