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Return of Private Foundation

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

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:

<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity	<input type="checkbox"/> Final return
<input type="checkbox"/> Amended return	<input type="checkbox"/> Address change	<input type="checkbox"/> 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		<p>C If exemption application is pending, check here ► <input type="checkbox"/></p> <p>D 1. Foreign organizations, check here ► <input type="checkbox"/></p> <p>2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/></p>		
<p>H Check type of organization:</p> <p><input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation</p> <p><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation</p>		<p>E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/></p> <p>F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/></p>		
<p>I Fair market value of all assets at end of year (from Part II, col (c), line 16) ► \$ 3,110,840. (Part I, column (d) must be on cash basis)</p>		<p>J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____</p>		
<p>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))</p>		(a) Revenue and expenses per books	(b) Net investment income	
Revenue	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.		
<p>Operating and Administrative Expenses</p>				
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.	
b Accounting fees	STMT 4	2,900.	0.	
c Other professional fees				
17 Interest	RECEIVED			
18 Taxes	STMT 5	470.	470.	
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications	OGDEN, UT			
23 Other expenses	STMT 6	15.	0.	
24 Total operating and administrative expenses. Add lines 13 through 23		3,935.	0.	
25 Contributions, gifts, grants paid		151,000.	151,000.	
26 Total expenses and disbursements. Add lines 24 and 25		154,935.	470.	
27 Subtract line 26 from line 12:		<47,993.00>		
a Excess of revenue over expenses and disbursements				
b Net investment income (if negative, enter -0-)		106,264.		
c Adjusted net income (if negative, enter -0-)			N/A	

Assets	Part II Balance Sheets	Beginning of year			End of year		
		(a) Book Value		(b) Book Value		(c) Fair Market Value	
		1	141,894.	1	353,506.	1	353,506.
1	Cash - non-interest-bearing						
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				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(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		
a			<6,008. >	
b			48,459.	
c			1,541.	
d				
e				
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	43,992.
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			3	N/A

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.	1 2,125. 2 3 4 5 7 8 9 10 11
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	
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-)	
3 Add lines 1 and 2	
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	
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 ►	11 0.

Part VII-A Statements Regarding Activities

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?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <i>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</i>	1b <input checked="" type="checkbox"/>
c Did the foundation file Form 1120-POL for this year?	1c <input checked="" type="checkbox"/>
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ 0. (2) On foundation managers. ► \$ 0.	d
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ 0.	e
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	2 <input checked="" type="checkbox"/>
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? <i>If "Yes," attach a conformed copy of the changes</i>	3 <input checked="" type="checkbox"/>
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a <input checked="" type="checkbox"/>
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b <input type="checkbox"/>
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	5 <input checked="" type="checkbox"/>
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 <input checked="" type="checkbox"/>
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	7 <input checked="" type="checkbox"/>
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ►	8a <u>IL</u>
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 <input checked="" type="checkbox"/>
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 <input checked="" type="checkbox"/>
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10 <input checked="" type="checkbox"/>

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 Telephone no. ► (312) 580-7820
 Located at ► 1242 N. LAKE SHORE DRIVE, #25, CHICAGO, IL ZIP+4 ► 60610

14. The books are in care of ► MICHAEL E. MURPHY ► 15 | N/A Yes No

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 ►

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 ► <u>N/A</u> <input type="checkbox"/> 1b <input checked="" type="checkbox"/> N/A		
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? <input type="checkbox"/> 1c <input checked="" type="checkbox"/> X		
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)): <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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 ► <input type="checkbox"/> 2a <input checked="" type="checkbox"/> N/A		
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.) <input type="checkbox"/> 2b <input checked="" type="checkbox"/> N/A		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► <input type="checkbox"/> 2c <input checked="" type="checkbox"/> N/A		
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 <input type="checkbox"/> 3a <input checked="" type="checkbox"/> N/A		
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) <input type="checkbox"/> 3b <input checked="" type="checkbox"/> N/A		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/> 4a <input checked="" type="checkbox"/> 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? <input type="checkbox"/> 4b <input checked="" type="checkbox"/> 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)?	<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 instructions)?	N/A	
Organizations relying on a current notice regarding disaster assistance check here	<input checked="" type="checkbox"/>	
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	
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?	<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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes" to 6b, file Form 8870	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.**

(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

Form 990-PF (2010)

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			0.	
a Enter amount for 2009 only				
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.			0.	
a Applied to 2009, but not more than line 2a				
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:	195,629.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		0.		
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 XIV | Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

1 a 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)

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 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).)

MICHAEL E. MURPHY

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.

NONE

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 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:

N/A

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)				
<i>a Paid during the year</i>				
SEE STATEMENT 10				
Total			► 3a	151,000.
<i>b Approved for future payment</i>				
NONE				
Total			► 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments				14	13,662.
4 Dividends and interest from securities				14	49,288.
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory				18	43,992.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		106,942.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13	106,942.

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

MICHAEL E. MURPHY FOUNDATION

36-3436624

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

SOURCE	AMOUNT
BOND PREMIUM AMORTIZATION	<1,172.00>
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

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

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

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

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	<u>2,055,756</u>	<u>2,501,555</u>	
		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

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN	EXPENSE CONTRIB	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>
<hr/>							
Total ST Gain or Loss from Stock Sales				41,497 20	47,504 95	<u>(6,007 75)</u>	
				458,459 65	416,008 35		<u>48,459 05</u>