THE CHRON ORGANIZATION, INC.

FINANCIAL STATEMENTS AND NOTES
Prescribed by Pink OTC Markets for Alternative Reporting
(Unaudited)

For the Three Months Ended March 31, 2016

Trading Symbol: CHRO

Nevada	20-8881686
State or other jurisdiction of incorporation or organization	I.R.S. Employer Identification No.

[5851 Legacy Circle, Suite 600, Plano TX 75024]

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(972) 900-2870

THE CHRON ORGANIZATION, INC.

FINANCIAL STATEMENTS
(Unaudited)

For the Three Months Ended March 31, 2016

Table of Contents

Financial Statements

- Balance Sheet 3
- Statement of Operations 4
- Statement of Change in Members' Capital 5
- Statement of Cash Flows 6

Notes to Financial Statements 7

THE CHRON ORGANIZATION, INC.
BALANCE SHEET
March 31, 2016
(Unaudited)

	December 31, 2015 (Restated)	March 31, 2016
ASSETS		
Current Assets		
Cash	$ —	$ 121,719
Subscription Receivable	—	12,000
TOTAL ASSETS	$ —	$ 133,719
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	$ —	$ 57,635
Payroll Liability	21,980	21,980
Accrued Interest	4,624	7,990
Convertible Promissory Notes	185,500	247,500
Debt Discount	(95,186)	(116,521)
Beneficial Conversion Feature - Warrants	(25,391)	(37,340)
Contingent Liability	61,600	51,600
Total Current Liabilities	153,127	232,844
Total Liabilities	153,127	232,844
Equity		
Class A Common stock par value $.001, 1,000,000,000 shares authorized, 540,552,127 and 563,052,127, respectively issued and outstanding	540,552	563,052
Class B Common stock par value $.001, 10,000,000 shares authorized, 0 and 4,000,000, issued and outstanding respectively		4,000
Preferred Stock par value $0.001, 500,000,000 authorized, none issued	—	—
Additional Paid-in Capital (Deficit)	(250,072)	(52,785)
Accumulated Deficit	(443,607)	(613,392)
Total Equity	(153,127)	(99,125)
TOTAL LIABILITIES & EQUITY	$ —	$ 133,719

THE CHRON ORGANIZATION, INC.
STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 2016
(Unaudited)

	Year Ended December 31, 2015 (Restated)	Three Months Ended March 31, 2016
Continuing Operations		
Revenue	$ —	$ —
Operating Expenses		
SG&A	131,000	137,916
Total Expense	131,000	137,916
Net Ordinary Loss	(131,000)	(137,916)
Other (Expense) Income		
Interest Expense	(69,787)	(31,869)
Loss From Continued Operations	(200,787)	(169,785)
Discontinued Operations		
Ordinary Income/Expense		
Income		
Sales	479,910	—
Cost of Goods Sold	14,800	—
Gross Profit	465,110	—
Expense		
SG&A	460,429	—
Depreciation	136,051	—
Total Expense	596,480	—
Loss From Discontinued Operations	(131,371)	—
Net Loss	$ (332,158)	$ (169,785)
Per share information:		
Basic and diluted losses per common share	$ (0.00)	$ (0.00)
Weighted average shares outstanding	450,291,110	546,074,105

THE CHRON ORGANIZATION, INC.
STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
March 31, 2016
(Unaudited)

	Class A Common Stock		Class B Common Stock		Accumulated	Additional Paid-in	
	Shares	Amount	Shares	Amount	Deficit	Capital	Total
December 31, 2014	142,368,027	$ 142,368	—	$ —	$ (111,449)	$ (130,266)	$ (99,347)
Net Loss	—	—	—	—	(332,158)	—	(332,158)
Beneficial Conversion Feature	—	—	—	—	—	185,740	185,740
Stock Issued	398,184,100	398,184	—	—	—	(305,546)	92,638
December 31, 2015 (Restated)	540,552,127	$ 540,552	—	$ —	$ (443,607)	$ (250,072)	$ (153,127)
Net Loss	—	—	—	—	(169,785)	—	(169,785)
Beneficial Conversion Feature	—	—	—	—	—	61,787	61,787
Stock Issued	22,500,000	22,500	4,000,000	4,000	—	135,500	162,000
March 31, 2016	563,052,127	$ 563,052	4,000,000	$ 4,000	$ (613,392)	$ (52,785)	$ (99,125)

THE CHRON ORGANIZATION INC.
STATEMENTS OF CASH FLOWS
March 31, 2016
(Unaudited)

	Year Ended December 31, 2015 (Restated)	Three Months Ended March 31, 2016
OPERATING ACTIVITIES		
Net Loss	$ (332,158)	$ (169,785)
Adjustments to reconcile net loss to net		
Cash used in operating activities		
Depreciation	136,051	—
Amortization of debt discount	65,163	28,503
Changes in operating assets and liabilities		
Increase in accounts payable	—	57,635
Increase in payroll liabilities	21,980	—
Increase in accrued interest	4,624	3,366
Decrease in other liabilities	—	(10,000)
Net cash used in operating activities	(104,339)	(90,281)
INVESTING ACTIVITIES		
Shareholder distribution	(27,794)	—
Net cash used in investing activities	(27,794)	—
FINANCING ACTIVITIES		
Proceeds from issuance of stock		150,000
Proceeds from convertible debt	131,000	62,000
Net cash provided by financing activities	131,000	212,000
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	$ 1,133	$ —
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ —	$ 121,719

THE CHRON ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

1. Organization – Nature of Operations

The Chron Organization, Inc. (the "Company" or "CHRO") was incorporated under the laws of the State of Nevada on July 28, 1999. On March 24, 2016 FINRA (Financial Industry Regulatory Authority, Inc.) approved the name and CUSIP change to The Chron Organization, Inc. (OTC PINK: CHRO. Inc.). The Company amended its Articles of Incorporation to change its name to "The Chron Organization, Inc.", to reflect the change in direction of the Company's business to smart home technologies and the next generation in energy utility services.

While the FINRA-registered name prior to March 24, 2016 and other registrations may imply and continue to imply an association with the Restaurant Industry, the Company has no plans or intentions to develop any business within that Industry. Further, the entirety of the management team formally associated with the Restaurant Industry have resigned and new management has been brought in to transition the Company into a different Industry entirely.

The Company intends to provide home automation and energy conservation services to home owners. The services will include but are not limited to security, monitoring, and automation control that will enable the customer base to run a safe and efficient home. In addition to these services the Company will also provide electricity needs to its customer base through its retail electricity provider division.

2. Summary of Significant Accounting Policies

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting periods. Key estimates in the accompanying financial statements include, among others, revenue recognition, allowances for doubtful accounts, valuation of long-lived assets, and deferred income tax asset valuation allowances.

The financial statements are unaudited and are presented on the basis of the Company's ability to continue as a going concern. Other than continued current involvement, all references to financial transactions prior to December 31, 2015 have been reclassified as discontinued operations in these financial statements. See further information in footnote 8. *Discontinued Operations*.

Cash Equivalents – The Company considers all highly-liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. There were no cash equivalents on-hand at December 31, 2015 or March 31, 2016.

Fair Value of Financial Instruments - The Company calculates the fair value of its assets and liabilities which qualify as financial instruments and includes this information in the notes to consolidated financial statements when the fair value is different than the carrying value of those financial instruments. The estimated fair value of accounts receivable, prepaid and other current assets, and accounts payable and accrued expenses approximate the carrying amounts due to the relatively short maturity of these instruments. As stated above, the Company has discontinued its restaurant activities and as such has determined that the restaurant related assets have no future value and therefore have been written off at December 31, 2015. The carrying value of short- and long-term debt also approximates fair value since these instruments bear market rates of interest. None of these instruments are held for trading purposes.

3. Going Concern

The Company's financial statements for the year ended March 31, 2016 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company reported a net loss of $169,785 for the three months ended March 31, 2016, and an accumulated deficit of $613,392 at March 31, 2016. At March 31, 2016, the Company had a working capital deficit of $111,125.

The Company's ability to continue as a going concern may be dependent on the success of management's plan. The financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

During the 2016 fiscal year, the Company intends to continue its efforts to raise funds to support its efforts through the sale of equity and/or debt securities. Subsequent to March 31, 2016, the Company raised $450,000 from sales of its common stock. See further information in footnote 9. *Subsequent Events*.

To the extent the Company's operations are not sufficient to fund the Company's capital requirements, the Company may attempt to enter into a revolving loan agreement with financial institutions or attempt to raise capital through the sale of additional capital stock or through the issuance of debt. At the present time, the Company does not have a revolving loan agreement with any financial institution.

4. Restatement of Prior Period Financial Statements

The financial statements for the year ended "December 31, 2015 (restated)" contained herein reflect the amended and restated financial statements of the Company as a result of errors made by the Company's prior management team, which is determined to be material. The restatement corrects convertible promissory notes, accrued interest, related beneficial conversion features, and contingent liability errors relating to the year ended December 31, 2015.

The change in balance errors are reflected as follows:

	December 31, 2015 (Restated)	December 31, 2015 (Previously Stated)
TOTAL ASSETS	$ —	$ —
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Payroll Liability	$ 21,980	$ 21,980
Accrued Interest	4,624	—
Convertible Promissory Notes	185,500	91,100
Debt Discount	(95,186)	—
Beneficial Conversion Feature - Warrants	(25,391)	—
Contingent Liability	61,600	25,000
Total Current Liabilities	153,127	138,080
Total Liabilities	153,127	138,080
Equity		
Common Stock	540,552	540,552
Additional Paid-in Capital (Deficit)	(250,072)	(435,812)
Accumulated Deficit	(443,607)	(242,820)
Total Equity	(153,127)	(138,080)
TOTAL LIABILITIES & EQUITY	$ —	$ —

The restated year end December 31, 2015 financial statements reflect an increase of $131,000 of SG&A expenses, and $69,787 in interest expense.

5. Convertible Promissory Notes

As of March 31, 2016 the Company had two outstanding convertible promissory notes totaling $247,500 (the "Convertible Promissory Notes").

On January 8, 2015 the prior management team of the Company issued a Convertible Promissory Note totaling $54,500 to a third-party (the "January 2015 Convertible Promissory Note"). The January 2015 Convertible Promissory Note matured on January 8, 2016, and accrued interest at a rate of 8% per annum. The principal balance and accrued interest under the January 2015 Convertible Promissory Note at March 31, 2016 was approximately $6,800. The January 2015 Convertible Promissory Note was in default at March 31, 2016, and was subject to an 18% default interest rate.

Holders of the January 2015 Convertible Promissory Note have the right to convert all or any part of the outstanding principal and accrued interest to shares of common stock of the Company. The January 2015 Convertible Promissory Note can be converted by the Holder in part from time to time after the issuance date by submitting notice of conversion. The January 2015 Convertible Promissory Note is convertible at a per share price equal to the conversion price of $0.001.

The Company determined that the conversion features in the January 2015 Convertible Promissory notes should be accounted for as a convertible note debt discount. The conversion features are treated as a derivative and recorded at their fair value. Accordingly, the Company recorded a debt discount for the note in the amount of $54,500. At March 31, 2016 the debt discount was fully amortized.

Subsequent to March 31, 2016, the Company settled the January 2015 Convertible Promissory Note. See further information in footnote 9. *Subsequent Events*.

On November 20, 2015 the Company issued a Convertible Promissory Note totaling $193,000 to a related party (the "November 2015 Convertible Promissory Note"). The November 2015 Convertible Promissory Note accrues interest at a rate of 2% per annum. The principal balance and accrued interest under the January 2015 Convertible Promissory Note at March 31, 2016 was $193,000 and $1,180, respectively, and is due on December 31, 2016.

The Holder of the November 2015 Convertible Promissory Note has the right to convert all or any part of the outstanding principal and accrued interest to shares of common stock of the Company. The November 2015 Convertible Promissory Note can be converted by the Holder in part from time to time after the issuance date by submitting notice of conversion. The November 2015 Convertible Promissory Note is convertible at a $0.003 per share conversion price.

The Company determined that the conversion features in the November 2015 Convertible Promissory notes should be accounted for as a convertible note debt discount. The conversion features are treated as a derivative and recorded at their fair value. Accordingly, the Company recorded a debt discount for the note in the amount of $155,560. During the three months ended March 31, 2015 a charge to debt discount in the amount of $28,500 was expensed through interest expense. At March 31, 2016 the debt discount was $116,494.

In connection with the November 2015 Convertible Promissory Note, the Holder was issued 32,157,235 warrants exercisable at $0.005 expiring in November 2017 (the "Warrants"). The Company determined that the fair value of the Warrants should be recorded as a beneficial conversion feature and amortized over the life of the Warrants. The balance at March 31, 2016 was $37,340.

6. Contingent Liabilities

The Company accounts for its contingent liabilities under ASC 450, *Contingent Liabilities*, which indicates that a liability should be recognized only if the available information indicates that (1) it is probable liability has been incurred and (2) the amount of the loss can be reasonably estimated. Prior to January 1, 2015 the Company issued a Convertible Promissory Note (the "Vernier Convertible Promissory Note")., the Vernier Convertible Promissory Note remains outstanding in the amount of $54,500. While evidence indicates that the balance may have been paid, either in part or in whole, by prior management, the Company is eager to distinguish itself from prior management and settle the balance in order to direct its attention to operations.

As a result, and using guidance from ASC 450, the Company believes it is probable that a liability has been incurred, and has accrued the maximum $61,500 associated with commitments made by the prior management team. Subsequent to March 31, 2016, the Company settled this liability. See further information in footnote 9. *Subsequent Events*.

7. Income Taxes

No provision for federal income taxes has been recognized for the period ended March 31, 2016 as the Company has a net operating loss carry forward for income tax purposes available in each period. Additionally, it is uncertain if the Company will have taxable income in the future so a valuation allowance has been established for the full value of net tax assets. The deferred tax asset consists of net operating loss carry forwards and the Company has no deferred tax liabilities.

At March 31, 2016, the Company has net operating loss carry forwards of $208,553 for federal income tax purposes. This net operating loss carry forwards may be carried forward in varying amounts until 2036 and may be limited in their use due to significant changes in the Company's ownership.

	December 31, 2015	March 31, 2016
Net operating loss carryforwards	$ 150,826	$ 208,553
Less: valuation allowance	(150,826)	(208,553)
Net deferred tax asset	$ —	$ —

The Company has valued its net deferred tax asset at zero with a valuation allowance due to the substantial doubt taxable income will be generated in the future to utilize the deferred tax asset.

8. Discontinued Operations

The Company has accounted for discontinued operations prior to January 1, 2016 under Accounting Standards Update No. 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*. Under this guidance, a discontinued operation is defined as a strategic shift that has (or will have) a major effect on an entity's operations and financial results. As noted in footnote (1) above, the Company has exited the Restaurant Industry and has shifted its strategy to home automation and energy conservation services. Management believes this adequately qualifies as a strategic shift under Update No. 2014-08. As of March 31, 2016, the Company has not generated any revenue from its new services.

9. Shareholders' Equity

On February 11, 2016 the Company amended and restated its Articles of Incorporation. The Company was authorized to issue two classes of stock to be designated, respectively Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is one billion five hundred ten million (1,510,000000) shares each with a par value of $0.001 per share. One billion (1,000,000,000) shares shall be Class A Common Stock, ten million (10,000,000) shares shall be Class B Common Stock, and five hundred million (500,000,000) shares shall be preferred Stock. As of March 31, 2016 there are five hundred sixty-three million fifty-two thousand one hundred twenty-seven (563,052,127) Class A Common Stock shares issued, four million (4,000,000) Class B Common Stock shares issued, and there have been no issuance of Preferred Stock. Each share of Class A Common Stock shall have one vote and each share of Class B Stock shall have 100 votes. The votes of Class A and Class B Common Stock shall vote together as a single class.

10. Subsequent Events

On April 4, 2016 the Company settled the contingent liability with Vernier Funding, LLC (footnote 6). The Company issued 7,588,888 shares of the Company's common stock, par value $0.001 per share. Through issuance of the shares to Vernier Funding, LLC, the Company was released of any potential claims.

On April 14, 2016 the Company settled the January 2015 Convertible Promissory Note. The Holder of the" Note" issued by the Company on January 8, 2016 in the original amount of $54,500 plus any accrued and unpaid interest was converted into 20,000,000 shares of the Company's common stock, par value $0.001 per share.

On April 25, 2016, the Company issued 1,000,000 shares of its common stock to a provider of professional services to the Company, in lieu of the payment of cash for such services. The value of the transaction was $5,000 based on a trading price of $0.005 per share.

On May 2, 2015, the Company issued an aggregate of 82,500,000 shares of its common stock to outside investors for $450,000.