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Form **990-PF**

**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

OMB No 1545-0052

2010

Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2010, or tax year beginning , and ending

G Check all that apply Initial return Initial return of a former public charity Final return
 Amended return Address change Name change

Name of foundation PHI RHO SIGMA FOUNDATION		A Employer identification number 35-1974282
Number and street (or P O box number if mail is not delivered to street address) 16333 VALHALLA DRIVE		B Telephone number (see page 10 of the instructions) 317-774-1960
City or town, state, and ZIP code NOBLESVILLE IN 46060		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1 Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 844,645	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
(Part I, column (d) must be on cash basis)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)	20,035			
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	352	352		
4	Dividends and interest from securities	20,645	20,645		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	-20,393			
b	Gross sales price for all assets on line 6a 165,824				
7	Capital gain net income (from Part IV, line 2)		0		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns & allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule) STMT 1	-4	992	-4	
12	Total. Add lines 1 through 11	20,635	21,989	-4	
13	Compensation of officers, directors, trustees, etc.	4,000		4,000	
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions)				
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch) STMT 2	8,400	8,291		
24	Total operating and administrative expenses. Add lines 13 through 23	12,400	8,291	4,000	0
25	Contributions, gifts, grants paid	80,000			80,000
26	Total expenses and disbursements. Add lines 24 and 25	92,400	8,291	4,000	80,000
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-71,765			
b	Net investment income (if negative, enter -0-)		13,698		
c	Adjusted net income (if negative, enter -0-)			0	

SCANNED NOV 17 2011 Revenue

Operating and Administrative Expenses

For Paperwork Reduction Act Notice, see page 30 of the instructions.

Form 990-PF (2010)

RM

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	14,366	20,340	20,340
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (att schedule) ▶ Less allowance for doubtful accounts ▶	0		
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule) SEE STMT 3	896,644	823,031	811,646
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule) SEE STATEMENT 4	14,482	10,356	12,659
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
15	Other assets (describe ▶)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	925,492	853,727	844,645	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	925,492	853,727	
	30	Total net assets or fund balances (see page 17 of the instructions)	925,492	853,727	
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	925,492	853,727		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	925,492
2	Enter amount from Part I, line 27a	2	-71,765
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	853,727
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	853,727

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo. day, yr.)	(d) Date sold (mo. day, yr.)
1a	124 SHS. ENTERPRISE PRODUCTS	P	02/01/05	04/05/10
b	5,474.986 SHS. FRANKLIN MUTUAL	P	VARIOUS	03/04/10
c	168.934 SHS. FRANKLIN MUTUAL	P	VARIOUS	03/04/10
d	2,626.043 SHS. FRANKLIN MUTUAL	P	VARIOUS	08/04/10
e	FUND ADMINISTRATOR	P	VARIOUS	08/06/10

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	4,360		3,738	622
b	106,707		120,807	-14,100
c	3,293		3,728	-435
d	51,182		57,944	-6,762
e	282			282

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j) if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				622
b				-14,100
c				-435
d				-6,762
e				282

2	Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	-20,393
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	55,898	701,053	0.079734
2008	41,450	920,478	0.045031
2007	82,809	1,140,122	0.072632
2006	21,000	1,039,648	0.020199
2005	55,219	937,684	0.058889

2	Total of line 1, column (d)	2	0.276485
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.055297
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	792,539
5	Multiply line 4 by line 3	5	43,825
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	137
7	Add lines 5 and 6	7	43,962
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	80,000

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	137
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only) Others enter -0-	2	0
3	Add lines 1 and 2	3	137
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only) Others enter -0-	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	137
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	2,768
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	2,768
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,631
11	Enter the amount of line 10 to be Credited to 2011 estimated tax 2,631 Refunded	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
b		X
c		X
d		
e		
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
b	X	
9		X
10		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	X	
14	The books are in care of ▶ DR. JOHN AYRES 16333 VALHALLA DRIVE Located at ▶ NOBLESVILLE	Telephone no ▶ 317-774-1960		
		IN	ZIP+4 ▶ 46060	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year	▶ 15		<input type="checkbox"/>
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1. If "Yes," enter the name of the foreign country ▶	16	Yes	No X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ▶ <input type="checkbox"/>	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? N/A	1c	
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If "Yes," list the years ▶ 20 , 20 , 20 , 20 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A		5b
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d)	N/A		
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870			6b X
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A		7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ALAN J. ADLER 3425 WOODHAVEN	KOKOMO IN 46902	TRUSTEE 0.00	0	0
JOHN D. AYRES 16333 VALHALLA DRIVE	NOBLESVILLE IN 46060	TRUSTEE 2.00	4,000	0
MARTIN B. WICE 1 GLEN ABBEY	ST. LOUIS MO 63131	TRUSTEE 0.00	0	0

2 Compensation of five highest-paid employees (other than those included on line 1 — see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 ▶ **0**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc

Expenses
1 N/A
2
3
4

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount
1 N/A
2
All other program-related investments See page 24 of the instructions
3

Total. Add lines 1 through 3 ▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	781,480
b	Average of monthly cash balances	1b	23,128
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	804,608
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	804,608
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 25 of the instructions)	4	12,069
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	792,539
6	Minimum investment return. Enter 5% of line 5	6	39,627

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1	Minimum investment return from Part X, line 6		1	39,627
2a	Tax on investment income for 2010 from Part VI, line 5	2a	137	
b	Income tax for 2010 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b	2c	137	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	39,490	
4	Recoveries of amounts treated as qualifying distributions	4		
5	Add lines 3 and 4	5	39,490	
6	Deduction from distributable amount (see page 25 of the instructions)	6		
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	39,490	

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	80,000
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	80,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	137
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	79,863

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				39,490
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				491
f Total of lines 3a through e	491			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 80,000				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount				39,490
e Remaining amount distributed out of corpus	40,510			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	41,001			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	41,001			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				491
e Excess from 2010	40,510			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))
N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:
Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed
JOHN D. AYRES
16333 VALHALLA DRIVE NOBLESVILLE IN 46060

b The form in which applications should be submitted and information and materials they should include
N/A

c Any submission deadlines
N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year PHI RHO SIGMA MEDICAL SOC PO BOX 90264 INDIANAPOLIS IN 46290	NONE	N/A	EDUCATION GRANT	22,000
UNIVERSITY OF PITTSBURGH 3550 TERRACE STREET PITTSBURGH PA 15261	NONE	N/A	SCHOLARSHIP	4,000
MU CHAPTER (UNIV OF IOWA) 116 FERSON AVE IOWA CITY IA 52246	NONE	N/A	SCHOLARSHIP	32,500
INDIANA UNIVERSITY FND. PO BOX 500 BLOOMINGTON IN 47402	NONE	N/A	SCHOLARSHIP	20,000
AMY LI, UNIV OF MICHIGAN 220 N. INGALLS ST. ANN ARBOR MI 48104	NONE	N/A	SCHOLARSHIP	1,500
Total			▶ 3a	80,000
b Approved for future payment N/A				
Total			▶ 3b	

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
CEDAR FAIR K-1	\$ -1,947	\$	\$ -1,947
EPD K-1	-62	-62	-62
EPD K-1 - PASSIVE LOSS C/O	-951	-951	-951
EPD K-1 - SALE	2,005	2,005	2,005
EPD K-1 - PASSIVE LOSS	951		951
TOTAL	\$ -4	\$ 992	\$ -4

Statement 2 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$	\$	\$	\$
EXPENSES				
FOREIGN TAX	466	466		
INVESTMENT EXPENSE	7,487	7,487		
INVESTMENT INTEREST EXPENSE	338	338		
OTHER EXPENSE FROM K-1	109			
TOTAL	\$ 8,400	\$ 8,291	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
3M COMPANY	\$ 11,997	\$ 11,997	COST	\$ 15,016
AGILENT	308	4,962	COST	6,214
AIR PRODUCTS & CHEMICALS INC	12,139	12,139	COST	14,552
AMEREN CORPORATION	11,957	11,957	COST	6,202
AT&T	12,710	12,710	COST	10,782
AVERY DENNISON CORP	16,556	16,556	COST	12,702

Statement 3 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
BB&T CORP	\$ 21,734	\$ 21,734	COST	\$ 14,459
BECTON DICKINSON & CO	1,511	9,412	COST	13,101
BOEING COMPANY	1,553	1,553	COST	1,958
BP PLC-SPONS ADR	12,739	12,739	COST	9,276
BRISTOL MYERS SQUIBB	7,984	12,886	COST	13,240
BT GROUP	17,222	17,222	COST	8,847
CARLISLE COMPANIES	8,454	8,454	COST	8,345
CHEVRON CORPORATOIN	9,232	9,232	COST	9,125
COCA-COLA COMPANY	13,092	13,092	COST	18,744
COLGATE PALMOLIVE CO	12,933	12,933	COST	16,878
COMCAST CORP	4,395	4,395	COST	3,955
CONAGRA INC	9,743	9,743	COST	9,032
CONOCOPHILLIPS		12,390	COST	17,025
CONSOLIDATED EDISON HOLDING CO	6,555	19,661	COST	21,811
DOMINION RESOURCES INC/VA	10,454	10,454	COST	10,253
DUN & BRADSTREET (NEW)	323	323	COST	1,806
EMERSON ELECTRIC COMPANY	12,012	12,012	COST	15,436
EXXON-MOBIL CORPORATION	11,980	11,980	COST	11,699
FED SIGNAL CORP	5,058	5,058	COST	1,852
FIFTH THIRD BANCORP	23,391	23,391	COST	9,322
FISERV INCORP	17,361	17,361	COST	20,496
GENERAL ELECTRIC	18,764	18,764	COST	9,145
GENUINE PARTS CO	13,583	13,583	COST	15,402
GLAXOSMITHKLINE PLC ADS	20,608	20,608	COST	15,688
HEWLETT-PACKERD	4,288	4,288	COST	8,420
HILLEBRAND INDUSTRIES	2,480	2,480	COST	3,937

Statement 3 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
HILL-ROM HOLDINGS INC	\$ 2,012	\$ 2,012	COST	\$ 2,081
HONEYWELL	1,803	10,013	COST	13,024
HUBBEL INC	12,784	12,784	COST	15,634
ILLINOIS TOOL WORKS INC	11,625	11,625	COST	13,350
INTEL CORP	13,402	13,402	COST	12,618
JOHNSON & JOHNSON	13,138	13,138	COST	12,370
JOHNSON CONTROLS	3,881	3,881	COST	7,449
KIMBERLY-CLARK CORPORATION		12,119	COST	12,608
LINCOLN NATIONAL CORP	3,291	3,291	COST	1,975
MARSH & MCLENNAN COS INC	13,103	13,103	COST	12,030
MERCK & CO INC NEW	6,528	6,528	COST	8,289
MICROSOFT CORPORATION	17,863	17,863	COST	16,746
MOODY'S	13,840	13,840	COST	9,554
MYLAN LABS	10,674	10,674	COST	12,002
NASDAQ STOCK MARKET INC		9,757	COST	11,865
NEW YORK COMM BANCORP	13,050	13,050	COST	14,137
NORTHROP GRUMMAN CORP	12,076	12,076	COST	11,984
PFIZER INCORP	20,395	20,395	COST	14,008
PROCTER & GAMBLE	12,103	12,103	COST	12,866
ROYAL DUTCH SHELL PLC	12,830	12,830	COST	13,022
RAYTHEON	1,643	12,985	COST	10,658
SCANA CORP NEW		12,201	COST	13,195
SHERWIN WILLIAMS	17,360	17,360	COST	25,125
SONOCO PRODS CO	13,623	13,623	COST	15,152
TELECOM CORP NEW ZEALAND	20,348	20,348	COST	10,080
THERMO FISHER SCIENTIFIC		12,284	COST	13,840

Statement 3 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
TOTAL FINA ELF S A ADR	\$ 12,043	\$ 12,043	COST	\$ 10,161
TOYOTA MOTOR CORP	12,013	12,013	COST	8,649
UNILVER	12,806	12,806	COST	16,171
UNITED TECHNOLOGIES CORP	12,152	12,152	COST	14,170
WALGREENS	21,085	21,085	COST	19,480
WALMART STORES INC	14,100	14,100	COST	16,179
WASHINGTON FEDERAL INC	12,592	12,592	COST	9,357
WATERS CORP	17,010	17,010	COST	23,313
WATTS WATER TECHNOLOGIES	19,876	19,876	COST	23,784
FRANKLIN MUTUAL	182,479		COST	
TOTAL	\$ 896,644	\$ 823,031		\$ 811,646

Statement 4 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CEDAR FAIR	\$ 12,619	\$ 10,356	COST	\$ 12,659
ENTERPRISE PRODUCTS	1,863		COST	
TOTAL	\$ 14,482	\$ 10,356		\$ 12,659

Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description

N/A

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description

N/A

Form 990-PF, Part XV, Line 2d - Award Restrictions or LimitationsDescription

N/A

Statement 5 - Form 990-PF, Part XVI-A, Line 11 - Other Revenue

<u>Description</u>	<u>Business Code</u>	<u>Unrelated Amount</u>	<u>Exclusion Code</u>	<u>Exclusion Amount</u>	<u>Related Income</u>
CEDAR FAIR K-1	713110	\$ -1,947		\$	\$
EPD K-1			18	-62	
EPD K-1 - PASSIVE LOSS C/O			18	-951	
EPD K-1 - SALE			18	2,005	
EPD K-1 - PASSIVE LOSS			18	951	
TOTAL		\$ <u>-1,947</u>		\$ <u>1,943</u>	\$ <u>0</u>

FYE: 12/31/2010

Direct Public Support

<u>Contributor</u>	<u>Cash Contribution</u>	<u>Noncash Contribution</u>
	20,035	
TOTAL	<u>20,035</u>	<u>0</u>

Taxable Interest on Investments

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>US Obs (\$ or %)</u>
CEDAR FAIR K-1	\$ 338		14		
SYCAMORE FINANCIAL	13		14		
ENTERPRISE PRODUCTS PARTS K-1	1		14		
TOTAL	<u>\$ 352</u>				

Taxable Dividends from Securities

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>US Obs (\$ or %)</u>
SYCAMORE	\$ 20,645		14		
TOTAL	<u>\$ 20,645</u>				

Form **8868**
(Rev. January 2011)

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ▶
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete **Part II** unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension-check this box and complete Part I only ▶

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization PHI RHO SIGMA FOUNDATION	Employer identification number 35-1974282
	Number, street, and room or suite no. If a P.O. box, see instructions. 3425 WOODHAVEN TRAIL	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. KOKOMO IN 46902-5063	

Enter the Return code for the return that this application is for (file a separate application for each return) **04**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**DR. JOHN AYRES
16333 VALHALLA DRIVE**

- The books are in the care of ▶ **NOBLESVILLE** **IN 46060**
Telephone No. ▶ **317-277-0767** FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **08/15/11**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year **2010** or
▶ tax year beginning _____, and ending _____

2 If this tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	4,668
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Paperwork Reduction Act Notice, see instructions.
DAA

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing your return See instructions	Name of exempt organization PHI RHO SIGMA FOUNDATION	Employer identification number 35-1974282
	Number, street, and room or suite no. If a P O box, see instructions 16333 VALHALLA DRIVE	
	City, town or post office, state, and ZIP code For a foreign address, see instructions NOBLESVILLE IN 46902-5063	

Enter the Return code for the return that this application is for (file a separate application for each return)

04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

**DR. JOHN AYRES
16333 VALHALLA DRIVE**

- The books are in the care of **NOBLESVILLE** IN 46060
Telephone No **317-277-0767** FAX No

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for

- I request an additional 3-month extension of time until **11/15/11**
- For calendar year **2010**, or other tax year beginning , and ending
- If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period
- State in detail why you need the extension

ADDITIONAL TIME IS REQUESTED TO GATHER ADDITIONAL INFORMATION TO PREPARE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a	\$	0
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	\$	4,668
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	\$	0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **Dr. John Ayres** Title **CPA** Date **8/9/11**