

Northern Financial Advisors, Inc.

CRD Number: 121088

ADV Part 2A, Brochure

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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 David W. Lentz at 248-985-1632 or davidl@nfa1040.com. 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.

References herein to Northern Financial Advisors, Inc. as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

Since the previous Annual Update filing on January 28, 2016, this ADV Part 2A Firm Brochure has been materially amended at Item 5.A. to increase the range of fees charged in “Renewal Years” under the “Standard Retainer” service model; and to attach an audited balance sheet after Item 19. This Brochure also has been amended since that time to enhance various disclosures and to refine the descriptions of service offerings, fees, and conflicts of interest.

Since the Other Than Annual Amendment filed on September 29, 2017, the Registrant has amended Item 4 to furnish additional information on retirement rollovers and acting as a retirement account fiduciary.

ANY QUESTIONS: Northern Financial Advisors, Inc.’s Chief Compliance Officer, David W. Lentz, remains available to address any questions that an existing or prospective client may have regarding any of these changes or any other aspect of this Brochure.

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Item 4 Advisory Business

- A. Northern Financial Advisors, Inc. (“Registrant”) is a corporation formed in Michigan in 2002, which was initially licensed as an investment adviser with the state of Michigan in 2002 and has been licensed as an investment adviser with various other state securities authorities since that time. Registrant is principally owned by: David W. Lentz, who is the Registrant’s Chief Compliance Officer and Secretary; and Christine Isham, who is the Registrant’s President.
- B. Registrant offers its clients (individuals and high net worth individuals) financial planning and consulting services on a fee-only basis as more fully set forth below.

FINANCIAL PLANNING AND CONSULTING SERVICES

Registrant offers its clients various forms of financial planning and consulting services including: tax planning, estate planning, risk management, retirement planning, educational planning, and business development consulting services. Before engaging the Registrant to provide financial planning or consulting services, clients are required to enter into a specific form of agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before Registrant commences services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

Registrant offers its financial planning and consulting services under the three following service models: “Standard Retainer;” “Starter Retainer;” and “Project Retainer.” A complete description of each service model follows.

Standard Retainer

The “Standard Retainer” is an open retainer, in which Registrant offers to provide financial planning and consulting services for a fixed fee according to the terms and conditions of a “Retainer Agreement” between the client and the Registrant. Clients choosing to engage Registrant under the Standard Retainer service model will have six to eleven scheduled meetings during the Initial Year (see below), depending on their individual financial situation and the specific services requested. In Renewal Years (see below), Registrant typically provides three or four scheduled meetings.

In addition to scheduled meetings, Registrant 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.

During the “Initial Year,” the Registrant offers to address the following issues under its Standard Retainer service model, with the understanding that clients may choose to address only those topics that are relevant or necessary to their financial situation:

- 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 Registrant and the Client

During the “Renewal Years” the Registrant offers to address the following issues under its Standard Retainer service model, with the understanding that clients may choose to address only those topics that are relevant or necessary to their financial situation:

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

Starter Retainer

The Registrant offers its “Starter Retainer” service model under the terms and conditions of a “Starter Retainer Agreement” to clients who have determined that they do wish to receive the expansive services offered under a “Standard Retainer” engagement. Registrant typically offers this service to relatives of existing clients or to new clients seeking a more limited engagement. The services offered under the Starter Retainer engagement are not open, and are therefore restricted to those specific financial planning and consulting services selected by the client and the Registrant in the Starter Retainer Agreement. The Registrant generally focuses on one or more of the following areas under this engagement: goal setting, asset / liability analysis, tax planning, cash flow management, investment review, retirement planning, risk management, estate planning and record keeping. The services are offered over the course of one year, during which the Registrant meets with client at least twice for approximately ninety minutes each time. Tax return preparation is not automatically included with the Starter Retainer service, but may be purchased as a separate service at the client’s request, for an additional fee as described in Item 5 below.

Project Retainer

Finally, the Registrant offers “Project Retainer” services under the terms and conditions of a “Project Retainer Agreement” between the client and the Registrant if the above engagements are not desired or practical. The Project Retainer is not intended to be an ongoing service model, nor is it intended to be as encompassing as Standard Retainer services. Therefore, upon completing the specific tasks itemized under the Project Retainer Agreement, the engagement is terminated and Registrant does not provide ongoing advice or consultation (in the absence of another agreement between the client and the Registrant to provide those services).

Project Retainer services are narrower in scope than those offered under the Standard Retainer or Starter Retainer, which generally focus on one or more of the following areas: goal setting, asset/liability analysis, tax planning, cash flow management, investment review, retirement planning, risk management, estate planning and record keeping. This service includes designated client consultations as well as written and/or oral recommendations resulting from such consultations. Tax return preparation is not automatically included with the Project Retainer, but may be purchased as a separate service at the client’s request, for an additional fee as described in Item 5 below.

MISCELLANEOUS

Limitations of Non-Investment Consulting/Implementation Services. The Registrant may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. While the Registrant’s Chief Compliance Officer is licensed as an attorney in the state of Michigan, neither the Registrant, nor any of its representatives, serves as an attorney. The Registrant is not a licensed insurance agency and none of its representatives are licensed insurance agents. Therefore, no portion of the Registrant’s services should be construed as legal or insurance brokerage services. Accordingly, Registrant **does not** prepare estate planning documents or sell insurance products. However, the Registrant may assist the client’s designated professionals in preparing or reviewing estate planning documents. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (e.g. attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client’s other professionals, and is expressly authorized to rely thereon. It remains each client’s responsibility to promptly notify Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant’s previous recommendations and/or services.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s).

Retirement Plan Rollovers-No Obligation/Conflict of Interest. A client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in his/her former employer's plan, if permitted, (ii) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). The Registrant may recommend that a client roll over plan assets to an IRA. There are various factors that the Registrant may consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus the IRA manager's, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. **No client is under any obligation to roll over plan assets to an IRA managed by an Investment Adviser.**

ERISA / IRC Fiduciary Acknowledgment. If the client is: (i) a retirement plan ("Plan") organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an IRA acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then the Registrant represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by the Registrant or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

Mutual Funds Recommendations. While the Registrant may recommend allocating investment assets to mutual funds that are not available directly to the public, the Registrant may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging Registrant as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging Registrant, the client or prospective client would not receive the benefit of Registrant's initial and ongoing advisory services. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through certain registered investment advisers. Registrant may recommend that clients allocate investment assets to DFA mutual funds. Therefore, upon the termination of an investment adviser's services to a client,

restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds may apply.

Disclosure Statement. A copy of Registrant's written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement.

- C. The Registrant does not provide investment management or investment implementation services. However, the Registrant provides financial planning and consulting services specific to the stated needs of each client as described under Item 4.B. above. The client may, at any time, impose reasonable restrictions, in writing, on Registrant's services.
- D. Registrant does not sponsor a wrap program or offer investment advisory services on a wrap-fee basis.
- E. The Registrant does not manage client assets and therefore does not maintain regulatory assets under management to report in this Item 4.E.

Item 5 Fees and Compensation

A. FINANCIAL PLANNING AND CONSULTING SERVICES

As indicated in Item 4.B. above, the Registrant offers its financial planning and consulting services under the three following service models: Standard Retainer; Starter Retainer; and Project Retainer.

The Registrant is a "fee-only" firm, which means that it is solely compensated by fees received directly from clients, and not commission compensation. The specific fee arrangement for each client is established in the applicable form of written agreement between the Registrant and the client. Registrant's non-negotiable fees are generally assessed as follows:

Standard Retainer

Registrant offers its Standard Retainer services on a fixed fee basis, which generally ranges between \$6,000 and \$45,000 during the Initial Year; and \$4,700 and \$23,000 during the Renewal Years. Standard Retainer fees are calculated annually based on various factors including the client's net worth, income, assets, complexity of their financial and tax situation, and the specific services that will be provided by the Registrant, generally according to a matrix that is presented and discussed with the Client at the time of executing the Starter Retainer Agreement. A portion of the fees is payable upon execution of the Retainer Agreement, with the remainder due and payable upon the date specified in the Retainer Agreement (typically upon the date of income tax return filing). In the Initial Year, Standard Retainer fees include an initial set up fee payable upon execution of the Standard Retainer Agreement, with the balance due upon either a specified date or the completion of the client's income tax returns (whichever is earlier).

In addition to the Standard Retainer Base Fee under the applicable matrix, Registrant may also charge \$200 for each amended tax return prepared, if

applicable. Registrant may also charge up to \$200 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 Registrant, but will nonetheless be fully explained at the time of executing the Standard Retainer Agreement.

Starter Retainer

Registrant offers its Starter Retainer services on a fixed fee basis, which typically ranges between \$1,500 and \$3,000 and which is generally based on an hourly rate of between \$200 and \$600 depending upon the complexity and scope of services required and the professional rendering the services. Starter Retainer fees are calculated annually and payable in full upon execution of the Starter Retainer Agreement.

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 Starter Retainer Agreement. Although the Starter Retainer service offering does not include preparation of tax returns, clients may nonetheless engage the Registrant to prepare income tax returns for a separate and additional fee as agreed in advance.

Project Retainer

Registrant offers its Project Retainer services on a fixed fee basis, which typically ranges between \$1,500 and \$10,000, and which is generally based on an hourly rate of between \$200 and \$600 depending upon the complexity and scope of services required and the professional rendering the services. A portion of the Project Retainer fee is payable upon execution of the Project Retainer Agreement, with the remainder being due and payable upon the terms and conditions of the Project Retainer Agreement.

Although the Project Retainer service offering does not include preparation of tax returns, clients may nonetheless engage the Registrant to prepare income tax returns for a separate and additional fee as agreed in advance.

- B. Clients may elect to have Registrant's fees deducted from their custodial accounts. The applicable form of Agreement and the custodial / clearing agreement may authorize the custodian to debit the account for the amount of Registrant's fees and to directly remit that fee to Registrant in compliance with regulatory procedures. If Registrant bills the client directly, payment is due upon the terms stated on Registrant's invoice. Registrant generally deducts or bills clients for its fees in advance as indicated above.
- C. In addition to Registrant's fee, clients may incur certain other fees and charges to implement Registrant's investment recommendations. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Registrant generally recommends that Charles Schwab and Co., Inc. ("Schwab") and TD Ameritrade, Inc. ("TD Ameritrade"), both SEC-registered and FINRA member broker dealers, to serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab and TD Ameritrade charge brokerage commissions and/or transaction fees for effecting

certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition, relative to all mutual fund and exchange traded fund purchases, clients may also incur charges imposed at the fund level (e.g., management fees and other fund expenses).

- D. Registrant offers to deduct or bills clients for its fees in advance as indicated in the particular Agreement executed between the client and the Registrant. Upon termination of the applicable form of Agreement, Registrant will refund the pro-rated portion of the advanced unearned advisory fee based generally upon the number of days that services were provided, the number of appointments not yet completed, and/or the specific work that has not been completed.
- E. Neither Registrant, nor its representatives, accepts compensation from the sale of securities or other investment products.

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

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

Item 7 Types of Clients

Registrant's clients generally include individuals and high net worth individuals. Registrant does not impose minimum billing requirements in order to provide services to clients. The Registrant, in its sole discretion, may reduce its standard fees based upon certain criteria (e.g. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets under advisement, related accounts, account composition, client concerns, etc.).

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

- A. Registrant may utilize the following methods of security analysis:
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Registrant does not implement investment advice but may recommend that clients utilize the following investment strategies when implementing investment advice:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s).

- B. Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Registrant must have access to current / new market information. Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

Currently, Registrant primarily recommends that clients allocate investment assets among mutual funds, exchange traded funds, U.S. government securities, money market accounts, certificates of deposit, and individual bonds (corporate, agency and municipal). However, in the course of providing advisory services, Registrant may also provide advice about other forms of legacy assets that clients held before engaging the Registrant to provide services.

Item 9 Disciplinary Information

Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

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

- C. **Lawyer or Law Firm.** The Registrant’s Secretary / Chief Compliance Officer, David W. Lentz is a licensed attorney in the state of Michigan, but does not practice law or hold himself out as an attorney at law providing legal services. **The Registrant does not provide legal services and no portion of the Registrant’s services should be construed as legal services.**

Conflict of Interest. The recommendation that a client engage the legal services of Mr. Lentz would present a material conflict of interest. To mitigate that conflict, Mr. Lentz does not offer legal services to Registrant’s clients or the general public.

- D. Registrant 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

- A. Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant’s overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant’s Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Michigan Transition Order 3, Item 9, Section 204A of the Investment Advisers Act of 1940, and related state law, Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Registrant or any person associated with Registrant.

- B. Neither Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which Registrant or any related person of Registrant has a material financial interest.
- C. Registrant and/or representatives of Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Registrant’s clients) and other potentially abusive practices.

Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Registrant’s “Access Persons”. Registrant’s securities transaction policy requires that an Access Person of Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of

the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Registrant selects; provided, however that at any time that has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Registrant and/or representatives of Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services, Registrant generally recommends that clients utilize Schwab and/or TD Ameritrade. Clients would then have the option to execute a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending Schwab and TD Ameritrade (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant'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 the Registrant 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 Registrant 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, Registrant's fees. The Registrant's best execution responsibility is qualified if securities that clients purchase are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from Schwab and TD Ameritrade (or another broker-dealer/custodian, investment manager, vendor, platform, or fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services

that may be obtained by Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist Registrant administering client accounts. Others do not directly provide such assistance, but rather assist Registrant to manage and further develop its business enterprise. There is no corresponding commitment made by Registrant to Schwab and TD Ameritrade or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Registrant's Chief Compliance Officer, David W. Lentz, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. Registrant does not receive referrals from broker-dealers.
 3. **Directed Brokerage.** Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.
- B. The Registrant does not aggregate the purchase or sale of securities for client accounts.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by Registrant's representatives. Clients are advised that it remains their responsibility to advise Registrant 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 Registrant on an annual basis.
- B. Registrant 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.

- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A above, the Registrant may receive economic benefits from Schwab and TD Ameritrade including support services and/or products without cost (and/or at a discount). Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and TD Ameritrade as a result of this arrangement. There is no corresponding commitment made by the Registrant to Schwab and TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Registrant's Chief Compliance Officer, David W. Lentz, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. Registrant does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 Custody

Registrant may have the ability to have its fees for each client debited by the client's account custodian. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Registrant may also provide a written periodic report summarizing account activity and performance.

To the extent that Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of Registrant's fee calculation.

Item 16 Investment Discretion

The Registrant does not manage client accounts on a discretionary basis.

Item 17 Voting Client Securities

- A. The Registrant 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.

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

Item 18 Financial Information

- A. Registrant solicits prepayment of more than \$500 per client, six months or more in advance. Accordingly, please refer to Registrant's balance sheet following Item 19.
- B. The Registrant does not manage client accounts on a discretionary basis, but is also not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.
- C. Registrant has not been the subject of a bankruptcy petition.

Item 19 Requirements for State- Registered Advisors

- A. David W. Lentz and Christine Isham are the Registrant's management/control persons. For more information about these individuals, please refer to the Registrant's ADV Part 2B, Brochure Supplement.
- B. The Registrant is not actively engaged in any other business except as disclosed above.
- C. Neither the Registrant nor its representatives accept performance-based fees.
- D. Neither the Registrant nor its representatives have any reportable disciplinary information.
- E. Neither the Registrant nor its representatives have any relationship or arrangement with any issuer of securities.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, David W. Lentz, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.

Balance Sheet

NORTHERN FINANCIAL ADVISORS INC.

Balance Sheet

October 31, 2017

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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, 2017.

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, 2017, in conformity with accounting principles generally accepted in the United States.

Deborah Eggleston

Pinckney, Michigan
January 29, 2018

Northern Financial Advisors, Inc
Balance Sheet
October 31, 2017

ASSETS

Current Assets

Cash	\$	67,213
Accounts Receivable		<u>39,200</u>
 Total Current Assets		 <u>106,413</u>

Fixed Assets

Computer Equipment		71,679
Fixtures & Equipment		67,094
Telephone		5,859
Leasehold Improvements		28,547
Accumulated Depreciation		<u>(75,623)</u>
Total Fixed Assets		<u>97,556</u>

Other Assets

8752 Payment		38,669
Deposits		<u>5,981</u>
Total Other Assets		<u>44,650</u>

TOTAL ASSETS 248,619

LIABILITES AND STOCKHOLDERS EQUITY

Current Liabilities

Accounts Payable		21,510
Credit Cards Payable		8,499
Deferred Income		388,517
Accrued Payroll Expenses		28,885
Shareholder loans payable		<u>100,000</u>
Total Current Liabilities		<u>547,411</u>

STOCKHOLDERS' EQUITY

Common Stock		1,000
Retained Earnings		<u>(299,792)</u>
Total Stockholders' Equity		<u>(298,792)</u>

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY \$ 248,619

See independent auditor's report

Northern Financial Advisors, Inc
Notes to the Balance Sheet
October 31, 2017

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 in Michigan.

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 discount. Deferred income represents the unearned portion of 2017 annual fees collected.

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.

See audit report

Northern Financial Advisors, Inc
Notes to the Balance Sheet
October 31, 2017

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. The tax years open for examination are 2014, 2015 and 2016

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 29, 2017, 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 Franklin Partners. There is one remaining lease payment due 11/1/17 for \$1,749.

See audit report

Northern Financial Advisors, Inc
Notes to the Balance Sheet
October 31, 2017

NOTE F - LEASES - continued

Office Space

The corporation entered into a lease for office space at \$6,811 per month with SauSauLLC from 8/1/2017 through 7/31/2025. Required minimum lease payments are as follows:

Year ending 10/31/2018	\$ 81,732
Year ending 10/31/2019	\$ 81,732
Year ending 10/31/2020	\$ 81,732
Year ending 10/31/2021	\$ 81,732
Year ending 10/31/2022	\$ 81,732
Year ending 10/31/2023	\$ 81,732
Year ending 10/31/2024	\$ 81,732
Year ending 10/31/2025	\$ 61,299

Vehicle

The corporation entered into a 24 month lease for a 2016 Dodge Durango at \$527.67 per month from 12/2016 through 11/2018. Required minimum lease payments are as follows.

Year ending 10/31/2018	\$ 6,332
Year ending 10/31/2019	\$ 528

Copier

The corporation entered into a 48 month lease for a copier at \$436.72 per month from 1/2017 through 12/2020. Required minimum lease payments are as follows.

Year ending 10/31/2018	\$ 5,241
Year ending 10/31/2019	\$ 5,241
Year ending 10/31/2020	\$ 5,241
Year ending 10/31/2021	\$ 873

See audit report

Northern Financial Advisors, Inc
Notes to the Balance Sheet
October 31, 2017

NOTE F - LEASES - continued

Postage Meter

The corporation entered into a 30 month lease for a postage meter at \$42.27 per month from 5/2017 through 10/2019. Required minimum lease payments are as follows.

Year ending 10/31/2018	\$ 507
Year ending 10/31/2019	\$ 427

NOTE G - SHAREHOLDER LOANS

The corporation has outstanding loans with the owners of \$100,000 each. The loan agreements are dated October 27, 2017. Funds are to be repaid by December 30, 2017 with an interest rate of 5% per annum.

See audit report