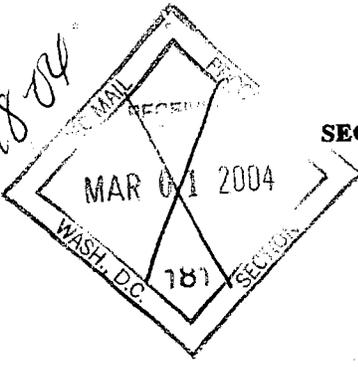


VK
3/18/04



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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ISSION

Att 3/16/2004 **

OMB APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2004
Estimated average burden hours per response..... 12.00

ANNUAL AUDITED REPORT

FORM X-17A-5

PART III

RECD S.E.C.
MAR 1 2004

SEC FILE NUMBER
8- 29445

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2003 AND ENDING 12/31/2003
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: HORIZON FINANCIAL INVESTMENT CORP.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

151 Harrington Circle

(No. and Street)

Willingboro, New Jersey 08046-1825

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Richard J. Isackson

609-877-3355

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Harrison, Mauro & Morgan, PA

(Name - if individual, state last, first, middle name)

586 High Street, P.O. Box 400, Burlington, NJ 08016

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED
MAR 29 2004

FOR OFFICIAL USE ONLY
THOMSON FINANCIAL

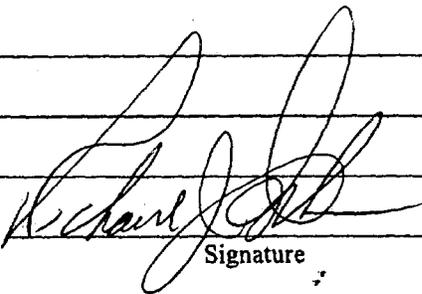
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Att
3-25-2004

OATH OR AFFIRMATION

I, Richard J. Isackson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Horizons Financial Investment Corp., as of 12/31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Signature

President

Title

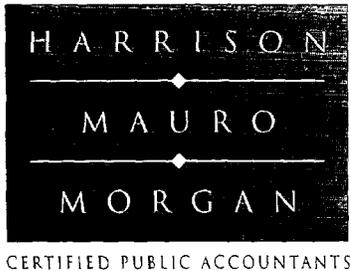


Notary Public
COMMISSION EXPIRES JAN 20

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



STEVEN M. HARRISON, CPA
RICHARD L. MAURO, CPA
WILLIAM J. MORGAN, CPA
WILLIAM A. BAKER, CPA (1991-2002)

◆
*A Peer Reviewed Member of the
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Accountants*

◆
*A Member of the New Jersey Society
Of Certified Public Accountants*

**HORIZONS FINANCIAL
INVESTMENT CORPORATION**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

DECEMBER 31, 2003

568 High Street
PO Box 400
Burlington, NJ 08016
609-386-6556
Fax 609-386-6446



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Voorhees, NJ 08043
856-782-9700
Fax 856-782-2233



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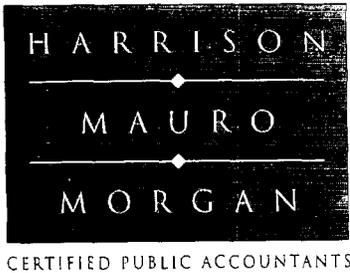
HORIZONS FINANCIAL INVESTMENT CORPORATION

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Statement of Financial Condition	2
Statement of Operations	3
Statement of Stockholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9



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STEVEN M. HARRISON, CPA
RICHARD L. MAURO, CPA
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Board of Directors
Horizons Financial Investment Corporation
Willingboro, NJ

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial condition of Horizons Financial Investment Corporation as of December 31, 2003, and the related statement of operations, changes in stockholders' equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Horizons Financial Investment Corporation as of December 31, 2003 and the results of its activity and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Harrison, Mauro & Morgan, P.A.
Harrison, Mauro & Morgan, P.A.

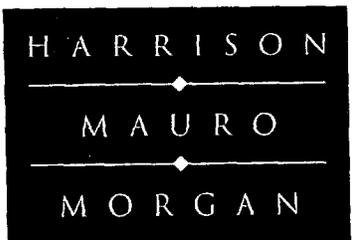
February 5, 2003

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HORIZONS FINANCIAL INVESTMENT CORPORATION
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2003

ASSETS

CURRENT ASSETS:

Cash	\$	2,450
Cash, Restricted SDL		10,000
Accounts Receivable(no allowance deemed necessary)		1,790
Investments, at cost		<u>10,200</u>

TOTAL CURRENT ASSETS 24,440

FIXED ASSETS:

Computer		2,833
Accumulated Depreciation		<u>(1,417)</u>
		<u>1,416</u>

TOTAL ASSETS \$ 25,856

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Income Taxes Payable	\$	500
Amount Due Officer		5,250
Interest Payable		1,000
SDL Collateral Payable		<u>10,000</u>

TOTAL CURRENT LIABILITIES 16,750

STOCKHOLDERS' EQUITY:

Common Stock, authorized 2,500 shares, no par value; 2000 shares issued and outstanding		2,000
Retained Earnings		<u>7,106</u>

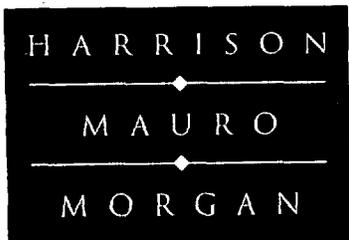
TOTAL STOCKHOLDERS' EQUITY 9,106

TOTAL LIABILITIES AND
STOCKHOLDERS' EQUITY \$ 25,856

See Notes to Financial Statements.



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CERTIFIED PUBLIC ACCOUNTANTS

Page 3

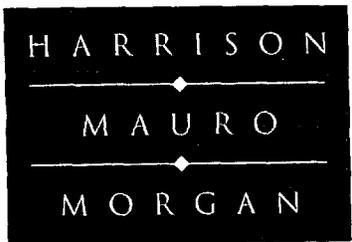
HORIZONS FINANCIAL INVESTMENT CORPORATION
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2003

REVENUES	
Commission Income	\$ 33,023
Management fee	2,000
Interest and dividends	87
	<u>35,110</u>
EXPENSES	
Advertising	42
Computer Expenses	4,271
Commissions	420
Fees, registrations, etc.	1,479
Insurance	1,870
Interest	1,000
Depreciation Expense	567
Dues and Subscriptions	694
Office Supplies and Expenses	1,447
Operating Supplies and Expenses	1,097
Postage	319
Professional Fees	3,200
Rent	12,780
Repairs and Maintenance	2,117
Telephone	1,904
Training, Seminars, etc.	2,487
	<u>35,694</u>
LOSS BEFORE INCOME TAXES	(584)
PROVISION FOR INCOME TAXES	<u>500</u>
NET LOSS	\$ <u>(1,084)</u>
BASIC EARNINGS(LOSS) PER SHARE	\$ <u>(0.54)</u>

See Notes to Financial Statements.



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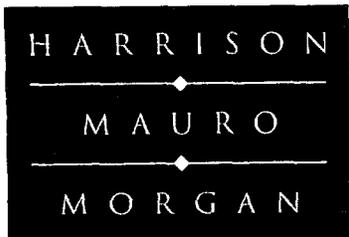
HORIZONS FINANCIAL INVESTMENT CORPORATION
STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at beginning of year	2,000	8,190	10,190
Net Loss- 2003	<u>-</u>	<u>(1,084)</u>	<u>(1,084)</u>
Balance at end of December 31, 2003	\$ <u>2,000</u>	\$ <u>7,106</u>	\$ <u>9,106</u>

See Notes to Financial Statements.



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CERTIFIED PUBLIC ACCOUNTANTS

Page 5

HORIZONS FINANCIAL INVESTMENT CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2003

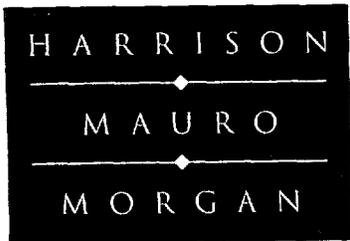
CASH FLOWS FROM OPERATING ACTIVITIES:

Net Loss	\$ (1,084)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation expense	567
Change in assets and liabilities:	
(Increase) Decrease in:	
Accounts Receivable	(789)
Increase (Decrease) in:	
Accounts Payable & Accrued Expenses	(27)
Due to Officer	569
Accrued Interest Payable	500
Income Taxes Payable	<u>125</u>
NET CASH USED IN OPERATING ACTIVITIES	(139)
NET (DECREASE) IN CASH	(139)
CASH AT BEGINNING OF YEAR	<u>2,589</u>
CASH AT END OF YEAR	\$ <u>2,450</u>
SUPPLEMENTAL DISCLOSURES:	
Interest Paid	\$ <u>500</u>
Income Taxes Paid	\$ <u>675</u>

See Notes to Financial Statements.



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CERTIFIED PUBLIC ACCOUNTANTS

Page 6

HORIZONS FINANCIAL INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

Note A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Horizons Financial Investment Corporation conducts its business as a broker/dealer in Securities and is a registered member of the N.A.S.D. and S.I.P.C.

Allowance of Doubtful Accounts

The Company's management considers all receivables from clearing organizations to be fully collectible; accordingly, no allowance for doubtful accounts is deemed necessary in the accompanying financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, short term investments which have an original maturity of ninety days or less are considered cash equivalents.



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HORIZONS FINANCIAL INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

Note A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight line method over five years. Maintenance and repairs are charged to operations when incurred.

Investments

Investments in marketable securities are valued at fair market value in the statement of financial condition. Unrealized gains are included in the statements of income.

Commissions

Commissions and related clearing expenses are recorded on a trade-date basis as transactions occur.

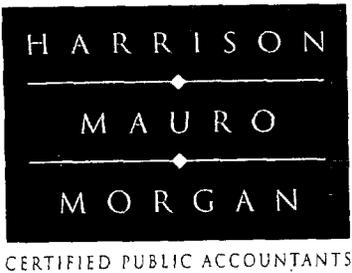
Note B- LEASE COMMITMENTS, RELATED PARTY TRANSACTIONS

The Company leases space and various pieces of equipment, furnishings and fixtures from the President on a month to month basis. Office rent in the amount of \$12,780 was paid in 2003. Lease payments for computer equipment were paid in the amount of \$2,250 during the year.

Note C- SECURED DEMAND LOAN

The Company is obligated under a subordinated demand note payable to its Secretary and Stockholder in the amount of \$10,000. This note bears interest at the rate of 10% per annum payable semiannually. The note is secured by segregated restricted cash funds.





HORIZONS FINANCIAL INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

Note D- NET CAPITAL REQUIREMENTS

The Company is subject to the securities and exchange commission Uniform Net Capital Rule (Rule 15C3-1) which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital both as defined shall not exceed 15 to 1 (and the rule of applicable exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2003 the Company had net capital of \$ 7,459. The Company's net capital ratio was .90 to 1 for December 31, 2003.

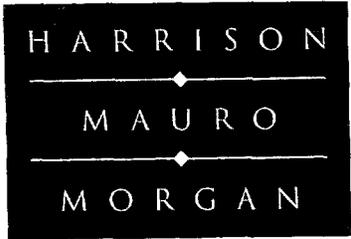
Note E- INCOME TAXES

The current portion of income tax expense (benefit) included in the statement of operations as determined in accordance with FASB Statement No. 109, Accounting for Income taxes, for the year ended December 31, 2003 is as follows:

State tax expense	\$500
-------------------	-------

As of December 31, 2003, the company has accumulated a federal net operating loss carryover of approximately \$2,300 expiring in December 31, 2023.





CERTIFIED PUBLIC ACCOUNTANTS

HORIZONS FINANCIAL INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

Note F- INVESTMENTS

Investments are stated at fair value unless otherwise noted at cost, and consist of the following as of:

	<u>December 31, 2003</u>		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation</u>
Marketable securities, at cost	\$ <u>10,200</u>	\$ <u>10,200</u>	\$ <u>0</u>
Total	\$ <u>10,200</u>	\$ <u>10,200</u>	\$ <u>0</u>



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STEVEN M. HARRISON, CPA
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Board of Directors
Horizons Financial Investment Corporation

In planning and performing our audit of the financial statements of Horizons Financial Investment Corporation, for the year ended December 31, 2003, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), in the following: Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e).

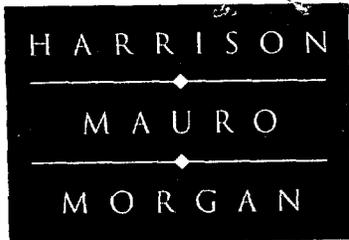
The management of the Company is responsible for establishing and maintaining an internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that the transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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CERTIFIED PUBLIC ACCOUNTANTS

Horizons Financial Investments Corp. (cont'd)

Page 2

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. Our consideration of internal control would not necessary disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, that we consider to be material weaknesses as defined above. Fn 1(86)

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2003, to meet the SEC's objectives. fn2(87)

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Harrison, Mauro & Morgan, P.A.
Harrison, Mauro & Morgan, P.A.
Burlington, NJ
February 5, 2004



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