THE CHRON ORGANIZATION, INC.

FINANCIAL STATEMENTS AND NOTES

December 31, 2015 and 2014

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

MONTGOMERY COSCIA GREILICH LLP
Certified Public Accountants
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
The Chron Organization, Inc.
Plano, Texas

We have audited the accompanying balance sheets of The Chron Organization, Inc. (the "Company") as of December 31, 2015 and 2014, and the related statements of operations, stockholders' deficit, and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Chron Organization, Inc. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the periods then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 3 to the accompanying financial statements, the Company has recurring losses from operations and has an accumulated deficit as of December 31, 2015 and 2014, which raises doubt about its ability to continue as a going concern. Management's plans in regard to this mater are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Montgomery Coscia Greilich LLP

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September 27, 2016

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THE CHRON ORGANIZATION, INC.
BALANCE SHEETS

	December 31, 2015	December 31, 2014
TOTAL ASSETS	$ -	$ -
LIABILITIES & SHAREHOLDERS' DEFICIT		
Liabilities		
Current liabilities		
Accrued interest	$ 7,298	$ 3,503
Notes payable	68,000	69,390
Related party convertible promissory note, net	10,423	-
Convertible promissory note	54,500	-
Total current liabilities	140,221	72,893
Total liabilities	140,221	72,893
Shareholders' deficit		
Common stock par value $.001, 1,000,000,000 shares authorized, 540,552,127 and 142,368,027, respectively issued and outstanding	540,552	142,368
Additional paid-in capital (deficit)	(123,621)	26,035
Accumulated deficit	(557,152)	(241,296)
Total shareholders' deficit	(140,221)	(72,893)
TOTAL LIABILITIES & SHAREHOLDERS' DEFICIT	$ -	$ -

The accompanying notes are an integral part of these financial statements.

THE CHRON ORGANIZATION, INC.
STATEMENTS OF OPERATIONS

	Year Ended December 31, 2015	Year Ended December 31, 2014
Continuing operations		
Revenue	$ -	$ -
Operating expenses		
Selling, general and administrative expenses	62,546	-
Total operating expenses	62,546	-
Operating loss	(62,546)	-
Other expense		
Interest expense	(68,718)	-
Loss from continued operations	(131,264)	-
Loss from discontinued operations	(184,592)	(58,361)
Net loss	$ (315,856)	$ (58,361)
Per share information:		
Basic and diluted losses from discontinued operations per common share	$ (0.00)	$ (0.00)
Basic and diluted losses from continuing operations per common share	$ (0.00)	$ (0.00)
Weighted average shares outstanding - basic	450,043,140	103,405,504
Weighted average shares outstanding - diluted	535,543,140	103,405,504

The accompanying notes are an integral part of these financial statements.

THE CHRON ORGANIZATION, INC.
STATEMENTS OF CHANGE IN SHAREHOLDERS' DEFICIT

	Common Stock				
	Shares	Amount	Accumulated Deficit	Additional Paid-in Capital (Deficit)	Shareholders' Deficit
December 31, 2013	101,352,139	$ 101,352	$ (182,935)	$ 44,949	$ (36,634)
Net loss	-	-	(58,361)	-	(58,361)
Conversion of notes payable	41,015,888	41,016	-	(18,914)	22,102
December 31, 2014	142,368,027	$ 142,368	$ (241,296)	$ 26,035	$ (72,893)
Net loss	-	-	(315,856)	-	(315,856)
Warrants	-	-	-	25,391	25,391
Beneficial conversion feature	-	-	-	160,109	160,109
Conversion of notes payable	398,184,100	398,184	-	(335,156)	63,028
December 31, 2015	540,552,127	$ 540,552	$ (557,152)	$ (123,621)	$ (140,221)

The accompanying notes are an integral part of these financial statements.

THE CHRON ORGANIZATION INC.
STATEMENTS OF CASH FLOWS

	December 31, 2015	December 31, 2014
OPERATING ACTIVITIES		
Net loss from continued operations	$ (131,264)	$ -
Adjustments to reconcile net loss from continued operations to net cash used in operating activities		
Amortization of debt discount	64,923	-
Changes in operating assets and liabilities		
Increase in accrued interest	3,795	3,503
Net cash provided by operating activities	(62,546)	3,503
FINANCING ACTIVITIES		
Proceeds from notes payable	61,638	54,858
Proceeds from convertible promissory note	54,500	-
Proceeds from related party convertible promissory note and warrants	131,000	-
Net cash provided by financing activities	247,138	54,858
CASH FLOWS FROM DISCONTINUED OPERATIONS		
Net loss from discontinued operations	(184,592)	(58,361)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	$ -	$ -
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ -	$ -
Supplemental Disclosure of Non-Cash Transactions		
Conversion of notes payable to common stock	$ 63,028	$ 22,102

The accompanying notes are an integral part of these financial statements.

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 presented on the basis of the Company's ability to continue as a going concern. Other than continued current involvement, some transactions prior to December 31, 2015 have been reclassified as discontinued operations in these financial statements. See further information in Note 7 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 2014.

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.

Basic and Diluted Net Loss per Common Stock – Basic net loss per common share is computed by dividing net loss by the weighted-average number of common shares outstanding during the period. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive. The diluted shares outstanding at December 31, 2015 are as follows:

Convertible promissory notes	20,000,000
Related party convertible promissory notes	43,666,667
Warrants	21,833,333
Diluted shares outstanding	85,500,000

2. Summary of Significant Accounting Policies, continued

Income Taxes **–** The Company estimates its current tax position together with its future tax consequences attributable to temporary differences resulting from differing treatment of items, such as depreciation and other reserves for tax and accounting purposes. These temporary differences result in deferred tax assets and liabilities. Management must then assess the likelihood that its deferred tax assets will be recovered from future taxable income, prior year carryback, or future reversals of existing taxable temporary differences. To the extent management believes that recovery is unlikely, management establishes a valuation allowance against these deferred tax assets. Significant judgment is required in determining the Company's provision for income taxes, its deferred tax assets and liabilities, and any valuation allowance recorded against its deferred tax assets. At December 31, 2015 and 2014, the Company has recorded a full valuation allowance against its net deferred tax assets due to the uncertainty these assets will be used in the future.

Beneficial Conversion Feature - The Company accounts for convertible notes payable in accordance with the guidelines established by the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 470-20, Debt with Conversion and Other Options, Emerging Issues Task Force ("EITF") 98-5, Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios, and EITF 00-27, Application of Issue No 98-5 To Certain Convertible Instruments. The Beneficial Conversion Feature ("BCF") of a convertible note is normally characterized as the convertible portion or feature of certain notes payable that provide a rate of conversion that is below market value or in-the-money when issued. The Company records a BCF related to the issuance of a convertible note when issued and also records the estimated fair value of any warrants issued with those convertible notes. Beneficial conversion features that are contingent upon the occurrence of a future event are recorded when the contingency is resolved.

The BCF of a convertible note is measured by allocating a portion of the note's proceeds to the warrants, if applicable, and as a discount on the carrying amount of the convertible note equal to the intrinsic value of the conversion feature, both of which are credited to additional paid-in-capital. The value of the proceeds received from a convertible note is then allocated between the conversion features and warrants and the debt on an allocated fair value basis. The allocated fair value is recorded in the financial statements as a debt discount (premium) from the face amount of the note and such discount is amortized over the expected term of the convertible note (or to the conversion date of the note, if sooner) and is charged to interest expense.

3. Going Concern

The Company's financial statements for the years' ended December 31, 2015 and 2014 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 $315,856 and $58,361 for the years ended December 31, 2015 and 2014, respectively, and an accumulated deficit of $557,152 and $241,296 for the years ended December 31, 2015 and 2014, respectively. At December 31, 2015 and 2014, the Company had a working capital deficit of $140,221 and $72,893 respectively, and negative cash flow from continuing operating activity of $62,546 for the year ended December 31, 2015.

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 December 31, 2015, the Company raised $650,000 from sales of its common stock. See further information in footnote 8. *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. Notes Payable

Line of Credit

On November 13, 2014, the Company entered into an unsecured line of credit (the "Line of Credit") with a third-party for up to $68,000. The Line of Credit carries an interest rate of 3% per annum. In the event of a default under the Line of Credit, the interest rate on the Line of Credit increases to the lower of 12% per annum or the maximum amount allowed by law. As of December 31, 2015 and 2014, the Company had $68,000 and $38,000 outstanding under the Line of Credit and $7,034 and $3,503 of accrued interest outstanding, respectively. The balance as of December 31, 2015 is considered to be in default. Subsequent to December 31, 2015, the Company settled this liability. See further information in Note 11 Subsequent Events.

Note Payable

On November 1, 2014 the Company purchased equipment from a third-party in the amount of $34,990 (the "IBC Note"). The IBC Note was a non-interest bearing liability. The amount was considered outstanding as of December 31, 2014 and was past due. The third-party litigated the amount outstanding, and was awarded an additional settlement amount within the meaning of Section 3(a)(10) of the Securities Act in the amount of $16,400. The total amount of the liability was $51,390 which was converted into 94,200,000 shares of Common Stock. As of December 31, 2015 and 2014 the Company had $0 and $31,390 outstanding, respectively.

5. Related Party Convertible Promissory Note

As of December 31, 2015 the Company had an outstanding related party convertible promissory note of $131,000 with a maximum availability of $200,000 (the "Related Party Convertible Promissory Notes"). See Note 8 Related Party Transactions.

On November 20, 2015 the Company issued a Convertible Promissory Note in the amount $131,000 to a related party (the "Related Party Convertible Promissory Note"). The Related Party Convertible Promissory Note accrues interest at a rate of 2% per annum. The principal balance and accrued interest under the Related Party Convertible Promissory Note at December 31, 2015 was $131,000 and $264, respectively, and is due on December 31, 2016.

The Holder of the Related Party 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 Related Party 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 Related Party Convertible Promissory Note contained a beneficial conversion feature which resulted in a debt discount of $105,609 which was recorded as a reduction in carrying value of the Related Party Convertible Promissory Note and offset in additional paid-in-capital during the years' ended December 31, 2015 a charge to debt discount in the amount of $10,423 was expensed through interest expense. At December 31, 2015 the debt discount was $95,186.

In connection with the November 2015 Convertible Promissory Note, the Holder was issued 21,833,333 warrants exercisable at $0.05 expiring in November 2020 (the "Warrants"). The Company determined the fair value of the warrants which resulted in a debt discount of $25,391 recorded as a reduction to the carrying value of the November 2015 Convertible Promissory Note and offset in additional paid in capital and is being amortized over the life of the warrants. The balance at December 31, 2015 was $25,391.

5. Related Party Convertible Promissory Note, continued

Related Party Convertible Promissory Note Summary

The fair value of the embedded beneficial conversion features and the fair value of the warrants underlying the Related Party Convertible Promissory Notes were calculated pursuant to the Black-Scholes Model. The following table summarizes the carrying value of the Convertible Promissory Notes as of December 31, 2015:

Related Party 2015 Convertible Promissory Note	$	131,000
Less: debt discount		(95,186)
Warrants		(25,391)
Total net carrying value	$	10,423

6. Convertible Promissory Note

As of December 31, 2015 the Company had an outstanding convertible promissory note totaling $54,500 (the "Convertible Promissory Note").

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. As of December 31, 2015 the outstanding balance was $54,500.

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 of $0.001.

The January 2015 Convertible Promissory Note contained a beneficial conversion feature which resulted in a debt discount of $54,500 which was recorded as a reduction in carrying value of the January 2015 Convertible Promissory Note and offset in additional paid in capital. At December 31, 2015 the debt discount was fully amortized.

Subsequent to December 31, 2015, the Company settled the January 2015 Convertible Promissory Note. See further information in Note 11 Subsequent Events.

7. Income Taxes

No provision for federal income taxes has been recognized for the years ended December 31, 2015 and 2014, 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 December 31, 2015 and 2014, the Company has net operating loss carry forwards of $189,432 and $82,041, respectively 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		December 31, 2014	
Net operating loss carryforwards	$	189,432	$	82,041
Less: valuation allowance		(189,432)		(82,041)
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. Related Party Transactions

At December 31, 2015 the Company issued the Chairman of the Board a convertible promissory note, (the "Related Party Convertible Promissory Note") in the amount of $200,000 along with 21,833,333 warrants. The note accrues interest at 2% annum. The issuance of the financial instruments was made in the ordinary course of business, and were given fair market treatment. The Related Party Convertible Promissory Note matures on December 31, 2016. See Note 5 Related Party Convertible Promissory Note.

9. 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 Note 1. 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 December 31, 2015, the Company has not generated any revenue from its new services. A reconciliation of amounts included in the statements of operations for the years ended December 31, 2015 and 2014 are as follows:

	2015	2014
Revenue	$ 20,100	$ 73,873
Selling general and administrative expenses	(201,161)	(128,731)
Other Expenses	(3,531)	(3,503)
Loss from continued operations	$ (184,592)	$ (58,361)

10. Contingencies

In the ordinary course of conducting its business, the Company may be subject to loss contingencies including possible disputes and lawsuits. Management believes that any outcome of such contingences will not have a material impact on the Company's financial position or results of future operations.

11. Subsequent Events

In accordance with ASC 855, *"Subsequent Events"*, the Company has evaluated events and transactions occurring subsequent December 31, 2015, the balance sheet date, through September 27, 2016, the date of the financial statements were available to be issued, and determined that there were no such events or transactions which would impact the combined financial statements for the year ended December 31, 2016, except as follows:

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 Company 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.

11. Subsequent Events, continued

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

Subsequent to December 31, 2015, the 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.

Subsequent to December 31, 2015, the Company has issued 108,333,334 shares for cash considerations totaling $650,000.

Subsequent to December 31, 2015, the Company settled the note payable in the amount of $68,000, and accrued interest of $7,034 (Note 4). 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.

Subsequent to December 31, 2015, the Company settled the January 2015 Convertible Promissory Note. The Holder of the January 2015 Convertible Promissory Note issued by the Company on January 8, 2016 in the original amount of $54,500 was converted into 20,000,000 shares of the Company's common stock, par value $0.001 per share. See Note 6. *Convertible Promissory Note*.

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

Subsequent to December 31, 2015, the Company issued 10,000,000 shares to related parties for cash considerations totaling $30,000.

Subsequent to December 31, 2015, 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.