THE CHRON ORGANIZATION, INC.

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

For the Quarterly Period Ended June 30, 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 Six and Three Months Ended June 30, 2016

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THE CHRON ORGANIZATION, INC.
BALANCE SHEETS
(Unaudited)

	June 30, 2016	December 31, 2015
ASSETS		
Current Assets		
Cash	$ 304,745	$ —
Prepaid Expenses	12,330	—
TOTAL ASSETS	$ 317,075	$ —
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	$ 68,758	$ —
Accrued Liabilities	24,084	26,604
Convertible Promissory Notes	193,000	185,500
Debt Discount	(90,447)	(95,186)
Beneficial Conversion Feature - Warrants	(29,012)	(25,391)
Contingent Liability	—	61,600
Total Current Liabilities	166,383	153,127
Total Liabilities	166,383	153,127
Equity		
Class A Common stock par value $.001, 1,000,000,000 shares authorized, 678,592,649 and 540,552,127, respectively issued and outstanding	678,592	540,552
Class B Common stock par value $.001, 10,000,000 shares authorized, 10,000,000 and 0, issued and outstanding respectively	10,000	—
Preferred Stock par value $0.001, 500,000,000 authorized, none issued	—	—
Additional Paid-in Capital (Deficit)	484,775	(250,072)
Accumulated Deficit	(1,022,675)	(443,607)
Total Equity	150,692	(153,127)
TOTAL LIABILITIES & EQUITY	$ 317,075	$ —

THE CHRON ORGANIZATION, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30, 2016	Six Months Ended June 30, 2016	Year Ended December 31, 2015 Discontinued Operations
Revenue	$ —	$ —	$ —
Operating Expenses			
SG&A	380,767	518,683	131,000
Total Expense	380,767	518,683	131,000
Net Loss	(380,767)	(518,683)	(131,000)
Other (Expense) Income			
Interest Expense	(28,516)	(60,385)	(69,787)
Loss From Operations	(409,283)	(579,068)	(200,787)
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	—	—	136,052
Total Expense	—	—	596,481
Loss From Discontinued Operations	—	—	(131,371)
Net Loss	$ (409,283)	$ (579,068)	$ (332,158)
Per share information:			
Basic and diluted losses per common share	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average shares outstanding	639,172,610	592,623,358	450,291,110

THE CHRON ORGANIZATION, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(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)
Net Loss	—	—	—	—	(409,283)	—	(409,283)
Stock Issued	115,540,522	115,540	6,000,000	6,000	—	537,560	659,100
June 30, 2016	678,592,649	$ 678,592	10,000,000	$ 10,000	$ (1,022,675)	$ 484,775	$ 150,692

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

	Six Months Ended June 30, 2016	Year Ended December 31, 2015
OPERATING ACTIVITIES		
Net Loss	$ (579,068)	$ (332,158)
Adjustments to reconcile net loss to net		
Cash used in operating activities		
Depreciation	—	136,051
Non-Cash Items	171,100	
Amortization of debt discount	62,905	65,163
Changes in operating assets and liabilities		
Increase in accounts receivable	(12,330)	
Increase in accounts payable	68,758	—
Decrease in accrued liabilities	(2,520)	26,604
Decrease in other liabilities	(116,100)	—
Net cash used in operating activities	(407,255)	(104,339)
INVESTING ACTIVITIES		
Shareholder distribution	—	(27,794)
Net cash used in investing activities	—	(27,794)
FINANCING ACTIVITIES		
Proceeds from issuance of stock	650,000	—
Proceeds from convertible debt	62,000	131,000
Net cash provided by financing activities	712,000	131,000
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	$ —	$ 1,133
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 304,745	$ —

THE CHRON ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 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. 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 and 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.).

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 was $304,745 and $0 cash equivalents on-hand at June 30, 2016 and December 31, 2015, respectively.

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.

Prepaid Expenses – There were other receivables totaling $12,330 as of June 30, 2016. The balance of the other receivables as of June 30, 2016 consisted of amounts representing prepaid general insurance coverage for the Company.

3. Going Concern

The Company's financial statements for the year ended June 30, 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 $579,068 for the six-month period ended June 30, 2016, and an accumulated deficit of $1,022,675 as of June 30, 2016. At June 30, 2016, the Company had a working capital surplus of $150,069. The Company had no revenues during the six-month period ended June 30, 2016.

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. During the six months ended June 30, 2016, , the Company raised $650,000 from sales of its common stock and $62,000 from convertible notes.

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. Convertible Promissory Notes

As of June 30, 2016 the Company had an outstanding convertible promissory note totaling $193,000. 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 June 30, 2016 was $193,000 and $2,104, 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 six months ended June 30, 2016 a charge to debt discount in the amount of $65,213 was expensed through interest expense. At June 30, 2016 the unamortized debt discount was $90,447.

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 unamortized beneficial conversion feature was $29,012.

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. 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 accrued and unpaid interest of approximately $7,182 was converted into 20,000,000 shares of the Company's common stock, par value $0.001 per share.

5. 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"). While evidence indicates that the balance may have been paid, either in part or in whole, by prior management, the Company was eager to distinguish itself from prior management and settle the balance in order to direct its attention to operations.

As a result, the Company accrued $51,600 associated with commitments made by the prior management team. On April 4, 2016 the Company settled the contingent liability of $51,600 with Vernier Funding, LLC. 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.

6. Income Taxes

No provision for federal income taxes has been recognized for the period ended June 30, 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 June 30, 2016, the Company has net operating loss carry forwards of $347,709 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.

	June 30, 2016	December 31, 2015
Net operating loss carryforwards	$ 347,709	$ 150,826
Less: valuation allowance	(347,709)	(150,826)
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.

7. 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 June 30, 2016, the Company has not generated any revenue from its new services.

8. 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 (1,510,000,000) 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 June 30, 2016 there are six hundred and seventy-eight million five hundred ninety-two thousand six hundred forty-nine (678,592,649) Class A Common Stock shares issued, ten million (10,000,000) Class B Common Stock shares issued, and there has 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 200 votes. The votes of Class A and Class B Common Stock shall vote together as a single class.

Issuances of Class A Common Stock, par value $0.001:

During the six-month period ended June 30, 2016 Company issued 2,118,300 shares to providers of professional services to the Company, in lieu of the payment of cash for such services. The value of the transactions total approximately $35,000.

During the six-month period ended June 30, 2016 the Company has issued 108,333,334 shares for cash considerations totaling $650,000.

Additionally, during the six-month period ended June 30, 2016 the Company has issued 27,588,888 shares for settlement of contested convertible debt, litigation and other issues totaling $106,100 .

Issuances of Class B Common Stock, par value $0.001:

During the six-month period ended June 30, 2016 Company issued 10,000,000 shares to related parties for cash considerations totaling $30,000.

9. Subsequent Events

Subsequent to June 30, 2016, Chron Energy, Inc. a Nevada corporation ("CEI") was merged into the Company in exchange for 165,000,000 shares of its Class A Common Stock. Since the transaction was with related parties, management determined that the fair value of the intellectual property should not be recognized on the balance sheet as it would have resulted in a gain. Generally, gains from related parties are not recognized.