

## **Firm Brochure**

(Part 2A of Form ADV)

### **BEACON FINANCIAL ADVISORS, LLC**

**13312 E 44<sup>th</sup> Terr S**

**Independence, MO 64055**

**816-739-4853**

**816-875-4545**

**[www.beacon-advisor.com](http://www.beacon-advisor.com)**

**[kristine@beacon-advisor.com](mailto:kristine@beacon-advisor.com)**

This brochure provides information about the qualifications and business practices of BEACON FINANCIAL ADVISORS, LLC. If you have any questions about the contents of this brochure, please contact us at: 816-739-4853, or by email at: [KRISTINE@BEACON-ADVISOR.COM](mailto:KRISTINE@BEACON-ADVISOR.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 BEACON FINANCIAL ADVISORS, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

February 15, 2019

## **Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 816-739-4853 or by email at: [KRISTINE@BEACON-ADVISOR.COM](mailto:KRISTINE@BEACON-ADVISOR.COM).

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## Advisory Business

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### **Firm Description**

BEACON FINANCIAL ADVISORS, LLC, ("FIRM NAME") was founded in 2002.

BEACON FINANCIAL ADVISORS, LLC provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

BEACON FINANCIAL ADVISORS, LLC is strictly a fee-only financial planning and investment management firm. The firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. Investment advice is provided, with the client making the final decision on investment selection. BEACON FINANCIAL ADVISORS, LLC does not act as a custodian of client assets. The client always maintains asset control. BEACON FINANCIAL ADVISORS, LLC does not place trades for clients.

In addition, BEACON FINANCIAL ADVISORS, LLC advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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### **Principal Owners**

Kristine McKinley is a 100% stockholder.

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**Types of Advisory Services**

BEACON FINANCIAL ADVISORS, LLC furnishes investment advice through consultations.

On more than an occasional basis, BEACON FINANCIAL ADVISORS, LLC furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the typical client relationships.

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**Financial Planning Agreement**

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

BEACON FINANCIAL ADVISORS, LLC provides financial planning services on an hourly or flat fee per project basis. Fees are based on the anticipated number of hours involved in the project. Fees will range from \$75 to \$200 per hour, depending on the complexity and nature of the engagement. The minimum fee for a comprehensive financial plan will be \$600. There is no minimum fee for limited scope engagements.

Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional

work being performed when a fee increase is necessary. No on-going or automatic reviews are provided, unless requested by the client. Periodic financial checkups and portfolio reviews are recommended, but it is the client's responsibility to initiate these reviews.

Follow-on implementation work is billed separately at the rate of \$180 per hour.

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### **Tax Preparation Agreement**

Tax preparation work performed separately from an *Advisory Service Agreement* or a *Retainer Agreement* is billed at a rate of \$75 per hour. Eligible federal and applicable state returns are filed electronically without an additional fee.

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### **Hourly Planning Engagements**

BEACON FINANCIAL ADVISORS, LLC provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$180.

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### **Asset Management**

Asset management is not provided by BEACON FINANCIAL ADVISORS, LLC, however detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

Recommended investments include no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. BEACON FINANCIAL ADVISORS, LLC does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), corporate debt securities, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, and interests in partnerships.

Initial public offerings (IPOs) are not available through BEACON FINANCIAL ADVISORS, LLC.

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### **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying BEACON FINANCIAL ADVISORS, LLC in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, BEACON

FINANCIAL ADVISORS, LLC will refund any unearned portion of the advance payment.

BEACON FINANCIAL ADVISORS, LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, BEACON FINANCIAL ADVISORS, LLC will refund any unearned portion of the advance payment.

## **Fees and Compensation**

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### **Description**

BEACON FINANCIAL ADVISORS, LLC bases its fees on hourly charges and fixed fees (not including subscription fees).

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are NOT NEGOTIABLE.

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### **Fee Billing**

A deposit of \$500 is required for comprehensive financial plans, with the balance due upon delivery of the financial plan.

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### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

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### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to BEACON FINANCIAL ADVISORS, LLC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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### **Past Due Accounts and Termination of Agreement**

BEACON FINANCIAL ADVISORS, LLC reserves the right to stop work on any account that is more than 60 days overdue. In addition, BEACON FINANCIAL ADVISORS, LLC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in BEACON FINANCIAL ADVISORS, LLC's judgment, to



providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

## Performance-Based Fees

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### Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

BEACON FINANCIAL ADVISORS, LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Types of Clients

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### Description

BEACON FINANCIAL ADVISORS, LLC generally provides investment advice to individuals, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

## Methods of Analysis, Investment Strategies and Risk of Loss

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### Methods of Analysis

Security analysis methods may include fundamental analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that BEACON FINANCIAL ADVISORS, LLC may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, and the World Wide Web.

### Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations and may include long-term purchases, short-term purchases.

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## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Disciplinary Information

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### Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## Other Financial Industry Activities and Affiliations

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### Affiliations

BEACON FINANCIAL ADVISORS, LLC is not a related person or general partner in any partnership in which clients are solicited to invest.

Kristine McKinley is a member of Garrett Planning Network (GPN), a nationwide network of professional, fee-only financial advisors. GPN members are dedicated to providing competent, unbiased financial advice to people from all walks of life. This group of independent financial planners supports each other through the sharing of technical, operational and marketing information, nationally recognized founder, Sheryl Garrett, CFP®, provides training and operational procedures.

Clients and prospective clients may be referred to Beacon by Garrett Planning Network's website, [www.garrettplanningnetwork.com](http://www.garrettplanningnetwork.com). Beacon may pay operational fees to GPN but nothing is paid to GPN for client referrals. Clients referred by GPN do not pay more for the services of Adviser than clients who learn about Adviser from another referral source.

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

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### Code of Ethics

The employees of BEACON FINANCIAL ADVISORS, LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

### Participation or Interest in Client Transactions

BEACON FINANCIAL ADVISORS, LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the BEACON FINANCIAL ADVISORS, LLC *Compliance Manual*.

## Brokerage Practices

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### Selecting Brokerage Firms

BEACON FINANCIAL ADVISORS, LLC does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. BEACON FINANCIAL ADVISORS, LLC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

BEACON FINANCIAL ADVISORS, LLC recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab & Company, Fidelity Investments and Vanguard.

BEACON FINANCIAL ADVISORS, LLC *DOES NOT* receive fees or commissions from any of these arrangements.

BEACON FINANCIAL ADVISORS, LLC does not receive any portion of the trading fees.

## Review of Accounts

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### Regular Reports

Portfolio "snapshot" reports are provided when Beacon Financial Advisors is engaged to provide asset allocation or investment advice.

Account statements are provided to clients by the mutual fund companies and/or brokerage companies in which they hold investments. Statements are typically provided on a monthly or quarterly basis and as transactions occur.

No on-going or automatic account reviews are provided, unless requested by the client. Periodic financial checkups and portfolio reviews are recommended, but it is the client's responsibility to initiate these reviews.

## Client Referrals and Other Compensation

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### Incoming Referrals

BEACON FINANCIAL ADVISORS, LLC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

### Referrals Out

BEACON FINANCIAL ADVISORS, LLC may provide referrals to other investment advisory firms as a service to clients. BEACON FINANCIAL ADVISORS, LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## Investment Discretion

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### **Discretionary Authority for Trading**

BEACON FINANCIAL ADVISORS, LLC does not accept discretionary authority to manage securities accounts on behalf of clients.

## Voting Client Securities

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### **Proxy Votes**

BEACON FINANCIAL ADVISORS, LLC does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, BEACON FINANCIAL ADVISORS, LLC will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## Financial Information

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### **Financial Condition**

BEACON FINANCIAL ADVISORS, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because BEACON FINANCIAL ADVISORS, LLC does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

## Information Security Program

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### **Information Security**

BEACON FINANCIAL ADVISORS, LLC maintains an information security program to reduce the risk that your personal and confidential information may be breached.

### **Privacy Notice**

BEACON FINANCIAL ADVISORS, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by tele816-739-4853, mail, fax, [kristine@beacon-advisor.com](mailto:kristine@beacon-advisor.com), or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

BEACON FINANCIAL ADVISORS, LLC requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.

- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Enrolled Agent (EA): Enrolled Agents are enrolled by the Internal Revenue Service and authorized to use the EA designation. EA enrollment requirements:

- Successful completion of the three-part IRS Special Enrollment Examination (SEE), or completion of five years of employment by the IRS in a position which regularly interpreted and applied the tax code and its regulations.
- Successfully pass the background check conducted by the IRS.

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**KRISTINE A MCKINLEY, CPA, CFP**

Educational Background:

- University of Missouri – Kansas City, BS Accounting, 1993
- University of Missouri – Kansas City, MS Accounting – Tax Focus, 1999

Business Experience:

Beacon Financial Advisors, Lee's Summit, MO  
 Financial Planner, Registered Investment Advisor Representative, President  
 05/02 to present

Kristine A. McKinley, CPA, Lee's Summit, MO

CPA, Owner  
01/95 to present

King Financial Group, Inc. , Overland Park, KS  
Financial Advisor, Accountant, Registered Investment Advisor  
Representative  
09/01 to 04/02

American Century Investments, Kansas City, MO  
Investment Specialist  
07/00 to 09/01

Windler & Windler, CPAs, PC, Grandview, MO  
Staff Accountant  
07/96 to 07/00

Disciplinary Information: None

Other Business Activities:

As a compliment to Beacon's core business of providing financial planning and investment management services, Beacon also delivers tax preparation services to some clients.

Kristine McKinley also provides educational ebooks, reports and teleseminars on personal finance topics such as debt management, budgeting, saving for college, and income taxes under a separate business entity, KAM Financial Publishing, LLC. No investment advice or reviews are provided by KAM Financial Publishing, LLC.

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administration Proceeding: None

Bankruptcy Petition: None