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

2010Department of the Treasury
Internal Revenue Service

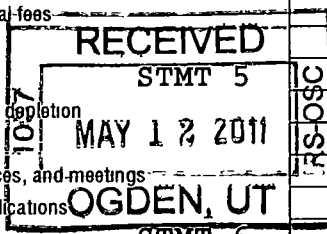
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

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 MICHAEL E. MURPHY FOUNDATION		A Employer identification number 36-3436624
Number and street (or P.O. box number if mail is not delivered to street address) 1242 N. LAKE SHORE DRIVE	Room/suite 25	B Telephone number (312) 580-7820
City or town, state, and ZIP code CHICAGO, IL 60610		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) \$ 3,110,840.	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"/>
		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).)		(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				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		13,662.	13,662.		STATEMENT 1
4 Dividends and interest from securities		49,288.	49,080.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		43,992.			
b Gross sales price for all assets on line 6a 460,000.					
7 Capital gain net income (from Part IV, line 2)			43,992.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		106,942.	106,734.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 3		550.	0.		0.
b Accounting fees STMT 4		2,900.	0.		0.
c Other professional fees					
17 Interest					
18 Taxes		470.	470.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 6		15.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		3,935.	470.		0.
25 Contributions, gifts, grants paid		151,000.			151,000.
26 Total expenses and disbursements. Add lines 24 and 25		154,935.	470.		151,000.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<47,993.>			
b Net investment income (if negative, enter -0-)			106,264.		
c Adjusted net income (if negative, enter -0-)				N/A	



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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	141,894.	353,506.	353,506.
	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			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 7	2,314,189.	2,055,756.	2,501,555.
	c Investments - corporate bonds STMT 8	252,332.	251,160.	255,779.
11 Investments - land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	2,708,415.	2,660,422.	3,110,840.	
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			
	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	1,661,899.	1,661,899.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
29 Retained earnings, accumulated income, endowment, or other funds	1,046,516.	998,523.		
30 Total net assets or fund balances	2,708,415.	2,660,422.		
31 Total liabilities and net assets/fund balances	2,708,415.	2,660,422.		

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	2,708,415.
2 Enter amount from Part I, line 27a	2	<47,993.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	2,660,422.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,660,422.

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 SEE ATTACHED	P	VARIOUS	VARIOUS
b SEE ATTACHED	P	VARIOUS	VARIOUS
c CAPITAL GAINS DIVIDENDS			
d			
e			

(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 41,497.		47,505.	<6,008.>
b 416,962.		368,503.	48,459.
c 1,541.			1,541.
d			
e			

(i) F.M.V. 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			<6,008.>
b			48,459.
c			1,541.
d			
e			

2 Capital gain net income or (net capital loss)	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div> <div style="margin-left: 10px;"> 2 <div style="border-left: 1px solid black; padding-left: 10px;">43,992.</div> </div> </div>
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). If (loss), enter -0- in Part I, line 8	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;"> If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 </div> <div style="margin-left: 10px;"> 3 <div style="border-left: 1px solid black; padding-left: 10px;">N/A</div> </div> </div>

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 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	149,850.	2,579,894.	.058084
2008	191,025.	2,867,669.	.066613
2007	164,424.	2,487,579.	.066098
2006	94,850.	1,534,376.	.061817
2005	76,650.	919,174.	.083390

2 Total of line 1, column (d)	2	.336002
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	.067200
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	2,815,151.
5 Multiply line 4 by line 3	5	189,178.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,063.
7 Add lines 5 and 6	7	190,241.
8 Enter qualifying distributions from Part XII, line 4	8	151,000.

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.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see 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 type="checkbox"/> and enter 1% of Part I, line 27b		1	2,125.
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	2,125.
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	2,125.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	6,089.	
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	6,089.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" 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	3,964.	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5	X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> IL		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

N/A

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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 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?	13	X	
Website address N/A				
14	The books are in care of MICHAEL E. MURPHY Telephone no. (312) 580-7820			
Located at 1242 N. LAKE SHORE DRIVE, #25, CHICAGO, IL		ZIP+4 60610		
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	N/A	
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?	16	Yes	No
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				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	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?		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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes," list the years		
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 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.		
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
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

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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))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ 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)? ☐ Yes ☒ 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? ☐ Yes ☒ 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 instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

▶ ☐

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?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

6b

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ 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.

(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
SEE STATEMENT 9		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

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Part VIII**Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)**3** Five highest-paid independent contractors for professional services. 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

0

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**

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 instructions.	
3	
Total. Add lines 1 through 3	0.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see 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	2,561,331.
b Average of monthly cash balances	1b	296,690.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	2,858,021.
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	2,858,021.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	42,870.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,815,151.
6 Minimum investment return. Enter 5% of line 5	6	140,758.

Part XI Distributable Amount (see 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	140,758.
2a Tax on investment income for 2010 from Part VI, line 5	2a	2,125.
b Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	2,125.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	138,633.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	138,633.
6 Deduction from distributable amount (see instructions)	6	0.
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	138,633.

Part XII Qualifying Distributions (see 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	151,000.
b Program-related investments - total from Part IX-B	1b	0.
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	151,000.
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	5	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	151,000.

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 instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				138,633.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005	37,428.			
b From 2006	21,965.			
c From 2007	50,741.			
d From 2008	50,831.			
e From 2009	22,297.			
f Total of lines 3a through e	183,262.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 151,000.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				138,633.
e Remaining amount distributed out of corpus	12,367.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	195,629.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
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		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
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)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	37,428.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	158,201.			
10 Analysis of line 9:				
a Excess from 2006	21,965.			
b Excess from 2007	50,741.			
c Excess from 2008	50,831.			
d Excess from 2009	22,297.			
e Excess from 2010	12,367.			

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	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
a Paid during the year				
SEE STATEMENT 10				
Total			▶ 3a	151,000.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
BOND PREMIUM AMORTIZATION	<1,172.>
CHARLES SCHWAB	2,725.
JP MORGAN CHASE, N.A. - CHECKING	9.
JP MORGAN CHASE, N.A. - INVESTMENT	12,100.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	13,662.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CHARLES SCHWAB	25,723.	1,541.	24,182.
JPMORGAN	25,106.	0.	25,106.
TOTAL TO FM 990-PF, PART I, LN 4	50,829.	1,541.	49,288.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	550.	0.		0.
TO FM 990-PF, PG 1, LN 16A	550.	0.		0.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION FEES	2,900.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	2,900.	0.		0.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	470.	470.		0.
TO FORM 990-PF, PG 1, LN 18	470.	470.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ILLINOIS FILING FEES	15.	0.		0.
TO FORM 990-PF, PG 1, LN 23	15.	0.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS AND MUTUAL FUNDS - SEE ATTACHED	2,055,756.	2,501,555.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,055,756.	2,501,555.

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS - SEE ATTACHED	251,160.	255,779.
TOTAL TO FORM 990-PF, PART II, LINE 10C	251,160.	255,779.

**MICHAEL E. MURPHY FOUNDATION
FOR YEAR ENDED DECEMBER 31, 2010
FEIN: 36-3436624**

INVESTMENTS - Corporate Stock and Mutual Funds - ATTACHMENT TO STATEMENT 7

Description	Book Value	FMV	
I-Shares TR MSCI EAFE FD 1,000 shs	76,138	58,220	JPMorgan
I-Shares TR Russell Midcap 2,000 shs	115,043	113,220	JPMorgan
I-Shares TR Russell 2000 Index 1,000 shs	77,213	78,240	JPMorgan
I-Shares S&P Europe 350 Index Fund 2,000 shs	120,121	78,560	JPMorgan
I-Shares S&P GLBL 100 INDX FD 2,000 shs	154,671	124,540	JPMorgan
I-Shares Trust S&P 500 Index Fund 1,000 shs	144,213	126,250	JPMorgan
Midcap SPDR trust series 1 2,000 shs	235,441	329,360	JPMorgan
Vanguard Pacific ETF 1,000 shs	66,250	57,040	JPMorgan
Exxon Mobil Corp 1,000 shs	66,730	73,120	JPMorgan
SPDR Trust Series 1 large cap 2,000 shs	150,760	251,500	JPMorgan
Vanguard Total Stock Market ETF 3,000 shs	112,613	194,790	JPMorgan

A T & T Inc. New 1,000 shs	23,730	29,380	Schwab
Northern Trust Corp 1,900 shs	93,940	105,279	Schwab
Pfizer Incorporated 1,000 shs	17,568	17,510	Schwab
Sequoia Fund 671 019 shs	76,347	86,756	Schwab
Ishares TR MSCI EAFE FD 1,200 shs	48,260	69,864	Schwab
Ishares TR S&P Asia 50 1,000 shs	39,459	46,946	Schwab
Ishares Trust S&P 500 1,000 shs	76,259	126,250	Schwab
S P D R S&P 500 ETF TR 1,000 shs	75,959	125,750	Schwab
S P D R S&P Midcap 400 ETF 1,000 shs	83,569	164,680	Schwab
Vanguard bond index fund intermediate term 1,000 shs	74,129	82,490	Schwab
Vanguard Intl Eqty Index 1,000 shs	41,769	47,730	Schwab
Vanguard Pacific 2,000 shs	85,575	114,080	Schwab

TOTAL

2,055,756

2,501,555

JP Morgan Book Value	1,319,193
Schwab Book Value	736,564
JP Morgan Market Value	1,484,840
Schwab Market Value	1,016,715

**MICHAEL E. MURPHY FOUNDATION
FOR YEAR ENDED DECEMBER 31, 2010
FEIN: 36-3436624**

INVESTMENTS - CORPORATE BONDS - ATTACHMENT TO STATEMENT 8

Description	Book Value	FMV
G E. Cap Corp NT 6.05% Due 02/06/2047	200,725	204,880
Toyota Motor CR 5.45% Due 05/18/2011	50,436	50,899
TOTAL	<u>251,160</u>	<u>255,779</u>

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT 9
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MICHAEL E. MURPHY 1242 N. LAKE SHORE DRIVE, #25 CHICAGO, IL 60610	DIRECTOR/VP 0.00	0.	0.	0.
ADELE A. MURPHY 1242 N. LAKE SHORE DRIVE, #25 CHICAGO, IL 60610	VP, SEC., TREAS., DIRECTOR 0.00	0.	0.	0.
LESLIE M. BARKER 1242 N. LAKE SHORE DRIVE, #25 CHICAGO, IL 60610	PRESIDENT/DIRECTOR 0.00	0.	0.	0.
GLENN S. MURPHY 1242 N. LAKE SHORE DRIVE, #25 CHICAGO, IL 60610	DIRECTOR 0.00	0.	0.	0.
EUGENE F. ZELEK, JR. 311 SOUTH WACKER DRIVE, SUITE 3000 CHICAGO, IL 60606	ASSISTANT SECRETARY 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 10

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
BIG SHOULDERS FUND CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	25,000.
HIGH JUMP CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	1,500.
IMMACULATE CONCEPTION SCHOOL CHICAGO, IL	NONE CHARITABLE PURPOSE	SCHOOL	2,500.
JOFFREY BALLET CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	10,000.
MISERICORDIA HOME CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	10,000.
ST. PETER'S CHURCH CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	5,000.
THE FAMILY INSTITUTE EVANSTON, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	2,000.
BOSTON COLLEGE BOSTON, MA	NONE CHARITABLE PURPOSE	SCHOOL	25,000.

MICHAEL E. MURPHY FOUNDATION

36-3436624

CATHOLIC THEOLOGICAL UNION
CHICAGO, IL

NONE
CHARITABLE PURPOSE

SCHOOL

60,000.

CHILDREN'S MEMORIAL FOUNDATION
CHICAGO, IL

NONE
CHARITABLE PURPOSE

PUBLIC
CHARITY

5,000.

NIGERIA HIGHER EDUCATION
FOUNDATION
NEW YORK, NY

NONE
CHARITABLE PURPOSE

PUBLIC
CHARITY

5,000.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

151,000.

Michael E. Murphy Foundation
12/31/2010
2010 Schwab Capital Transactions

Stock Description	Shares	Date Purchased	Date Sold	Proceeds	Cost Basis	Short-Term Gain	Long-Term Gain
Vanguard European	1,000	8/24/09	5/17/10	41,497 20	47,504 95	(6,007 75)	
Exxon Mobil Corporation	500	7/6/05	6/4/10	29,797 01	30,099 95		(302 94)
Exxon Mobil Corporation	1,000	3/13/09	6/4/10	59,594 02	67,048 95		(7,454 93)
Vanguard Bond Index Fund Inter	1,200	11/12/08	1/6/10	95,444 66	87,104 95		8,339 71
Vanguard Bond Index Fund Short	1,000	12/1/08	4/28/10	80,030 69	78,521 65		1,509 04
Vanguard European	1,000	3/13/09	5/17/10	41,498 89	30,058 95		11,439 94
Vanguard Total Stock Mkt	2,000	03/13/09	05/24/10	110,597 18	75,668 95		34,928 23
<hr/>							
Total LT Gain or Loss from Stock Sales				416,962 45	368,503 40		<u>48,459 05</u>
Total ST Gain or Loss from Stock Sales				41,497 20	47,504 95	<u>(6,007 75)</u>	
				<u>458,459 65</u>	<u>416,008 35</u>		