

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

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This brochure provides information about the qualifications and business practices of Horizon Financial Advisors. If you have any questions about the contents of this brochure, please contact us at the phone number or e-mail address above.

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 Horizon Financial Advisors also is available on the SEC's website at www.adviserinfo.sec.gov. Registration as an Investment Adviser does not imply a certain level of skill or training.

MATERIAL CHANGES

The following changes are being made to our firm's brochure and are the first changes being made since our last update in January 2015:

- 1) To add Michael T. Satler as an advisor of the firm
- 2) Remove income tax preparation as a service provided
- 3) Increase the minimum fee for financial planning renewals to \$250 per year
- 4) Modify the language that describes the services provided under a fee-based arrangement
- 5) Clarify that Horizon does not provide consolidated reports to clients during reviews of their accounts, other than what might be generated by data obtained from sources such as Morningstar as a technical analysis of an account

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ADVISORY BUSINESS

Horizon Financial Advisors, an independently owned and operated corporation, is a Registered Investment Adviser with the Pennsylvania Department of Banking and Securities. The owners of the firm, who also serve as advisors, are Laura J. Abbott DeCarolis and George P. Hebert. They are also Certified Financial PlannersTM. The firm began in June 1990 as a spin-off of the Annuity Department of Horizon Financial Savings & Loan and later incorporated as Horizon Financial Advisors (referred to in this brochure as “HFA”) in March of 1991. Laura has served as President and George has served as CEO since that time. In 2015, Michael T. Satler joined the firm to serve as an advisor only, not as an owner.

There are two categories of advisory services that HFA provides:

- 1) Preparing Financial Plans
- 2) Offering Advice on Retainer

The service(s) provided to each client and the fee(s) associated with the service(s) depend(s) on the needs, goals, and concerns of the client. A description of each category of services is described below.

Preparing Financial Plans

The advisors of this firm are Certified Financial PlannersTM. As a result, HFA offers two levels of financial planning:

- a. A COMPREHENSIVE plan consists of reviewing and analyzing then providing written analysis of a client’s entire financial picture such as the existing investments, cash flow, tax returns, insurance, retirement planning, estate planning, accumulation goals, educational funding, employee benefits and any other financial matters. A financial plan is developed to show the client’s current situation, including goals, objectives and concerns, and suggestions to reach their goals. Formulating the plan also includes services for monitoring and providing unlimited consultation with a contract that is renewal on an annual basis.
- b. A MODIFIED plan consists of reviewing and analyzing then providing written suggestions and analysis for ONE SPECIFIC AREA only of financial planning mentioned under a. above. The purpose of the plan is still to show the client’s situation and suggestions to reach their goals. Formulating the plan also includes services for monitoring and providing unlimited consultation for the client regarding the specific area addressed, which is also renewal on an annual basis.

Offering Advice on Retainer

HFA provides advice for a fee described as the General Retainer advisory service. Under this arrangement, HFA is retained to provide general financial or investment advice to individuals regarding miscellaneous as needed or requested by the client. Examples of such issues would be assistance with notices regarding litigations or stock mergers on investments owned, advice regarding participation in an employer-sponsored retirement plan, beginning mandatory IRA distributions at age 70-1/2, assistance with the financial affairs of a deceased spouse or family member, miscellaneous tax advice, etc. In addition to receiving advice, the client would also receive any newsletters published by HFA that include updates on significant changes in the financial matters such as tax law changes, major movements in the markets, etc.

This arrangement excludes, however, advice that would fall under financial planning and also excludes advice regarding specific investment allocation recommendations for accounts managed by other advisors or brokers with the exception of employer-sponsored retirement plan for which the client is an active participant.

HFA provides advice regarding a variety of types of investments and products but primarily regarding stocks, bonds, mutual funds, annuities, and life and long-term care insurance products. Any investment or product that is recommended is done so based on the client's goals, needs, and risk tolerance. Investment suggestions are offered but it is ultimately the choice of the client.

FEES AND COMPENSATION

Preparing Financial Plans

The fees for financial plans are as follows:

- a. The fee for a COMPREHENSIVE plan is based on the client's marital status and net worth (excluding the home), as follows:

<u>Single Person</u>	If Net Worth (excluding home) is:
Less than \$150,000	\$500.00
Between \$150,001 and \$500,000	\$650.00
Over \$500,000	\$800.00

<u>Married Persons</u>	If Net Worth (excluding home) is:
Less than \$300,000	\$650.00
Between \$300,001 and \$1,000,000	\$800.00
Over \$1,000,000	\$950.00

- b. The fee for a MODIFIED plan is based on the client's marital status and net worth (excluding the home), as follows:

<u>Single Person</u>	If Net Worth (excluding home) is:
Less than \$150,000	\$350.00
Between \$150,001 and \$500,000	\$500.00
Over \$500,000	\$600.00

<u>Married Persons</u>	If Net Worth (excluding home) is:
Less than \$300,000	\$500.00
Between \$300,001 and \$1,000,000	\$650.00
Over \$1,000,000	\$750.00

All fees for financial plans are paid by the client directly to Horizon Financial Advisors. The planning fees are for the initial plan and one year of consultation thereafter. HFA requires that 50% of the fee is payable upon signing the contract and 50% due upon delivery of the plan.

At the end of the initial one-year planning contract, the client may continue to retain HFA as its financial planning advisor on an annual basis thereafter. The retainer fee would be

one-half the initial plan fee with a minimum of \$250.00. A new contract any renewal periods will be signed by the client and advisor. Renewal fees are payable no later than thirty (30) days following the beginning of any renewal period.

If the client is not satisfied with the plan and it does not meet the client's reasonable expectations, HFA will rewrite the plan or will refund the total of all fees paid, if written notice is received within thirty (30) days of the date of presentation. The client agrees to return the original plan to HFA prior to refund.

Offering Advice on Retainer

a. General Retainer

The fee for this service is \$200.00 per year for 12 months of service. The fee is for 12 months of advice, paid on an annual basis. HFA reserves the right to charge as much as \$400.00 per year for clients who require an increased level of service. This would be negotiated with the client.

The client can choose to renew retainer services for an additional year of service at the end of each contract year. Renewal fees are subject to change and are payable no later than thirty (30) days following the 12-month anniversary. A new contract for each year of service is signed by the client and fee collected at the time of renewal. Termination of the contract can be made at any time without notice by either HFA or the client, and fees will be refunded on a pro-rata basis.

Should the client decide to carry out any recommendations made by an HFA advisor, which would be executed by the advisors as either an investment advisor of Trustmont Advisory Group or as a registered representative of Trustmont Financial Group or as a licensed insurance agent, any commissions, loads or additional fees may be incurred implementing those recommendations. All commissions, loads or fees would be disclosed prior to the transaction taking place. However, the client is never obligated to use HFA or its licensed representatives/agents in carrying out any recommendations.

PERFORMANCE-BASED FEES

Neither Horizon Financial Advisors nor any of its supervised persons or advisors accepts performance-based fees, which are fees based on a share of capital gains or on capital appreciation of a client's assets.

TYPES OF CLIENTS

Horizon Financial Advisors serves individuals and families, trusts, estates, and small business owners. We currently do not have any minimum requirements for opening or maintaining an account.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

HFA uses fundamental and technical analysis in regard to analyzing investment strategies and uses such sources as Internet websites, financial newspapers, magazines, newsletters, annual reports and prospectuses, and reports issued by research firms such as Morningstar.

Horizon does not engage in nor recommends the use of short-term securities trading. Horizon also does not engage in nor recommends the use of options trading.

It is important for clients to be aware that investing in securities involves risk of loss. Clients should be prepared to bear a loss before investing in securities. Additionally, securities offer no guarantee to returns.

DISCIPLINARY INFORMATION

There are neither any legal or disciplinary events that have occurred regarding HFA nor any of its advisors. This would refer to criminal or civil action, administrative proceedings before the SEC or Pennsylvania Department of Banking and Securities, or any violations with FINRA.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The advisors of HFA, as individuals, may hold both licenses to offer advice and sell both securities and insurance-based products. As such, the advisors may be offering investments advice in one of three ways as described in detail below:

- 1) FEE-BASED investment management of a securities account, acting as a registered investment adviser of Trustmont Advisory Group, a SEC-registered Investment Adviser firm
- 2) COMMISSION-BASED investment management of a securities account, acting as a registered representative of Trustmont Financial Group, a broker-dealer firm
- 3) INSURANCE-BASED products, acting as an state-licensed insurance agent

Fee-Based Investment Management

In this capacity, a brokerage account is established whereby the assets are held by an outside custodian, such as TD Ameritrade. The HFA advisor acts as the investment manager of the account. By using Trustmont Advisory Group, the HFA representative/advisor is not limited to product selection for clients and is permitted to negotiate fees associated with fee-based accounts.

The role of the advisor is to actively manage the account, which includes supervision and monitoring of the account as well as investment selection of the securities to be used in the account and execution of those trades. The advisor chooses the appropriate strategy for the portfolio, executes a trade on behalf of the client, and monitors the performance of the account/portfolio. Decisions regarding security selection and changes in the portfolio are made based on the client's needs, goals, risk tolerance, and market conditions. HFA, the firm, does not take discretion over these accounts. However, the advisor, as a representative of Trustmont Advisory Group, may take discretion in managing the assets with regard to the purchase and sale of securities on behalf of a client. However, the advisor may neither take possession of funds nor execute documents on behalf of a client. In addition to providing investment management, the advisor also provides ancillary advice to the client that would be similar to advice provided under the General Retainer advisory agreement (described on page 5).

For FEE-BASED investment management accounts, instead of paying commissions per transaction, the client will pay an advisory fee, for which the advisor, through Trustmont Advisory Group, is compensated based on the total assets under management at a rate as follows. This rate can vary based on the management intensity and any special investment strategies or service requests.

1.25% per year for amounts less than \$75,000
0.95% per year for amounts between \$ 75,001 - \$250,000
0.85% per year for amounts between \$250,001 - \$750,000
0.75% per year for amounts between \$750,001 - \$1,500,000
0.65% per year for amounts between \$1,500,001 - \$3,000,000
0.50% per year for amounts over \$3,000,000

Fees are paid on a quarterly basis and are deducted directly from the client's account. The fees are based on the previous quarter and are not billed in advance or pre-paid. Should an account be closed or transferred prior to the end of the quarter, the management fee is assessed up to the day that the advisor receives notice of such closing or transfer. Therefore, there is never a need to refund fees collected.

In addition to the advisory management fees, the client may incur brokerage or other transaction costs, such as equity buys or sells or custodial fees. These costs are determined by the account custodian. At this time, the advisors use TD Ameritrade as the custodian for fee-based account.

The minimum amount to open a fee-based account is \$50,000, unless the total value of all the client's fee-based accounts or those of immediate family members, as described as "householded", exceed \$50,000. The fee may also be waived for such accounts, as negotiated between the advisor and the client.

An advisory agreement is signed by the client and the advisor. Termination of the agreement can be made by either party with or without cause and shall occur upon at least thirty (30) days written notice. In such case, the advisor shall be paid through the date of termination.

Commission-Based Investment Management

In this capacity, an account is established whereby the assets are held directly by a mutual fund company or variable annuity company. The HFA advisor acts as the representative for the account. By using Trustmont Financial Group, the HFA representative is not limited to product selection for clients and is NOT permitted to negotiate commissions.

The role of the representative is to actively manage the account, which includes supervision and monitoring of the account as well as to offer advice regarding investment selection of the securities to be used in the account and execution of those trades. The advisor recommends the appropriate strategy for the portfolio, executes a trade on behalf of the client, and monitors the performance of the account/portfolio. Recommendations regarding investment selection and allocation changes in the account are made based on the client's needs, goals, risk tolerance, and market conditions. HFA, the firm, does not take discretion over these accounts. Additionally,

the representative may neither take possession of funds nor execute documents on behalf of a client.

Any commissions or sales charges incurred are paid by the client and are determined by the investment company with whom the client chooses to invest and are not determined by the registered representative. Any applicable commissions or sales charges are disclosed in the investment company's prospectus and would be disclosed at the time the investment recommendation is made.

Insurance-Based Products

HFA also manages investments in insurance-based products, such as fixed or indexed annuities, which are not securities portfolios. In this capacity, HFA advisors are acting as insurance-licensed agents. As licensed insurance agents, advisors of HFA can recommend and sell insurance-based products offered by a carrier with whom the advisor(s) is licensed.

For insurance-based products, any fee that may apply is set by the insurance company or fraternal organization. This is information that is disclosed at the time the product is recommended to the client.

As of December 31, 2014, advisors of HFA, acting either as investment advisers of Trustmont Advisory, as registered representatives of Trustmont Financial, or as independent insurance agents, service approximately \$118,029,080 in total assets for its clients. Approximately \$28,003,764 of those assets is managed on a fee-basis as registered investment advisers of Trustmont Advisory Group. Another \$27,817,915 is managed in commission-based securities accounts as registered representatives of Trustmont Financial Group. The remaining \$62,207,401 is in insurance products, such as fixed and indexed annuities, managed as insurance agents.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Because HFA is a State-registered adviser and not a SEC-registered adviser, it does not have a Code of Ethics document adopted. However, it is our policy to conduct our business in full compliance with securities laws and other relevant regulations.

HFA nor its related persons neither recommends to clients nor buys or sells for client accounts, securities in which HFA or its related persons have a material financial interest. However, as FINRA- registered representatives, its advisors may buy or sell for itself securities it also recommends to clients. Where possible, trades are placed as block orders to insure the same execution price for all clients. Otherwise, client transactions come first.

BROKERAGE PRACTICES

HFA does not provide any proprietary research to any of its clients. HFA is not connected with any soft dollar arrangements. Its advisors do their own independent analysis using public information that anyone can find or pay for. The same is true when an HFA advisor may suggest you use TD Ameritrade.

Neither HFA nor its advisors receives client referrals for recommending a broker-dealer. Its advisors, however, are registered representatives with Trustmont Financial Group, a broker-dealer firm. They may recommend investments or products executed through Trustmont for which they would receive compensation. However, the client is never obligated to execute recommended transactions through an HFA or its advisors.

REVIEW OF ACCOUNTS

For those clients for whom the advisors of HFA manage investment accounts through Trustmont Advisory, Trustmont Financial or as insurance agents, reviews and updates will be made as needed, but at least once during the calendar year, or more often if requested by the client. Any change in risk tolerance or objectives would trigger any additional/unscheduled reviews. HFA may generate reports to clients using data downloaded from sources such as Morningstar in order to provide a technical analysis of their account(s).

For a Financial Planning client, plan reviews will be made on an annual basis should the client choose to renew the service. Plan updates, however, will be made in the event of a substantial change in the client's goals or financial situation. Reports will be generated in the event the plan is updated.

For a Retainer client, reviews will be made on an annual basis should the client choose to renew the service. Reports can be provided to clients in this case since the review or recommendations may include accounts that are "held away" or not under the advisor as the representative or agent.

CLIENT REFERRALS AND OTHER COMPENSATION

Neither HFA nor its advisors receives any economic benefit for referring clients to other professionals, such as attorneys or accountants, or for providing advisory services to someone who is not a client. Additionally, HFA does not compensate or provide economic benefit to clients who refer other clients.

CUSTODY

HFA does not take custody of client funds or securities. Custody is maintained by the brokerage firm, mutual fund company or insurance company with whom they have an investment/policy. Statements will be generated by the firm with whom they have their account/policy.

INVESTMENT DISCRETION

When advisors of HFA have discretionary authority to manage accounts, they are doing so in fee-based investment accounts as described under “Other Financial Industry Activities and Affiliations” on page 12 of this brochure. In this capacity, the advisor is acting as a registered investment adviser representative of Trustmont Advisory Group. However, the advisor makes it a point to determine the client’s risk tolerance and goals in determining which positions to purchase in his/her account(s). Client feedback and the type and amount of investments to purchase in the account are always welcome.

Discretion does not, however, allow the advisor to sign any client documents. If, on occasion, the advisor is also acting as a Trustee, Executor/Executrix or as having Power-of-Attorney for a client, such legal documents would be on file at the time the account is established.

VOTING CLIENT SECURITIES

Neither HFA nor its advisors accept authority to vote client securities.

FINANCIAL INFORMATION

HFA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance nor does it take custody of client funds. As a result, HFA is not required to provide its balance sheet. Additionally, HFA has not been subject to a bankruptcy petition at any time during the past ten years.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

As a Pennsylvania-Registered Investment Adviser, HFA is also required to identify each of its principal executive officers and describe their formal education and business background. It is also required to disclose here any additional business it is engaged in other than providing investment advice.

In addition to providing investment advice, the advisors of HFA also perform income tax preparation services to a small number (approximately 10%) of its existing clients for which HFA receives compensation but are no longer accepting new clients for this service. The time spent and the income generated for this business is not substantial. Additionally, the time spent on this business occurs during the months of February through April and is performed outside of normal business hours so as not to interfere with the primary operations of HFA, which is providing advice and managing investments for its clients.

Background of its Officers

Laura J. Abbott DeCarolis, President of HFA, is a Certified Financial PlannerTM and holds a FINRA Series 7 Securities license, Uniform Investment Advisor Series 65 license and the Pennsylvania life and accident and health insurance licenses. She attended Clarion University then Robert Morris University where she received a Bachelor's Degree in Marketing with a minor in Finance. She has been employed in the Financial Services industry since 1986, when she began her career as a Financial Consultant for Merrill Lynch Pierce Fenner & Smith. In 1988 she left Merrill Lynch to work for Horizon Financial Savings & Loan as an Annuity Sales Representative. She then left the bank in 1990 to establish Horizon Financial Advisors with her business partner and CEO of the firm, George P. Hebert.

George P. Hebert, CEO of HFA, is a Certified Financial PlannerTM and holds the Pennsylvania life and accident and health insurance licenses. He voluntarily withdrew his securities registration in December 2014 due to semi-retirement. He attended Louisiana State University in his hometown of New Orleans, Louisiana. George has been employed in the Financial Services industry since 1975, beginning his career in the insurance business. In 1986 he accepted a position with Horizon Financial Savings & Loan as an Annuity Sales Representative. He also left the bank in 1990 to establish Horizon Financial Advisors with Laura.

In addition to being owners and advisors of Horizon Financial Advisors, both Laura J. Abbott DeCarolis and George P. Hebert, as individuals, each hold a 5% ownership interest in Trustmont Advisory Group, a SEC-Registered Investment Adviser firm located in Greensburg, Pennsylvania

Both Laura and George are also members of the FPA (Financial Planning Association). They regularly attend meetings and conferences in order to obtain continuing education credits to maintain their CFP license and remain updated and informed regarding the financial planning and services industry.

Part 2B of Form ADV: *Brochure Supplement*

Item 1 Cover Page

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Item 2 Educational Background and Business Experience

Item 3 Disciplinary Information

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Item 4 Other Business Activities

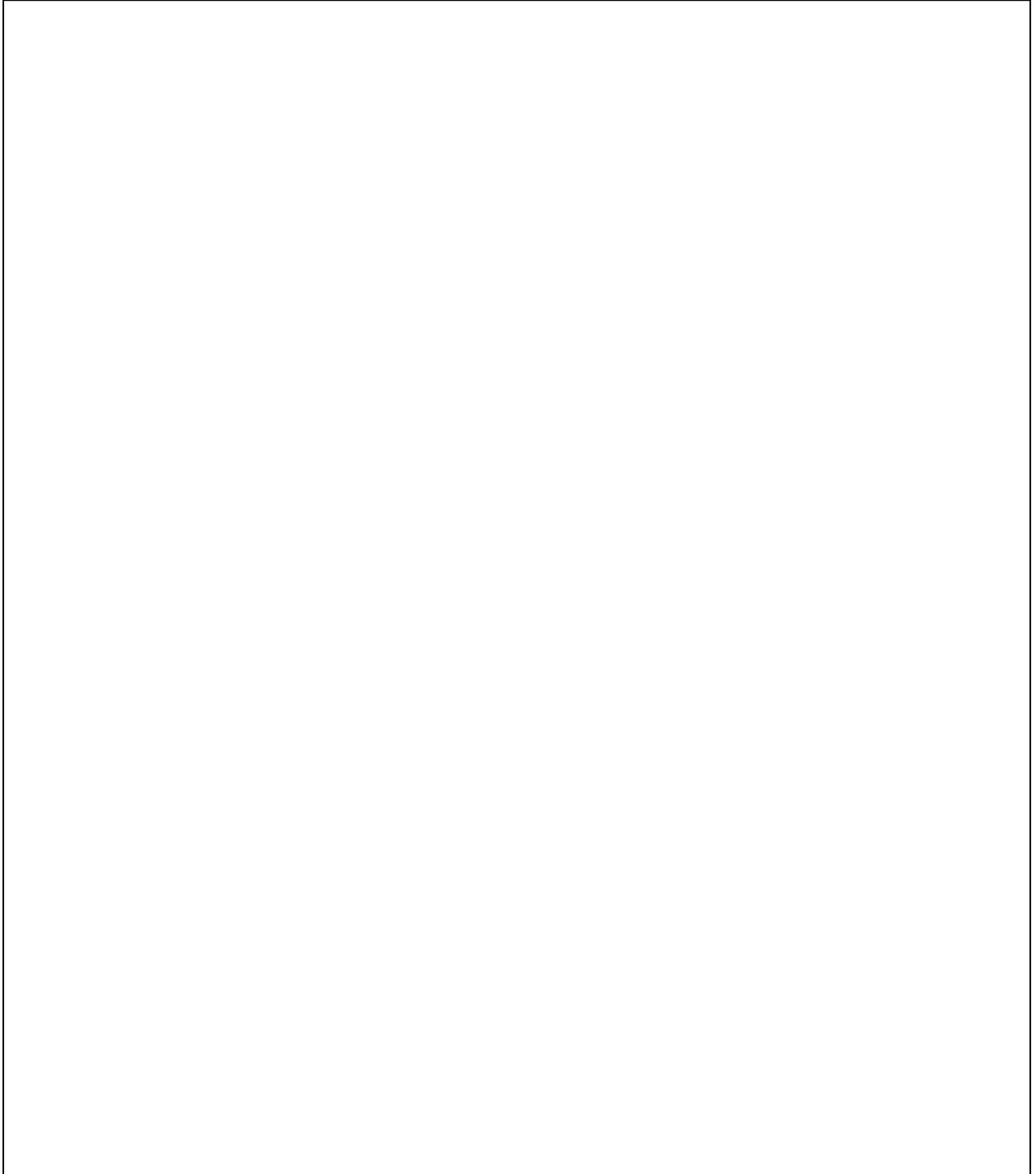
Item 6 Supervision

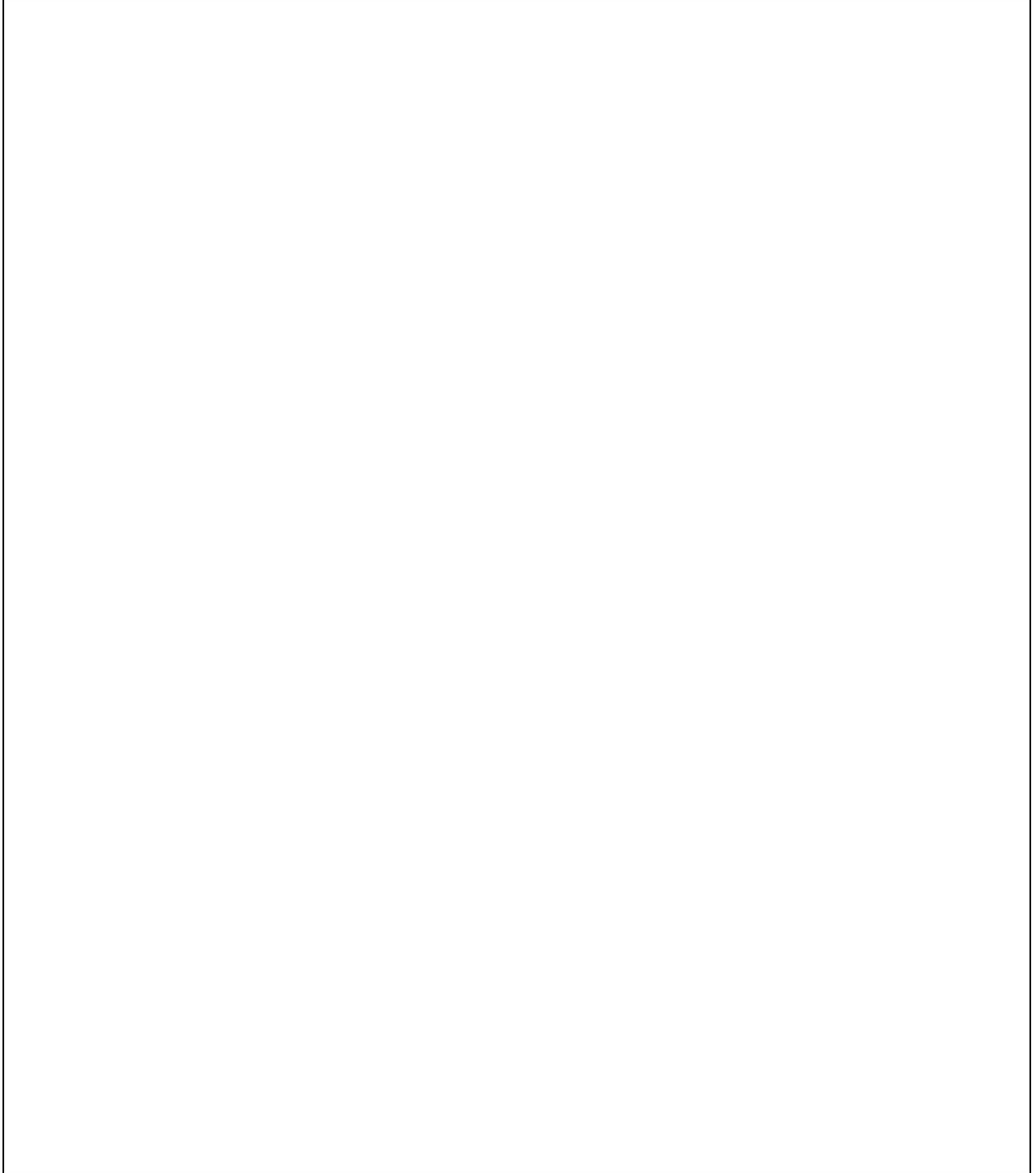
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Item 7 Requirements for State-Registered Advisers

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