

NOTE 10 - CONRONAVIRUS (COVID-19) PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread worldwide and is impacting the State of California, where the Company operates.

On March 4, 2020, the Governor of the State of California declared a State of Emergency. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. On March 13, the President of the United States declared a national emergency. Finally, on March 19, 2020, the Governor of the State of California ordered “all individuals living in the State of California to stay home...except as needed to maintain continuity of operations of the federal critical infrastructure sectors.” The Company’s business is included within the definition of a federal critical infrastructure sector business and has been able to maintain its operations through the coronavirus pandemic.

Short-term and long-term potential impacts to the Company have not been determined, but may include access to labor, materials, and capital, or even its ability to operate by matter of law. Management’s knowledge and awareness of the situation is changing on a daily basis and the financial statements do not reflect any negative outcome or impairment, as management has not been able to determine any such outcome or impairment to the Company as of the date of issuance of the financial statements. The financial statements of the Company are based on contracted revenues and cost estimates, among many other estimates. The Company has not assessed any impact to its contracts, nor determined any change in estimated total costs as a result of the pandemic. The Company has not included any contingencies in the financial statements specific to the coronavirus pandemic.