

Firm Brochure Part 2A of Form ADV



Northern Financial Advisors, Inc.

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January 19, 2021

This Brochure provides information about the qualifications and business practices of Northern Financial Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at 248-985-1632. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Northern Financial Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Northern Financial Advisors, Inc. is an SEC-registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

Item 2 Material Changes

Annual Update – Northern Financial Advisors, Inc. will update this Brochure annually, or when material changes occur since the release of the previous brochure.

Material Changes Since the Last Update - Since Northern Financial Advisors, Inc. last ADV Annual Update on January 29, 2020 there has been a material change in ownership, Christine Isham is now the sole owner. Mr. Lentz remains as Chief Compliance Officer.

Other Changes Since the Last Update – Since the Firm's last ADV Annual Update, the firm began accepting discretionary authority for investment management services and started reporting assets under management. As a result, the firm filed for registration with the SEC on July 1, 2020 and is now a SEC registered investment adviser.

Full Brochure – You may request our full brochure at any time by contacting the Firm at 248-985-1632. Brochures are provided free of charge.

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Item 4 Advisory Business

Northern Financial Advisors, Inc. (“NFA”) is a corporation formed in Michigan in 2002. NFA is a fee-only firm that provides investment advisory services to individuals and families. NFA is solely owned by Christine Isham.

NFA offers a wide range of financial services to meet clients’ investment needs including holistic financial planning, which may include tax and estate planning, risk management, and retirement planning. Tax preparation services are offered as a part of the retainer engagements. NFA also provides a standalone investment management service.

When NFA provides investment management services, clients authorize the Firm with discretionary authority in the agreement they sign with NFA. Discretionary authority allows NFA to execute investment recommendations, without seeking prior approval from the client each time a trade is made. For investment management of client assets, NFA may recommend the services of other registered investment advisers for specific strategies in their portfolio. The client is under no obligation to engage the services of any such recommended professional. Some legacy clients may have non-discretionary agreements in place that were signed prior to NFA changing its business practice to offer discretionary services to its clients.

NFA and the client will enter into an agreement that details the scope of the relationship and responsibilities of all parties. The investment strategies and portfolios constructed depend on the confidential information provided to NFA by the client. The advice and services that NFA provides to the client are tailored to the individual needs and stated objectives of each client.

In performing its services, NFA provides the following types of engagements:

Standard Retainer

A “Standard Retainer” provides clients with financial counsel and advice, investment management, and if opted for personal tax preparation services. Clients will have scheduled meetings with their adviser during the Initial Set Up period depending on their individual financial situation and the specific services requested. Client will also have scheduled meetings with their adviser, depending upon their situation and services requested, during Renewal Years. In addition to scheduled meetings, NFA will also provide additional face-to-face, e-mail and/or phone consultations at no additional charge to address issues that are not necessarily pre-selected by the client, or as financial circumstances change.

Depending upon the client’s needs, services provided will include, but are not limited to, the following: tax planning, insurance review, inventory of assets, analysis of financial goals, portfolio analysis, development of an asset allocation strategy, retirement planning and estate plan reviews. Investment management services are included in a Standard Retainer engagement. Tax preparation services can also be chosen by the client.

Initial Set Up – During the Initial Set Up Period, NFA works with clients to address the following issues, as they apply to a client, under its Standard Retainer service model:

- Tax Planning and/or Tax Preparation
- Inventory of Client Assets / Development of Net Worth Statement
- Budgeting and Cash Flow Analysis
- Retirement Planning
- Portfolio Analysis / Development of Asset Allocation Strategies
- Goal Setting
- Estate Planning Review
- Business Planning
- Insurance Analysis
- Education Planning
- Analysis of Employee Benefits
- Additional Financial Planning / Consulting Services as Specifically Agreed between NFA and the Client

Renewal Years – In Renewal Years, NFA works with clients to address the following issues, as they apply to a client, under its Standard Retainer service model:

- Tax Planning and/or Tax Preparation
- Goal Setting / Review
- Investment Review / Update
- Asset Rebalancing Recommendations
- Additional Financial Planning / Consulting Services as Specifically Agreed between NFA and the Client

Spark Retainer

The Spark Retainer is designed for young professionals who have important financial questions and are in the accumulation phase of their financial lives. Depending upon Client's needs, NFA will provide clients with recommendations for the following financial matters:

- Review the basics of sound financial strategy at your stage in life
- Recommendation of holistic financial strategy
- Recommendation of possible tax strategies to consider
- Review of current asset allocation and investment location
- Evaluation of performance of current investments
- Recommendation of savings plan and retirement considerations
- Considerations when buying your first home and/or mortgage review
- Analysis of credit score, student loans, and debt
- Financial considerations when getting married and/or starting a family
- Cost/benefit analysis of pursuing an under-graduate or graduate degree
- Review of Financial Life Cycle position
- Other related topics such as insurance review, budgeting and/or goal setting
- From time to time, and as requested by Client, Advisor will provide advice on various financial matters impacting Client or Client's immediate family

Investment management services and tax preparation services are also included in a Spark Retainer engagement.

Asset Management Retainer

NFA provides this service to clients who are seeking ongoing investment management for their cash and securities without the comprehensive services of the Standard Retainer. NFA does not provide any financial planning services in the Asset Management Retainer. In the Asset Management Retainer, NFA will research, consult, and implement a portfolio designed to meet a client's objectives, risk tolerance, tax considerations, time horizon, and unique needs and circumstances. NFA will monitor market conditions and the performance of clients' portfolios. NFA provides services in the Asset Management Retainer on a discretionary basis.

Use of Sub-Adviser for Investment Management

NFA may recommend that clients delegate a portion of, the assets in a client's account to one or more unaffiliated third-party sub advisor (Asset Dedication, LLC) for ongoing supervision, investment management, and certain back office services to the account. In such instances, the client may be required to authorize and enter into an advisory agreement with the Independent Manager[s] that defines the terms in which the Independent Manager[s] will provide investment management and related services. NFA will assist in the development of the initial policy recommendations and managing the ongoing client relationship and perform initial and ongoing oversight and due diligence over the selected Independent Manager[s] to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests. The client, prior to entering into an agreement with unaffiliated investment manager[s] or investment platform[s], will be provided with the Independent Manager's Form ADV 2A (or a brochure that makes the appropriate disclosures).

Clients are free to accept or reject the use of a third-party sub-advisor for their account at any time. Accounts managed by both NFA and Asset Dedication are done pursuant to the discretionary authority granted to them by the client.

Wrap Fees

NFA does not sponsor a wrap program or offer investment advisory services on a wrap-fee basis.

Assets Under Management

As of January 14, 2021, NFA had \$456,116,036 in discretionary assets under management and \$17,936,938 in nondiscretionary assets under management.

Item 5 Fees and Compensation

NFA is a "fee-only" firm, which means that it is solely compensated by fees received directly from clients, and not commission compensation. NFA does not sell insurance or investment products, nor does it pay or receive referral fees. Fees are negotiable solely in the discretion of NFA. Below are the fees and payment methods of those fees for each type of engagement.

Standard Retainer

NFA's Standard Retainer fee is an annual fixed fee ranging between \$5,700 and \$45,000 based on the complexity of Client's financial needs and the scope of the services to be provided to Client using Client's net worth, gross income, and if tax services are being included. The Standard Retainer fee is comprised of an Initial Set Up Fee, which is a fixed fee charged for those initial services, and a Retainer Fee, which is an annual fixed fee charged for NFA's ongoing

services. During the Initial Set Up Period, a portion of the fees is payable upon execution of the agreement, with the remainder due and payable upon the date specified in the agreement (typically upon the date of income tax return filing). Thereafter, in Renewal Years, which will consist of successive one-year periods, clients may elect to make payment of the fee in equal partial payments over the course of a calendar year or elect to pay in full when Client's tax return is completed, no later than April 15th.

In addition to the Standard Retainer Fee, NFA may also charge \$300 for each amended tax return prepared, if applicable. NFA may also charge up to \$300 per return for additional tax returns prepared for the clients' dependents. Credits and miscellaneous adjustments may also be applied if the client has an adequate estate plan (will or trust) in place, or for other reasons, as appropriate. Any credits or adjustments will be determined at the sole discretion of NFA, but will nonetheless be fully explained at the time of executing the Standard Retainer Agreement.

Spark Retainer

NFA's Spark Retainer fee is based on the complexity of Client's financial situation and the scope of the services to be provided to Client using Client's gross income and assets as follows: For clients with less than \$75,000 in investible assets, the fee is \$750 plus 1.5% of client's gross income from all sources except capital gains and losses reportable for the previous year. For client's with more than \$75,000 in investible assets, the fee is 1% of the client's investible assets plus 1.5% of client's gross income from all sources except capital gains and losses reportable for the previous year. The Initial Term can last between 12 and 23 months, and clients may choose to pay those fees in full, up front, or they may elect to make a payment upon signing the agreement and then in equal, partial payments over the course of a calendar year. Thereafter, Renewal Terms will occur in successive, one-year periods calculated in the manner described above and payable pursuant to the election made by the client in the initial term – either in full or in equal, partial payments throughout the year.

If a client wishes to upgrade to the Standard Retainer service offering, they may receive credit toward Standard Retainer fees for all unearned amounts paid under Spark Retainer Agreement.

Asset Management Retainer

NFA's Asset Management Retainer fee is 1% of assets under NFA's management. NFA recalculates this fee annually on the engagement's anniversary date. Clients may choose to pay the fee in full, up front, or they may elect to make a payment upon signing the agreement and then make equal, partial quarterly payments over the course of a calendar year.

Payment of Fees, and fees at termination

NFA charges all fees in advance, and, in their advisory contracts, clients authorize NFA to deduct their fee directly from the clients' accounts. Clients may terminate any engagement within five (5) days of signing their agreement for a full refund of fees and expenses. After that time, either NFA or the client can voluntarily terminate the agreement upon written notice to the other party at any time for any reason. At termination, any prepaid but unearned fees will be promptly refunded to the client by NFA in its sole discretion. Any fee earned but unpaid becomes owing and due at the time of termination.

Sub-Advisory Fee

When the account, or a portion of the account is managed by Sub-Advisor, Sub-Advisor will separately deduct its fee from the client's account. Sub-Advisor's fee for its management is charged an annual rate of 0.25% of the Assets Under Management, billed quarterly, in advance, calculated upon the value of the Assets on the last day of the preceding quarter. The fee for Sub-Advisor is in addition to the fee charged by NFA. The fees are also described in the Sub-Advisor's disclosure documents provided at the time of engagement of the Sub-Advisor. Clients should review NFA and the Sub-Advisor's fees for the total advisory fee being paid.

Other Fees and Expenses

In addition to NFA's fee, clients may incur certain other fees and charges to implement NFA's investment recommendations. Additional charges and fees will be imposed by custodians, brokers, third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes to a client. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. They will generally include a management fee, other fund expenses, and a possible distribution fee. Accordingly, the client should review both the fees charged by the funds and the fees charged by NFA to fully understand the total amount of the fees and to evaluate the advisory services being provided. No portion of these fees is retained by or remitted to NFA.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither NFA, nor any supervised person of NFA, accepts performance-based fees.

Item 7 Types of Clients

NFA's clients generally include individuals and high net worth individuals. NFA does not have any account minimums.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

In determining investment recommendations, Northern Financial Advisors will utilize public information obtained from financial newspapers and magazines, research materials prepared by others, annual reports, prospectuses, filings with the SEC, U.S. Tax Code, IRS Regulations, and Tax Court decisions. Moreover, Northern Financial Advisors approaches investment portfolio analysis and implementation based on internal factors such as your tax situation, overall risk tolerance, current financial situation, and your personal goals and aspirations. After identifying these items, your portfolio will be structured around your individual needs, while attempting to minimize negative effects of external factors, such as interest rates, market performance, and the economy as a whole.

Investment Strategies

In general, Northern Financial Advisors utilizes Functional Asset Allocation™ (FAA). The foundation of FAA views the success or failure of an individual's investment portfolio depends much more on what is going on in an investor's life (the endogenous factors) than on the state of the economy and other world events (exogenous factors). The driving force behind FAA is your unique situation and the endogenous factors that define you. Each of the three broad asset classes we use: Interest Earning, Real Estate and Equities and each has a specific function. Functional Asset Allocation not only provides most of the benefits of diversification of Modern Portfolio Theory, but also yields a better after-tax return with less risk for real people.

Northern offers advice on no-load mutual funds (i.e. funds that have no upfront or backend sales fees), U S Government bonds, money market accounts, certificates of deposit, equities, municipal securities, investment company securities, United States government securities, partnership interests, real estate, gold coins, or alternative investments of interest to clients.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. The inherent risks associated with any investment recommended by Northern Financial Advisors will be thoroughly reviewed and discussed with client's goals, needs, and objectives at the forefront. This will help ensure the client fully understands his/her investments and that he/she is properly prepared to bear any associated risks. Our investment approach constantly keeps the risk of loss in mind.

Item 9 Disciplinary Information

NFA has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

Neither NFA, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

Asset Dedication, LLC (SEC Registered Investment Adviser / IARD# 151988) and NFA have an agreement whereby Asset Dedication provides investment management and certain back office services (Sub-Advisor) to clients of NFA. As referenced above, each firm is compensated for their respective services by the client. As your investment adviser, NFA reviews our recommendations as well as oversee the recommendations made by sub-advisor to ensure that all recommendations meet our client's needs, goals and objectives. Although the services of the sub-advisor are not available directly to the public, the fees to implement investment recommendations could be lower if clients purchased the same securities outside the managed account platform.

NFA does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

NFA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of NFA must acknowledge the terms of the Code of Ethics annually, or as amended, and NFA will make a copy of the Coded of Ethics available upon request.

Neither NFA nor any related person of NFA recommends, buys, or sells for client accounts, securities in which NFA or any related person of NFA has a material financial interest. NFA and/or representatives of NFA *can* buy or sell securities that are also recommended to clients. Also, NFA and/or representatives of NFA *can* buy or sell securities, at or around the same time as those securities are recommended to clients. These practices create a situation where NFA and/or representatives of NFA are in a position to materially benefit from the sale or purchase of those securities; therefore, this situation creates a conflict of interest. To mitigate that conflict, NFA has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of NFA's "Access Persons."

Item 12 Brokerage Practices

In the event that the client requests that NFA recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct NFA to use a specific broker-dealer/custodian), NFA generally recommends that investment management accounts be maintained at Schwab and or TD Ameritrade.

Factors that NFA considers in recommending Schwab and TD Ameritrade (or any other broker-dealer/custodian to clients) include historical relationship with NFA, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by NFA's clients shall comply with NFA's duty to recommend broker-dealers providing best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where NFA determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although NFA will seek competitive rates, it may not necessarily recommend a broker-dealer that will provide the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, NFA's fees.

NFA receives economic benefits through its custodians that are typically not available to retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools: consulting services; access to a trading desk serving the Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for

execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; and discounts on marketing, research, technology, and practice management products or services provided by third party vendors. Other services made available by a custodian to NFA are intended to help manage and further develop NFA's business enterprise. As part of its fiduciary duties to clients, NFA endeavors always to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by NFA or its related persons in and of itself creates a conflict of interest and may indirectly influence NFA's choice of firms for custody and brokerage services.

The practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading". Asset Dedication manages Clients' accounts on an individual basis but through its sub manager clients' trade may be aggregated in a block trade or trades when securities are purchased or sold through the same Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any Client accounts.

Item 13 Review of Accounts

For those clients to whom NFA provides investment supervisory services, account reviews are conducted on a regular basis by NFA's representatives. Clients are advised that it remains their responsibility to advise NFA of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues, investment objectives and account performance with NFA no less than on an annual basis.

NFA may conduct account reviews on a non-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

NFA provides a written periodic report summarizing account activity and performance, and urges clients to compare any statement or report provided by NFA with the account statements received from the account custodian. The account custodian does not verify the accuracy of NFA's fee calculation.

Item 14 Client Referrals and Other Compensation

NFA is a fee-only firm and does not sell insurance or investment products, nor does it accept commissions because of any product recommendations. NFA does not pay referral or finder's fees, nor does it accept such fees from other firms.

Item 15 Custody

All securities will be held at an independent qualified custodian. Because NFA debits its fee directly from a custodial account the firm has a form of constructive custody; however, NFA employs safeguards to prevent the firm's being subject to the additional accounting requirements of an adviser with custody.

All clients provide written authorization for the direct debiting fees from their accounts. Clients will receive, at least quarterly, statements from the qualified custodian that holds and maintains client's investment assets. The Custodian's account statement will provide a list of all assets held in the account, asset values, and all transactions affecting the account assets, additions and withdrawals, including withdrawals of advisory fees.

Item 16 Investment Discretion

NFA executes the sale and/or purchase of investments for clients on a discretionary basis. Discretion refers to NFA's ability to initiate investment actions in a Client account without obtaining permission from a client each time a transaction occurs. Clients provide NFA with discretionary authority in the agreement they sign with NFA. Some legacy clients may have non-discretionary agreements in place that were signed prior to NFA changing its business practice to offer discretionary services to its clients.

Item 17 Voting Client Securities

NFA does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted; and, (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact NFA to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

NFA has no financial condition that is reasonably likely to impair its ability to meet contractual obligations to clients. NFA has not been the subject of a bankruptcy petition. NFA solicits prepayment of more than \$1,200 per client, six months or more in advance. Accordingly, please refer to NFA's balance sheet.

Balance Sheet

NORTHERN FINANCIAL ADVISORS INC.

Balance Sheet

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Northern Financial Advisors Inc.
Bloomfield Hills, Michigan**

We have audited the accompanying balance sheet of Northern Financial Advisors Inc, as of October 31, 2020.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the balance sheet in accordance with accounting principles generally accepted in the United States of America; this includes the design implementation, and maintenance of internal control relevant to the preparation and fair presentation of the balance sheet which is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the balance sheet based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Opinion

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Northern Financial Advisors Inc. as of October 31, 2020, in conformity with accounting principles generally accepted in the United States.

Deborah Eggleston

Pinckney, Michigan
January 26, 2021

Northern Financial Advisors, Inc
Balance Sheet
October 31, 2020

ASSETS

Current Assets

Cash	\$ 30,296
Accounts Receivable	<u>20,800</u>
Total Current Assets	<u>51,096</u>

Fixed Assets

Computer Equipment	52,822
Fixtures & Equipment	109,944
Telephone	5,212
Leasehold Improvements	132,019
Accumulated Depreciation	<u>(104,978)</u>
Total Fixed Assets	<u>195,019</u>

Other Assets

8752 Payment	28,049
Deposits	<u>5,980</u>
Total Other Assets	<u>34,029</u>

TOTAL ASSETS 280,144

LIABILITIES AND STOCKHOLDERS EQUITY

Current Liabilities

Accounts Payable	9,077
Credit Cards Payable	4,413
Deferred Income	486,477
Accrued Payroll Expenses	45,220
Shareholder loans payable	<u>80,000</u>
Total Current Liabilities	<u>625,187</u>

STOCKHOLDERS' EQUITY

Common Stock	1,000
Retained Earnings	<u>(346,043)</u>
Total Stockholders' Equity	<u>(345,043)</u>

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY \$ 280,144

See auditor's report and accompanying notes

Northern Financial Advisors, Inc Notes to the
Balance Sheet October 31, 2020

NOTE A - NATURE OF THE ORGANIZATION

Northern Financial Advisors Inc. is incorporated in the State of Michigan and provides financial planning and tax services for its clients.

NOTE B- SIGNIFICANT ACCOUNTING POLICIES

Income

Income is recognized in the period that the service is performed for the client. Client annual fees are due in equal quarterly payments but clients may elect to pay annually for a \$200 credit. Deferred income represents the unearned portion of 2020 annual fees collected and 2021 fees paid in advance.

Expenses

Expenses are recognized in the period that the company incurs the liability.

Depreciation

The corporation computes depreciation on the straight-line method.

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 assumption that affect certain reported amounts and disclosure.

NOTE C- INCOME TAXES

The corporation files Form 1120S in which income and losses flow through to the shareholders' tax returns, thus no provision has been made for income taxes. Income taxes are subject to examination by the IRS for three years after they are filed.

Northern Financial Advisors, Inc Notes to the
Balance Sheet October 31, 2020

NOTE D - POST RETIREMENT BENEFITS

The corporation provides a 401k plan to its employees in which it matches contributions up to 3.0% of annual salary.

NOTE E - DATE MANAGEMENT'S REVIEW

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through January 26, 2021 the date that the financial statements were available to be issued.

NOTE F - LEASES

Office Space

The corporation entered into a lease for office space with SauSau LLC from 8/1/2017 through 7/31/2025. Required minimum lease payments are as follows:

Year ending 10/31/2021	\$ 77,714
Year ending 10/31/2022	\$ 79,658
Year ending 10/31/2023	\$ 81,650
Year ending 10/31/2024	\$ 83,690
Year ending 10/31/2025	\$ 64,028

Vehicle

The corporation entered into a 36-month lease for a 2018 Dodge Durango at \$519.93 per month from 5/2018 through 4/2021. Required minimum lease payments are as follows.

Year ending 10/31/2021	\$ 3,120
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Northern Financial Advisors, Inc Notes to the

Balance Sheet October 31, 2020

NOTE F - LEASES - continued

Copier

The corporation entered into a 48-month lease for a copier at \$374.20 per month commencing July 30, 2020. Required minimum lease payments are as follows.

Year ending 10/31/2021	\$ 4,491
Year ending 10/31/2022	\$ 4,491
Year ending 10/31/2023	\$ 4,491
Year ending 10/31/2021	\$ 1,994

NOTE G - SHAREHOLDER LOANS

The corporation has an outstanding loans with the owner of \$80,000. The loan agreement is dated October 16, 2020. Funds are to be repaid by December 30,2020 with an interest rate of 3% per annum.

NOTE H - SIGNIFICANT SUBSEQUENT EVENT - CHANGE IN OWNERSHIP

October 31, 2020 one of the shareholders resigned from the corporation and his shares of stock were purchased by the remaining shareholder. As a result of the resignation and change in ownership the following payments are to be made to the former shareholder as follows, effective February 1, 2021.

<u>Agreement</u>	<u>Monthly Payment</u>	<u>Term</u>
Non-compete	\$2,500.00	60 months
Consulting	\$2,314.88	60 months
Deferred compensation	\$4,703.07	60 months