

Firm Brochure Part 2A of Form ADV



Northern Financial Advisors, Inc.

74 E. Long Lake Rd., Suite 200
Bloomfield Hills, MI 48304
www.NorthernFinancialAdvisors.com
Telephone: 248-985-1632

January 29, 2026

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 – Please see the following material changes since Northern Financial Advisors, Inc.'s last ADV Annual updated on January 24, 2025.

- There have been no material changes since the last filing of this brochure.

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 analysis, 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 Analysis / 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 analysis, 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 approximately January 13, 2026, NFA had \$683,921,478 in discretionary assets under management and \$97,305 in non-discretionary 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 \$6,200 and \$75,000 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. Clients receive a notice of their actual fee upon renewal with a corresponding request for acknowledgement.

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. If a Client is comprised of more than one person, the fee is based upon the gross income of both persons.

For Client's with more than \$75,000, but less than \$500,000, 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. If a Client is comprised of more than once person, the fee is based upon the gross income of both persons.

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 one percent (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. NFA's arrangement with Asset Dedication is that when the amount of assets that NFA places with Asset Dedication reaches a certain level Asset Dedication's fee is reduced. This fee arrangement gives NFA an incentive to recommend our clients place their accounts with Asset Dedication. NFA will only use Asset Dedication's services when in the best interest of the client. You can see additional information regarding our arrangement with Asset Dedication in Item 10 of this brochure. 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 the 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 can 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 oversees the recommendations made by the 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. The fees charged by Asset Dedication for its services decrease the more clients use Asset Dedication's services; thus, NFA has the incentive to recommend and use Asset Dedication to reduce the costs and fees. The use by NFA and any recommendation to use Asset Dedication to a client by NFA is always made in the client's best interest.

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 Code of Ethics available upon request.

Neither NFA nor any related person of NFA recommends, buys, or sells for client accounts, or 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.

Factors that NFA considers in recommending Schwab (or any other broker-dealer/custodian to clients) include a 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 another 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 the 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 types of events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian.

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.

NORTHERN FINANCIAL ADVISORS, INC.

FINANCIAL STATEMENT

OCTOBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholder
Northern Financial Advisors, Inc.

Opinion

We have audited the balance sheet of Northern Financial Advisors, Inc. as of October 31, 2025, and the related notes (collectively referred to as the "financial statement").

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of Northern Financial Advisors, Inc. as of October 31, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Northern Financial Advisors, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northern Financial Advisors, Inc.'s ability to continue as a going concern within one year after the date that the financial statement is available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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 Northern Financial Advisors, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northern Financial Advisors, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



New York, New York
January 28, 2026

As of October 31, 2025

ASSETS

Current assets

Cash and cash equivalents	\$ 394,918
Accounts receivable	8,877
Total current assets	<u>403,795</u>

Property and equipment

Computer equipment	95,365
Fixtures and equipment	119,695
Leasehold improvements	209,610
Telephone	5,212
Total property and equipment	<u>429,882</u>
Less: Accumulated depreciation	<u>(340,185)</u>
Net property and equipment	89,697

Operating leases right-of-use asset	201,192
Other assets	77,267

TOTAL ASSETS	<u><u>\$ 771,951</u></u>
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LIABILITIES AND SHAREHOLDER'S DEFICIT

Current liabilities

Accounts payable and other current liabilities	\$ 27,143
Accrued payroll expenses	31,357
Deferred revenue	859,469
Operating leases liability, current portion	108,336
Total current liabilities	<u>1,026,305</u>

Operating leases liability, net of current portion	93,111
Total liabilities	<u>1,119,416</u>

Shareholder's Deficit

Capital stock	1,000
Accumulated deficit	<u>(348,465)</u>
Total shareholder's deficit	(347,465)

TOTAL LIABILITIES AND SHAREHOLDER'S DEFICIT	<u><u>\$ 771,951</u></u>
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As of October 31, 2025

Note 1 – Description of Business

Northern Financial Advisors, Inc. (the “Company”) is incorporated in the State of Michigan and provides financial advisory and tax services for its clients. The Company was incorporated in April 2002.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statement has been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

The preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

Concentrations of Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash on deposit with banks or other financial institutions and trade accounts receivable.

Cash and cash equivalents is maintained at various financial institutions and, at times, balances may exceed federally insured limits. The Company has never experienced any losses related to these balances.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturity dates of 90 days or less at the date of acquisition to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the invoiced amount, and based on contracted prices. Accounts receivable are unsecured and require no collateral. Clients’ annual fees are billed in November of each year and due in equal quarterly installments but they also may elect to make a single payment and obtain a \$200 credit if the full amount is paid by December 15.

Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed generally on a straight-line basis over the estimated useful lives of the assets. The costs of leasehold improvements are amortized either over the life of the improvement or the lease term, whichever is shorter. Significant improvements are capitalized and disposed or replaced property is written off. Maintenance and repairs are charged to expense in the period they are incurred. When items of property or equipment are sold or retired, the related cost and accumulated depreciation and amortization are removed from the accounts, and any gain or loss is included in the earnings. There was no impairment of long-lived assets as of October 31, 2025.

Leases

The Company determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a “Short-term” lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized as right-of-use assets or lease liabilities on the balance sheet. In the event the rate implicit in a lease is not readily available, the Company uses bank financing arrangements at the commencement date in determining the present value of lease payments.

Note 2 – Summary of Significant Accounting Policies (continued)

Impairment – Long-Lived Assets

The Company reviews its long-lived assets (property and equipment) for impairment whenever events or changes and circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Revenue Recognition

The Company earns fees from financial advisory and tax services. Each year in the month of November, the Company invoices an annual retainer fee for its financial advisory services for the following calendar year (January through December) and the revenue is recognized ratably during the calendar year.

The November and December fees have not been earned as of October 31, 2025, and therefore, will be deferred. Deferred revenue for fees not yet earned for financial advisory services as of October 31, 2025 was \$814,969. In addition, some clients will pay their annual retainer fee for the annual period from January 1st to December 31st before the end of the current fiscal year and these payments will also be recognized in deferred revenue. Deferred revenue for fees that were prepaid as of October 31, 2025 was \$44,500.

The activity in deferred revenue for the year ended October 31, 2025 was as follows:

Beginning balance (November 1, 2024)	\$ 747,352
Add: Deferred revenue billed during the period	4,228,916
Add: Cash received in advance (unbilled)	44,500
Less: Revenue recognized from beginning balance	(663,552)
Less: Revenue recognized from current-period billings	(3,497,747)
Ending balance (October 31, 2025)	<u>\$ 859,469</u>

The Company also has clients who receive only tax preparation services, for which the Company earns a flat fee and recognizes revenue when those services are performed.

Income Taxes

The Company is treated as an S-Corporation for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for the Company. The Shareholder is taxed individually on their share of the Company's earnings. The Company's net income or loss is allocated to its shareholder in accordance with the regulations of the Company. Generally, the Company's tax returns remain open for tax examinations for three years after filing of the returns. Management believes that tax years prior to 2021 are closed. There are no tax examinations currently in process.

Allowance for Credit Losses

ASC Topic 326, *Financial Instruments - Credit Losses* ("ASC 326") impacts the impairment model for certain financial instruments by requiring a current expected credit loss ("CECL") methodology to estimate expected credit losses over the entire life of the financial asset. Under ASC 326, the Company could determine there are no expected credit losses in certain circumstances (e.g. based on the credit quality of the client).

For financial assets measured at amortized cost (e.g., cash, cash equivalents, accounts receivable), the Company has evaluated the expected credit loss based on the nature and contractual life or expected life of the financial assets, credit quality of the counterparty and de minimus historic and expected losses. The Company concluded that there are de minimus expected credit losses and did not record a reserve for the cash, cash equivalents, and or accounts receivable balances. The Company continually monitors these estimates over the life of the receivable.

As of October 31, 2025

Note 3 – Retirement Plan

The Company provides a 401k plan to its employees in which it matches contributions up to 7.0% of annual salary.

Note 4 – Leases

The Company recognizes its leases in accordance with ASC Topic 842, Leases ("ASC 842"). The guidance increases transparency and comparability by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the balance sheet.

ROU asset represents the Company's right to use its properties, which is owned by an unrelated party for the estimated lease term. The operating lease liability represents the Company's obligation to make lease payments arising from the lease. ROU asset and operating lease liability are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term.

The Company uses its estimated incremental borrowing rates, which are derived from information available at the lease commencement date, in determining the present value of lease payments. The office and copier leases were in existence at the adoption of ASC 842. The copier lease was renewed, and the vehicle lease was entered into during the fiscal year ended October 31, 2024 and the Company used an incremental borrowing rate of 6.5% for these leases. The office lease was renewed during the fiscal year ended October 31, 2025 and the Company used an incremental borrowing rate of 7.0% for this lease. The Company gave consideration to bank financing arrangements when calculating the incremental borrowing rate.

The lease agreements do not contain any residual value guarantees and the Company accounts for the lease and non-lease components as a single component. There are no escalation clauses or termination options that are factored in the determination of the lease payments.

Lease expense is included in operating expenses. As of October 31, 2025, the Company's leases had a weighted average estimated remaining term of 1.9 years. The initial lease terms were determined taking into account the remaining lease terms as of November 1, 2025. The weighted average discount rate for the Company's leases was 6.92% as of October 31, 2025.

The components of lease expense for the year ended October 31, 2025 were as follows:

Cash lease payments	\$	105,910
Variable lease costs		<u>2,671</u>
Total lease cost	<u>\$</u>	<u>108,581</u>

Variable lease costs include utilities, real estate taxes and common area maintenance costs.

Supplemental balance sheet information related to the lease as of October 31, 2025 was as follows:

Operating leases:

ROU asset	\$	109,795
Additions		192,799
Asset lease expense		<u>(101,402)</u>
Net ROU asset at October 31, 2025	<u>\$</u>	<u>201,192</u>

As of October 31, 2025

Note 4 – Leases (continued)

Maturities of operating lease liabilities as of October 31, 2025 were as follows:

Year Ended October 31, 2026	\$	118,892
Year Ended October 31, 2027		87,455
Year Ended October 31, 2028		4,456
Year Ended October 31, 2029		4,456
Year Ended October 31, 2030		371
Total lease payments		215,630
Less: imputed interest		(14,183)
Total lease obligations	\$	201,447

Supplemental cash flow and other information related to leases for 2025 was as follows:

Cash paid for amounts included in the measurement of lease liability:

Operating cash flows for operating leases	\$	105,910
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Note 5 – Subsequent Events

The Company has evaluated activities and transactions subsequent to October 31, 2025 to determine the need for any adjustment to and/or disclosures within the financial statement for the year ended October 31, 2025. Except for disclosed above, no events have occurred through January 28, 2026, the date on which the financial statement was available to be issued, that would warrant disclosure.