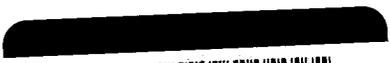


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SEC FILE NUMBER  
8-12769



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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**ANNUAL AUDITED REPORT  
FORM X-17A-5-A  
PART III**

U.S. MAIL RECEIVED  
MAR 04 2014  
WASH. D.C. 189  
SEC. 17

**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 01/01/13 AND ENDING 12/31/13  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER - DEALER:  
Pyramid Funds Corporation

OFFICIAL USE ONLY  
FIRM ID. NO.

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

21 Everett Road Extension

(No. and Street)

Albany NY 12205  
(City) (State) (Zip Code)

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

Joseph Biondo II (518) 459-1671  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Sanville & Company

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

1514 Old York Road Abington PA 19001  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

FOR OFFICIAL USE ONLY

\*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.



# Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT F. SANVILLE, CPA  
MICHAEL T. BARANOWSKY, CPA  
JOHN P. TOWNSEND, CPA

1514 OLD YORK ROAD ABINGTON, PA 19001  
(215) 884-8460 • (215) 884-8686 FAX

MEMBERS OF  
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CERTIFIED PUBLIC ACCOUNTANTS  
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CERTIFIED PUBLIC ACCOUNTANTS

140 EAST 45<sup>TH</sup> STREET NEW YORK, NY 10017  
(212) 661-3115 • (646) 227-0268 FAX

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Pyramid Funds Corporation

### *Report on the Financial Statements*

We have audited the accompanying statement of financial condition of Pyramid Funds Corporation (the "Company") as of December 31, 2013, that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

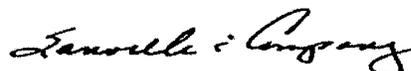
Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pyramid Funds Corporation as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Abington, Pennsylvania  
February 26, 2014

**Pyramid Funds Corporation**  
**Statement of Financial Condition**  
**December 31, 2013**

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**Assets**

Cash and cash equivalents	\$ 21,798
Receivables:	
Commissions	68,076
Affiliates	27,290
Officers	44,567
Securities owned, at value	199,888
Furniture, equipment and leasehold improvements net of accumulated depreciation of \$98,889	18,026
Prepaid expenses and other assets	<u>4,359</u>
 Total assets	 \$ <u><u>384,004</u></u>

**Liabilities and Stockholders' Equity**

**Liabilities**

Accounts payable and accrued expenses	\$ 32,277
Payables:	
Affiliates	<u>29,349</u>
 Total liabilities	 <u>61,626</u>

Commitments and contingent liabilities

Stockholders' Equity:

Common stock, no par value, authorized - 200 shares, issued and outstanding - 57 shares	5,000
Retained earnings	327,888
Treasury stock, at cost - 53 shares	<u>(10,510)</u>
 Total stockholders' equity	 <u>322,378</u>
 Total liabilities and stockholders' equity	 \$ <u><u>384,004</u></u>

The accompanying notes are an integral part of this financial statement.

**PYRAMID FUNDS CORPORATION**  
**Notes to Financial Statement (Continued)**  
**December 31, 2013**

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**1. Organization**

Pyramid Funds Corporation (the "Company") is a securities broker dealer, registered with the Securities and Exchange Commission and FINRA. The Company limits its business to the sale of mutual funds and variable annuities. The Company, like other securities firms, is directly affected by general economic and market conditions, including fluctuations in volume and price levels of securities, changes in interest rates and securities brokerage services, all of which have an impact on the Company's liquidity.

**2. Summary of Significant Accounting Policies**

*The following are the significant accounting policies followed by the Company:*

*Revenue* – Securities transactions (and related commission revenue and expense, if applicable) are recorded on a trade date basis.

*Income taxes* – The Company has elected to be taxed under the provision of Subchapter S of the Internal Revenue Code and similar state provisions. Under these provisions, the Company does not pay federal or state corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal and state income taxes on their respective shares of the corporate income. Accordingly, no provision has been made for federal or state income tax for the year ended December 31, 2012, in the accompanying financial statements.

The Company recognizes and discloses uncertain tax positions in accordance with accounting principles generally accepted in the United States of America (GAAP). As of, and during the year ended December 31, 2013, the Company did not have a liability for unrecognized tax benefits. The Company is no longer subject to examination by federal and state taxing authorities prior to 2010.

*Property and Depreciation* – Furniture and equipment are depreciated generally using straight-line and accelerated methods over their estimated useful lives.

*Cash and cash equivalents* - The Company includes as cash and cash equivalents amounts invested in money market mutual funds.

*Fair value* - FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.

**PYRAMID FUNDS CORPORATION**  
**Notes to Financial Statement (Continued)**  
**December 31, 2013**

**2. Summary of Significant Accounting Policies (Continued)**

*Fair value measurements – (Continued)*

•Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

Common stocks and mutual fund securities are valued at the closing price reported on the active market on which the individual securities are traded. If quoted market prices are not available, fair values are based on quoted market prices of comparable securities. If quoted market prices are not available for comparable securities, fair value is based on quoted bids for the security or comparable securities.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Securities Owned:				
Common Stocks	\$ 160,924	\$ -	\$ -	\$ 160,924
Mutual Funds	38,964	-	-	38,964
Total	<u>\$ 199,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,888</u>

The Company did not hold any Level 3 investments during the year ended December 31, 2013. The Company did not hold any derivative instruments at any time during the year ended December 31, 2013. There were no significant transfers into or out of Level 1 or Level 2 during the period. It is the Company's policy to recognize transfers into and out of Level 1 and Level 2 at the end of the reporting period.

*Use of Estimates* - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

*Subsequent events* - Management has evaluated the impact of all subsequent events through February 26, 2014, the date the financial statements were issued and has determined that there were no subsequent events requiring disclosure in these financial statements.

**3. Related Party Transactions**

Various amounts have been advanced to/from the Company's offices and affiliates owned by the Company's stockholders. At December 31, 2013 an amount of \$44,567 was due from officers, an amount of \$27,590 was due from affiliates and an amount of \$29,349 was due to affiliates.

**PYRAMID FUNDS CORPORATION**  
**Notes to Financial Statement (Continued)**  
**December 31, 2013**

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**4. Furniture, equipment and leasehold improvements**

Furniture, equipment and leasehold improvements are summarized as follows:

Furniture and fixtures	\$	35,307
Equipment		40,878
Leasehold improvements		<u>40,730</u>
		116,915
Less accumulated depreciation		<u>( 98,889)</u>
	\$	<u><u>18,026</u></u>

**5. Computation for Determination of Reserve Requirements**

The Company will operate in accordance with the exemptive provisions of paragraph (k)(2)(i) of SEC Rule 15c3-3. The Company maintains a Special Account for the Exclusive Benefit of Customers.

**6. Net Capital Requirements**

Pursuant to the net capital provisions of the SEC, the Company is required to maintain net capital as defined under such provision. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2013 the Company had net capital of \$138,783 which was \$113,783 in excess of its required net capital of \$25,000. At December 31, 2013, the Company's ratio of aggregate indebtedness to net capital was .44 to 1.