

Firm Brochure

(Part 2A of Form ADV)

Tafoya Barrett and Associates PC

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This brochure provides information about the qualifications and business practices of Tafoya Barrett and Associates PC. If you have any questions about the contents of this brochure, please contact us at: 970-259-8000, or by email at: info@tafoyabarrett.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.

Tafoya Barrett and Associates, PC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of Tafoya Barrett and Associates PC provide you with information to assist you in determining whether or not to hire or retain Tafoya Barrett and Associates PC.

Additional information about Tafoya Barrett and Associates PC is available on the SEC's website at www.adviserinfo.sec.gov, and Tafoya Barrett and Associates PC's searchable IARD/CRD #107248.

March 31, 2020

Material Changes

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. This brochure, dated March 31, 2020, is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and provides certain new information that our previous brochure did not provide. Our brochure will be updated annually or when material changes occur since the previous release of our brochure.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 970-259-8000 or by email at: info@tafoyabarrett.com.

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Advisory Business

Firm Description

Tafoya Barrett and Associates PC, was founded November 22, 1995.

Tafoya Barrett and Associates PC is a Certified Public Accounting firm providing tax return preparation for individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. General financial recommendations are provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, education funding, retirement planning, and estate planning.

Tafoya Barrett and Associates PC is a Certified Public Accounting firm. The firm does not sell 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. Tafoya Barrett and Associates PC will provide general financial recommendations regarding cash flow, college planning, retirement planning, tax planning and estate planning. However, we do not provide investment management services.

General financial recommendations are provided, with the client making the final decision on investment selection. Tafoya Barrett and Associates PC does not act as a custodian of client assets. The client always maintains asset control. Tafoya Barrett and Associates PC does not place trades for clients.

Other professionals (e.g., lawyers, investment advisors, 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.

Principal Owners

Bradley A. Tafoya is a 47.5% shareholder. Patrick J. Barrett is a 47.5% shareholder. A. Michelle Kooi is a 5% owner.

Types of Services

Tafoya Barrett and Associates PC will prepare federal and requested state income tax returns from information which clients furnish. We will provide appropriate bookkeeping services as needed and we may make general financial planning recommendations and suggestions based upon our knowledge gained in preparing income tax returns.

On more than an occasional basis, Tafoya Barrett and Associates PC furnishes general recommendations to clients on financial planning matters, taxation issues, and trust services that often include estate planning.

Tafoya Barrett and Associates PC does not provide a timing service.

Tafoya Barrett and Associates PC does not manage assets for clients.

Types of Agreements

The following agreements define the typical client relationships.

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 general repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including general recommendations; a review of insurance policies and general recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and general recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are not provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

Financial planning agreements are billed at our standard hourly rates. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

Tax Preparation Agreement

We will prepare federal and requested state income tax returns from information, which clients will furnish to us. If required, we will provide appropriate bookkeeping services, as needed to obtain the required information.

We will make no audit or other verification of the data submitted, although it may be necessary to ask for clarification of some of the information.

Hourly Planning Engagements

Tafoya Barrett and Associates PC provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements range is \$265 to \$300.

Asset Management

Tafoya Barrett and Associates PC does not manage any client assets.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying Tafoya Barrett and Associates PC in writing and paying the rate for the time spent on the engagement prior to notification of termination. If the client made an advance payment, Tafoya Barrett and Associates PC will refund any unearned portion of the advance payment.

Tafoya Barrett and Associates PC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Tafoya Barrett and Associates PC will refund any unearned portion of the advance payment.

Fees and Compensation

Description

Our fee for these services will be based upon the amount of time required at our standard billing rates, depending on personnel involved in the engagement plus computer charges and out-of-pocket expenses and will be billed in arrears as work is performed. All invoices are due and payable upon presentation. A late payment charge of 1.5 percent per month will be assessed on any unpaid balance after deduction of current payments, credits, and allowances made within 30 days of the date of billing. This is an Annual Percentage Rate of 18 percent.

Past Due Accounts and Termination of Agreement

Tafoya Barrett and Associates PC reserves the right to stop work on any account that is more than 45 days overdue. In addition, Tafoya Barrett and Associates PC reserves the right to terminate any tax or financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Tafoya Barrett and Associates PC's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

Types of Clients

Description

Tafoya Barrett and Associates PC provides general financial advice to individuals, pension and profit sharing plans, 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

Methods of Analysis

Tafoya Barrett and Associates PC does not provide investment management services.

Disciplinary Information

Legal and Disciplinary

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

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Tafoya Barrett and Associates PC is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

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

Code of Ethics

The employees of Tafoya Barrett and Associates PC have committed to a Code of Ethics, under the American Institute of Certified Public Accountants, (AICPA), and applies the AICPA's – Statements on Standards for Tax Services within its daily operations. Both the AICPA's Code of Ethics and Statements on Standards for Tax Services are available for review by clients and prospective clients upon request.

Client Referrals and Other Compensation

Incoming Referrals

Tafoya Barrett and Associates PC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, investment advisors, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

Tafoya Barrett and Associates PC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

SEC “Custody”

From time to time, Tafoya Barrett and Associates PC may be considered to have custody of certain types of accounts, such as when an employee acts as a trustee of an unrelated trust and the firm acts as the CPA or financial planner to that trust.

Additionally, the Firm may also be considered to have custody over clients operating checking accounts through its bookkeeping services. In such situations all expenses and disbursements are approved by the client either through annual budgetary preparation and review or as invoices are generated.

Account Statements

Tafoya Barrett and Associates PC does not have any assets under management and consequently does not provide any account statement reporting.

Performance Reports

Tafoya Barrett and Associates PC does not have any assets under management and consequently does not provide any performance reporting.

Net Worth Statements

Occasionally clients are provided net worth statements and net worth graphs. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Business Continuity Plan

General

Tafoya Barrett and Associates PC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

Tafoya Barrett and Associates PC has signed a Business Continuation Agreement through a Buy-Sell Agreement between the principal owners to support Tafoya Barrett and Associates PC in the event of serious disability or death of one of the owners.

Information Security Program

Information Security

Tafoya Barrett and Associates PC maintains an information security program to reduce the risk that personal and confidential information may be breached.

Privacy Notice

Tafoya Barrett and Associates PC 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 may include information about personal finances, information about health to the extent that it is needed for the financial planning process, information about transactions between clients and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help clients meet their personal financial goals.

With client's written permission, we disclose limited information to attorneys, investment advisors, and mortgage lenders with whom clients have established a relationship. With client's written permission, we share a limited amount of information about them with their brokerage firm.

We maintain a secure office to ensure that client's 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 client's personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to client's personal information.

It is our policy to keep records related to engagements for a minimum of seven years. However, Tafoya Barrett and Associates PC does not keep any original client records, so we will return those to clients at the completion of the services rendered under an engagement. When records are returned to clients, it is their responsibility to retain and protect their records for possible future use, including potential examination by any government or regulatory agencies.

We will notify clients in advance if our privacy policy is expected to change.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

Tafoya Barrett and Associates PC requires that financial planners in its employ have a bachelor's degree and further coursework demonstrating knowledge of tax planning and financial planning. Examples of acceptable coursework include: a CPA, an MBA, a CFP®, a PFS, a CFA, a ChFC, JD, CTFA, or an EA. Additionally, employees participate in annual continuing professional education programs and must have work experience that demonstrates their aptitude for financial planning.

Professional Certifications

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

Certified Public Account, (CPA)

- Bachelor's degree from an accredited college or university.
 - Completion of bi-annual continuing professional education requirements of the Colorado State Board of Accountancy, American Institute of Certified Public Accounts, and Colorado Society of CPAs, including completion of bi-annual ethics continuing education requirements.
-

Bradley A. Tafoya, CPA, CFP, RLP

Educational Background:

- Date of birth: July 10, 1970
- BS in Accounting, Fort Lewis College
- MS in Accounting, Colorado State University.

Business Experience:

- Tafoya Barrett and Associates PC (Nov. 1998 to Present)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Additional information about **Bradley A. Tafoya** is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD # for **Bradley A. Tafoya** is **4376709**.

Patrick J. Barrett, CPA

Educational Background:

- Date of birth: March 13, 1961
- BS in Business Administration, University of Northern Colorado.

Business Experience:

- Tafoya Barrett and Associates PC (July 2001 to Present)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Additional information about **Patrick J Barrett** is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD # for **Patrick J. Barrett** is **4520963**.

Ann Michelle Kooi, CPA

Educational Background:

- Date of birth: July 22, 1966
- BS in Business/Accounting, University of Phoenix
- BS in Journalism, University of Colorado at Boulder

Business Experience:

- Tafoya Barrett and Associates PC (July 2017 to Present)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Additional information about **Ann Michelle Kooi** is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD # for **Ann Michelle Kooi** is **7089962**.