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Return of Organization Exempt From Income Tax

2010

Open to Public Inspection

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

Department of the Treasury
Internal Revenue Service

A For the 2010 calendar year, or tax year beginning **January 1**, 2010, and ending **December 31**, 20 **10**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Tarion Warranty Corporation Doing Business As		D Employer identification number 98-0197825
	Number and street (or P O box if mail is not delivered to street address) Room/suite 5160 Yonge Street 12th Floor		E Telephone number 416 229-3800
	City or town, state or country, and ZIP + 4 North York, Canada, M1P-5J4		G Gross receipts \$ 46,704,738
	F Name and address of principal officer Howard Bogach		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) (4) ◀ (insert no) 4947(a)(1) or 527

J Website: **www.tarion.com** **H(c)** Group exemption number ▶

K Form of organization: Corporation Trust Association Other ▶ **L** Year of formation **1976** **M** State of legal domicile

Part I Summary

1 Briefly describe the organization's mission or most significant activities: **Tarion is responsible for administering the Ontario New Home Warranties Plan Act, which outlines the warranty protection that new home and condominium builders. The primary purpose of Tarion is to ensure that builders abide by this legislation and to step in to protect consumers when builders fail to fulfill their warranty obligations.**

2 Check this box if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	17
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	16
5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	230
6 Total number of volunteers (estimate if necessary)	6	0
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	14,616,991
b Net unrelated business taxable income from Form 990-T, line 34	7b	Schedule O

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)		
	9 Program service revenue (Part VIII, line 2g)	28,109,146	32,087,747
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	13,539,116	14,014,258
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	357,290	602,733
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	42,005,552	46,704,738
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	21,520,088	23,879,604
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) ▶		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	16,174,358	-2,759,295
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	37,694,446	21,120,309
19 Revenue less expenses. Subtract line 18 from line 12	4,311,106	25,584,429	
Fund Balances	20 Total assets (Part X, line 16)	318,090,656	357,556,835
	21 Total liabilities (Part X, line 26)	205,835,275	202,237,565
	22 Net assets or fund balances. Subtract line 21 from line 20	112,255,381	155,319,270

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: EDWARD LEE Date: MAY 4, 2011

Type or print name and title: EDMOND LEE V.P. AND CFO.

Paid Preparer Use Only

Print/Type preparer's name: _____ Preparer's signature: _____ Date: _____ Check if self-employed PTIN: _____

Firm's name ▶: _____ Firm's EIN ▶: _____

Firm's address ▶: _____ Phone no: _____

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

- 1 Briefly describe the organization's mission:
Regulators of the new home building industry in Ontario. Tarion licenses all new homes and condominium builders in the province and administer the New home warranty program to ensures that all new homeowners receives the New Home Warranty coverage entitled to by law.
- 2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
 If "Yes," describe these new services on Schedule O.
- 3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
 If "Yes," describe these changes on Schedule O.
- 4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code: 524298) (Expenses \$ -1,195,153 including grants of \$ _____) (Revenue \$ 28,824,453)
Home Enrolment fees
Tarion ensures that all new homeowners receive the New Home Warranty Coverage that they are entitled to by law.
New home enrolment fees from new home buyers in Ontario are invested and when required are used to settle claims from homeowners as a result of warranty breach by the builders.

****Expenses were negative in 2010 from net claim warranty expenses as a result of large write-downs of claim reserves not required and from large claim recoveries****

4b (Code: 524298) (Expenses \$ 2,430,659 including grants of \$ _____) (Revenue \$ 3,263,294)
Builder Registration & Renewal Fees
All builders and vendors must be registered with Tarion in order to build or sell homes and condominiums legally in Ontario.

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services. (Describe in Schedule O.)
 (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses **1,235,506**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	<input type="checkbox"/>	<input type="checkbox"/>
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	<input type="checkbox"/>	<input type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	<input type="checkbox"/>	<input type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input type="checkbox"/>	<input type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<input type="checkbox"/>	<input type="checkbox"/>
12 a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14 a Did the organization maintain an office, employees, or agents outside of the United States?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20 a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	<input type="checkbox"/>	<input type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		✓
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		✓
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	✓	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		✓
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		✓
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		✓
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		✓
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		✓
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		✓
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		✓
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		✓
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		✓
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		✓
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?		✓
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input type="checkbox"/> Yes <input type="checkbox"/> No		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		✓
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	✓	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 0	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 0	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)	2b	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a ✓	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	✓
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	✓
b	If "Yes," enter the name of the foreign country: ► See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	17
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	<input checked="" type="checkbox"/>
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	<input checked="" type="checkbox"/>
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	<input checked="" type="checkbox"/>
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	<input checked="" type="checkbox"/>
6	Does the organization have members or stockholders?	6	<input checked="" type="checkbox"/>
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	<input checked="" type="checkbox"/>
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	<input checked="" type="checkbox"/>
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8a	<input checked="" type="checkbox"/>
b	Each committee with authority to act on behalf of the governing body?	8b	<input checked="" type="checkbox"/>
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	<input checked="" type="checkbox"/>

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a	<input checked="" type="checkbox"/>
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	<input checked="" type="checkbox"/>
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	<input checked="" type="checkbox"/>
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	<input checked="" type="checkbox"/>
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	<input checked="" type="checkbox"/>
13	Does the organization have a written whistleblower policy?	13	<input checked="" type="checkbox"/>
14	Does the organization have a written document retention and destruction policy?	14	<input checked="" type="checkbox"/>
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	<input checked="" type="checkbox"/>
b	Other officers or key employees of the organization	15b	<input checked="" type="checkbox"/>
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	<input checked="" type="checkbox"/>
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► n/a
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► Ramesh Ramator, 5160 Yonge Street 12th Floor, Toronto, ON Canada 416-229-3825

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) See Note #3 (list of Officers, etc)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										
(15)										
(16)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
(26)										
(27)										
(28)										
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							5,013,133			

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **▶ 40**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
EllisDon Corporation	Claims Related	2,784,851
Unlimited Building Solutions	Claims Related	1,157,233
GOWLINGS LAFLEUR HENDERSON LLP	Legal Services	1,042,998
EBS Engineering & Construction Limited	Engineering & Claims Related	870,892
MCDONNELL HAYNES LTD.	Branding, Promotion	568,909

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶ 29**

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f ▶						
Program Service Revenue	Business Code						
	2a New Home Enrolment Fee	524298	28,824,453	28,824,453			
	b Builder Reg and Renewal Fee	524298	3,263,294	3,263,294			
	c						
	d						
	e						
	f All other program service revenue						
g Total. Add lines 2a-2f ▶			32,087,747				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		10,636,274		10,636,274		
	4 Income from investment of tax-exempt bond proceeds ▶						
	5 Royalties ▶						
	6a Gross Rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
	d Net rental income or (loss) ▶						
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses					
	c Gain or (loss)	3,377,984					
	d Net gain or (loss) ▶			3,377,984		3,377,984	
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a					
		b Less: direct expenses	b				
		c Net income or (loss) from fundraising events . . ▶					
	9a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities . . ▶							
10a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory . . ▶						
Miscellaneous Revenue		Business Code					
11a							
b							
c							
d All other revenue			602,733		602,733		
e Total. Add lines 11a-11d ▶			602,733				
12 Total revenue. See instructions. ▶			46,704,738	32,087,747	14,616,991		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
 All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,987,588	1,543,066	1,444,522	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	16,571,160	10,755,687	5,815,473	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	948,238	564,556	383,682	
9	Other employee benefits	1,119,935	666,780	453,155	
10	Payroll taxes	2,252,683	1,341,189	911,494	
11	Fees for services (non-employees):				
a	Management				
b	Legal	2,617,488	2,305,868	311,620	
c	Accounting	164,151		164,151	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees	877,610		877,610	
g	Other	963,298	26,454	936,844	
12	Advertising and promotion	542,785	542,785		
13	Office expenses	1,128,352	94,484	1,033,868	
14	Information technology	1,145,255	6,247	1,139,008	
15	Royalties				
16	Occupancy	1,759,126	27,692	1,731,434	
17	Travel	886,520	811,223	75,297	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	752,048	68,520	683,528	
20	Interest	158,093		158,093	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,779,030		2,779,030	
23	Insurance	55,932		55,932	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a	Warranty Claims (net claim reserve writedown)	-17,738,212	-17,738,212		
b				
c				
d				
e				
f	All other expenses Misc	1,149,229	219,167	930,062	
25	Total functional expenses. Add lines 1 through 24f	21,120,309	1,235,506	19,884,803	
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	2,724,315	1	2,174,542
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	11,095,986	4	8,838,900
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	1,034,199	9	463,138
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	7,399,367		
	b Less: accumulated depreciation	-5,186,967	10c	2,212,400
	11 Investments—publicly traded securities	298,529,910	11	341,350,243
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets	1,445,334	14	2,517,612
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	318,090,656	16	357,556,835	
Liabilities	17 Accounts payable and accrued expenses	9,485,292	17	8,187,401
	18 Grants payable		18	
	19 Deferred revenue	95,505,641	19	118,444,456
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	100,844,342	25	75,605,708
	26 Total liabilities. Add lines 17 through 25	205,835,275	26	202,237,565
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds	112,255,381	32	155,319,270
33 Total net assets or fund balances	112,255,381	33	155,319,270	
34 Total liabilities and net assets/fund balances	318,090,656	34	357,556,835	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	46,704,738
2	Total expenses (must equal Part IX, column (A), line 25)	2	21,120,309
3	Revenue less expenses. Subtract line 2 from line 1	3	25,584,429
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	112,255,381
5	Other changes in net assets or fund balances (explain in Schedule O)	5	17,479,460
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	155,319,270

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

- 1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
1		
2a		✓
2b	✓	
2c	✓	
3a		✓
3b		

**SCHEDULE D
(Form 990)**

Supplemental Financial Statements

OMB No 1545-0047

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

▶ **Attach to Form 990. ▶ See separate instructions.**

Name of the organization

Employer identification number

Tarion Warranty Corporation

98-0197825

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
 - Preservation of land for public use (e.g., recreation or education)
 - Preservation of an historically important land area
 - Protection of natural habitat
 - Preservation of a certified historic structure
 - Preservation of open space
- 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d
- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____
- 4 Number of states where property subject to conservation easement is located ▶ _____
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No
- 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No
- 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
 - (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
 - (ii) Assets included in Form 990, Part X ▶ \$ _____
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
 - a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
 - b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other _____
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? **Yes** **No**

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|---|--------|
| 1c Beginning balance | |
| 1d Additions during the year | |
| 1e Distributions during the year | |
| 1f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21? **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2** Provide the estimated percentage of the year end balance held as:
- a** Board designated or quasi-endowment ▶ _____ %
 - b** Permanent endowment ▶ _____ %
 - c** Term endowment ▶ _____ %
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|---------------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
- b** If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? **Yes** **No**
- 3b** **Yes** **No**
- 4** Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		1,720,579	1,088,004	632,575
d Equipment		4,268,895	3,137,034	1,131,861
e Other		1,409,893	961,929	447,964
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c))				2,212,400

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
(I) _____		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) Warranty Claim Liability	32,989,374
(3) Funds Held as Security from Builders	40,166,415
(4) Employee Future Benefits Liabilities	2,449,919
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	75,605,708

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	46,704,738
2	Total expenses (Form 990, Part IX, column (A), line 25)	21,120,309
3	Excess or (deficit) for the year. Subtract line 2 from line 1	25,584,429
4	Net unrealized gains (losses) on investments	11,566,342
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV.)	5,913,118
9	Total adjustments (net). Add lines 4 through 8	17,479,460
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	43,063,889

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	49,435,800
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a	Net unrealized gains on investments	3,730,835
b	Donated services and use of facilities	
c	Recoveries of prior year grants	
d	Other (Describe in Part XIV.)	
e	Add lines 2a through 2d	3,730,835
3	Subtract line 2e from line 1	45,704,965
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	841,680
b	Other (Describe in Part XIV.)	158,093
c	Add lines 4a and 4b	999,773
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	46,704,738

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	20,120,536
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:	
a	Donated services and use of facilities	
b	Prior year adjustments	
c	Other losses	
d	Other (Describe in Part XIV.)	
e	Add lines 2a through 2d	0
3	Subtract line 2e from line 1	20,120,536
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	841,680
b	Other (Describe in Part XIV.)	158,093
c	Add lines 4a and 4b	999,773
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	21,120,309

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XI - line 4 - Net Unrealized Gain: 11,566,342 (Change in unrealized gain on stock: 7,835,507; unrealized gain on bonds: 3,829,036,

writedown on stock: -98,201)

Part XI - line 8 - Foreign Exchange Adjustment on conversion: 5,913,118

Part XI - line 9 - Total Adjustments: 17,479,460 (=11,566,342+5,913,118)

Part XII - line 4b (& Part XIII line 4b) - Interest Expense from Funds Held as Cash Security

**SCHEDULE F
(Form 990)**

Statement of Activities Outside the United States

OMB No 1545-0047

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

Tarion Warranty Corporation

Employer identification number

98-0197825

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) Ontario, Canada	3	230	Program Services	New Home Warrant	1,235,506
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total	3	230			1,235,506
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	3	230			1,235,506

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter

3 Enter total number of other organizations or entities

Part III Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
 Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* Yes No

- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* Yes No

- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see Instructions for Form 5471)* Yes No

- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* Yes No

- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see Instructions for Form 8865)* Yes No

- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)* Yes No

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

Tarion Warranty Corporation

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Employer identification number

98-0197825

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization.

- a** Receive a severance payment or change-of-control payment from the organization or a related organization?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b	✓	
2	✓	
3		
4a		✓
4b	✓	
4c		✓
5a		✓
5b		✓
6a	✓	
6b		✓
7		✓
8		✓
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(Over 150,000)							
1	(i) (ii)						
Howard Bogach	(i) (ii)	346,568 201,637	36,393			584,598	
2	(i) (ii)						
John Becevello	(i) (ii)	195,282 75,740	34,325			305,347	
3	(i) (ii)						
Mike Cote	(i) (ii)	149,519 58,225	34,325			242,069	
4	(i) (ii)						
Patrick Varcoe	(i) (ii)	172,566 69,529	33,299			275,394	
5	(i) (ii)						
Tim Schumacher	(i) (ii)	236,482 88,768	34,554			359,804	
6	(i) (ii)						
Janice Mandel	(i) (ii)	168,333 64,460	33,824			266,617	
7	(i) (ii)						
Bill Wallace	(i) (ii)	191,108 73,342	34,514			298,964	
8	(i) (ii)						
Eileen Holden	(i) (ii)	155,461 59,897	34,067			249,424	
9	(i) (ii)						
Suzanne Tiffin	(i) (ii)	143,578 55,489	32,438			231,505	
10	(i) (ii)						
Peter Balasubramanian	(i) (ii)	185,769 72,235	34,325			292,329	
11	(i) (ii)						
David Guimey	(i) (ii)	264,974 128,628	34,325			427,927	
12	(i) (ii)						
Edmond Lee	(i) (ii)	178,891	27,351			206,242	
13	(i) (ii)						
Alex McFarlane	(i) (ii)	124,265 21,152	12,370			157,787	
14	(i) (ii)						
	(i) (ii)						
15	(i) (ii)						
16	(i) (ii)						

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Organization accrued compensation contingent on the goals and achievements met for 2010. The compensation range is determined by the success of the goals achievement.

Termination of Director in 2010:

James Bazely, Bob Ridley, Peter Smith, Scott Cameron

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

Name of the organization

Employer identification number

Tarion Warranty Corporation

98-0197825

Part 1-line 7b, total number of employees at the end of December 31, 2010 is 230. Employment is filed through Revenue

Canada and therefore none was transmitted through Form W-3, transmittal of wage and tax statements.

Part V-line 3b, Form 990-T was not file for Investment Income and Gain & Loss from sales. Tarion is exempt under section

501(c)(4). Tarion is not an organization liable for the proxy tax on lobbying and political expenditures, is not a college or

university, for profit organization that is liable for corporate tax or recapture taxes, and not a fiduciary for trust.

Part VI-line 19: Tarion makes available the annual Financial Statements on the Tarion website (www.tarion.com)

Part XI - line 5 (other changes in net assets or fund balances: 17,479,460 (-11,566,342+5,913,118)

Net Unrealized Gain: 11,566,342 (Change in unrealized gain on stock: 7,835,507; unrealized gain on bonds: 3,829,036,

writedown on stock: -98,201)

Foreign Exchange Adjustment on conversion: 5,913,118



TARION

WARRANTY FORM

July 16, 2010 - Aug 16, 2010
You may receive a 30-Day Form for units in DA 10, 2010 and Aug 16, 2010
July 16, 2010 - Sep 15, 2010
If your unit is constructed to full standards for construction, you may receive a 30-Day Form and a 10-Day Form.
If you have or expect your 30-Day Form, the 10-Day Form must be received on or before Sep 15, 2010.

**SUPPORT.
STRENGTH.
SERVICE.**

TARION
PROTECTING ONTARIO'S NEW HOME BUYERS

**2010
ANNUAL
REPORT**

TARION WARRANTY
CORPORATION

FINANCIAL STATEMENTS

2010 Financial Commentary

After a slow start in the first quarter of 2009, the housing market in Ontario and investment markets generally, rebounded and this trend continued throughout 2010. Improving economic conditions together with favourable claim resolutions resulted in positive earnings of \$30.2 million and an increase in total equity of \$37.0 million.

At 52,531 units, new home enrolments were lower than the historical average of 65,864 but, still considered fairly strong when compared to the 47,649 units enrolled in 2009.

Tarion's investment portfolio benefited from the global economic recovery, which was helped by expansionary fiscal and monetary policies in Western economies and by strong internal growth in the developing world. An increase of \$6.8 million in unrealized gains was achieved through strong returns from the Tarion stock portfolio (compared with \$16.1 million in 2009). And, monetary policy played a large role in pushing down bond yields which resulted in an increase of \$5.3 million in our bond portfolio (this compares with a \$7.6 million increase in 2009).

Corporation expenses decreased from \$41.9 million to \$20.7 million due to lower net claims incurred and operating expenses:

- Throughout the industry's continuing recovery, Tarion reported net claims incurred of negative \$18.3 million versus positive \$3.1 million in 2009. Provisions for new claims were negative \$13.9 million largely due to the favourable resolution of large claims at much lower costs than expected. Recoveries decreased from \$8.5 million in 2009 to \$4.4 million due to a significant decrease in reserves.
- Tight expense management resulted in a reduction of \$1.0 million in operating expenses.

Tarion's capital management framework includes a minimum threshold for the Minimum Capital Test ("MCT") and a minimum total equity test to cover a catastrophic loss as defined in the Dynamic Capital Adequacy Testing ("DCAT"). The MCT is the same test utilized by Canadian property and casualty insurance companies. The company's MCT of 434% as at December 31, 2010 compares favourably to the threshold minimum of 150%. The company's total equity of \$154.5 million compares favourably to the catastrophic loss threshold scenario of \$82 million.

Tarion will continue to be diligent in its management of costs and capital to maintain its financial strength and support new home warranties in the face of a slowly recovering economy.

FINANCIAL STATEMENTS

Management's Responsibility for Financial Reporting

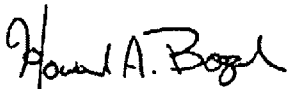
Management is responsible for the integrity of the financial statements and operational information presented in this Annual Report. The financial statements have been presented in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgments. Financial information presented elsewhere in the Annual Report is consistent with these financial statements.

Management maintains a system of internal controls, to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information.

The external actuary who is appointed by the Board of Directors is responsible for ensuring that the assumptions and methods used in the determination of the warranty liabilities are in accordance with accepted actuarial practice.

The external auditors have examined and reported on the annual financial statements.

The Audit Committee, consisting of non-executive directors, has reviewed these financial statements with management and the external auditors and has reported to the Board of Directors, which has approved the financial statements.



Howard Bogach
President and Chief Executive Officer
April 21, 2011



Edmond F. Lee
Vice President and Chief Financial Officer
April 21, 2011

Actuary's Report

To the Directors of Tarion Warranty Corporation:

I have reviewed the warranty liabilities of **Tarion Warranty Corporation** for its Balance Sheet as at December 31, 2010 and their change in the Statement of Operations for the year then ended in accordance with accepted actuarial practice, including the selection of appropriate assumptions and methods.

In my opinion, the amount of these warranty liabilities makes appropriate provision for all warranty obligations, and the financial statements fairly present the results of the review.



James K. Christie
Fellow, Canadian Institute of Actuaries
April 21, 2011

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Directors of Tarion Warranty Corporation:

We have audited the accompanying financial statements of Tarion Warranty Corporation, which comprise the balance sheet as at December 31, 2010, and the statements of operations, comprehensive results of operations, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tarion Warranty Corporation as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LP

Chartered Accountants
Licensed Public Accountants
April 21, 2011

FINANCIAL STATEMENTS

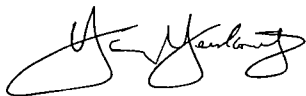
Balance Sheet

December 31, 2010 (\$ thousands)

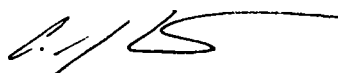
	2010	2009
Assets		
Cash	\$ 2,163	\$ 2,851
Investments (Note 5)	339,507	312,441
Amounts recoverable from builders (Note 4)	8,791	11,613
Equipment and leaseholds (Note 7)	2,200	3,413
Intangible assets (Note 8)	2,504	1,513
Prepaid expenses and other assets	461	1,082
	\$ 355,626	\$ 332,913
Liabilities		
Warranty liabilities (Note 9)	150,616	164,251
Funds held as security (Note 10)	39,950	38,876
Accounts payable and accrued liabilities	8,142	9,928
Employee future benefits liabilities (Note 11)	2,437	2,372
	201,145	215,427
Equity		
Surplus	127,630	97,432
Accumulated net unrealized gains in the equity portfolio	26,851	20,054
	154,481	117,486
	\$ 355,626	\$ 332,913

See accompanying notes to financial statements.

Approved by the Board



Harry Herskowitz
Director and Chair of the Board



Christopher S. Spiteri
Director and Vice Chair of the Board

FINANCIAL STATEMENTS

Statement of Operations

Year Ended December 31, 2010 (\$ thousands)

	2010	2009
Revenue		
Home enrolment fees earned	\$ 29,692	\$ 29,183
Builders' registration and renewal fees	3,362	2,903
Investment results		
Investment income (Note 5)	18,117	17,769
Investment management fees	(867)	(792)
Other revenue	621	408
	50,925	49,471
Expenses		
Net claims (recovered) incurred (Note 9)	(18,272)	3,095
Salaries and benefits	24,598	24,565
General and administrative	11,538	11,906
Depreciation and amortization	2,863	2,315
	20,727	41,881
Excess of Revenue Over Expenses	\$ 30,198	\$ 7,590
	2010	2009
Excess of Revenue Over Expenses for the Year	\$ 30,198	\$ 7,590
Net Unrealized Gains in the Equity Portfolio		
Increase due to change in fair value of the investments during the year	8,794	15,404
(Decrease) increase for amounts recognized in investment income	(1,997)	729
	6,797	16,133
	\$ 36,995	\$ 23,723

See accompanying notes to financial statements.

FINANCIAL STATEMENTS

Statement of Changes in Equity

Year Ended December 31, 2010 (\$ thousands)

	2010	2009
Surplus, beginning of year	\$ 97,432	\$ 89,842
Excess of revenue over expenses	30,198	7,590
Surplus, end of year	\$ 127,630	\$ 97,432
Accumulated net unrealized gains in the equity portfolio, beginning of year	\$ 20,054	\$ 3,921
Change in net unrealized gains in the equity portfolio for the year	6,797	16,133
Accumulated net unrealized gains in the equity portfolio, end of year	\$ 26,851	\$ 20,054
Total Equity, End of Year	\$ 154,481	\$ 117,486

See accompanying notes to financial statements.

FINANCIAL STATEMENTS

Statement of Cash Flows

Year Ended December 31, 2010 (\$ thousands)

	2010	2009
Net Inflows (Outflows) of Cash Related to the Following Activities		
Operating		
Excess of revenue over expenses	\$ 30,198	\$ 7,590
Add (deduct) non-cash items		
Unrealized and realized gains on held for trading assets	(5,326)	(7,624)
Net realized gains on sale of available for sale assets	(2,098)	(1,849)
Writedown on available for sale assets	101	2,578
Depreciation and amortization	2,863	2,315
	25,738	3,010
Changes in non-cash balances related to operations		
Changes in prepaid expenses and other assets	621	(61)
Changes in amounts recoverable from builders	2,822	(310)
Changes in warranty liabilities	(13,635)	(4,677)
Changes in funds held as security	1,074	(315)
Changes in accounts payable and accrued liabilities	(1,786)	2,404
Changes in employee future benefits liabilities	65	385
Cash provided by operating activities	14,899	436
Investing		
Proceeds from sale and maturity of investments	297,503	249,853
Purchase of investments	(310,448)	(245,729)
Purchase of equipment and leaseholds	(815)	(1,108)
Disposal of equipment and leaseholds	235	422
Purchase of intangible assets	(2,062)	(584)
Cash (used in) provided by investing activities	(15,587)	2,854
Net (Decrease) Increase in Cash During the Year	(688)	3,290
Cash (Bank Overdraft), Beginning of Year	2,851	(439)
Cash, End of Year	\$ 2,163	\$ 2,851
Supplementary Cash Flow Information		
Cash interest paid	\$ 762	\$ 947

FINANCIAL STATEMENTS

Notes to Financial Statements

December 31, 2010 (\$ thousands)

1 OPERATIONS OF THE CORPORATION

Tarion Warranty Corporation (the "Corporation") was designated in 1976 by the Government of Ontario to administer the Ontario New Home Warranties Plan Act (the "Act"). The objectives of the Act include consumer protection, builder regulation and providing consumers and builders with a broad range of services including information and education. The Corporation collects home enrolment and builder registration fees and invests available funds for the purposes of settling warranty claims from homeowners, and providing for investigation, enforcement, and other administrative costs related to its responsibilities in administering the Act. Warranty protection is outlined in the Act and includes providing a warranty to purchasers of new homes in respect of:

- loss of deposit if a builder cannot or will not complete the sale of a home, through no fault of the home buyer;
- specified construction and contractual warranties for defects in work or material; and
- the effects of delays in closing, under certain circumstances.

As a non-profit organization, the Corporation is exempt from income taxes.

2 BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). In addition, the Corporation voluntarily adopts certain guidelines issued by the Office of the Superintendent of Financial Institutions Canada ("OSFI") for property and casualty ("P&C") insurance companies in Canada. These guidelines are consistent with GAAP.

The preparation of financial statements, in conformity with GAAP, requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual amounts could differ from those estimates. The most significant estimation processes are related to the determination of warranty liabilities, employee future benefit liabilities and the fair valuation of financial instruments.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

The Corporation designates and recognizes its financial instruments in accordance with the requirements of Section 3855 – *Recognition and Measurement*, Section 1530 – *Comprehensive Income*, and Section 3251 – *Equity*, as described below:

- Held for trading financial assets

Cash and the fixed income portfolio investments are designated as held for trading financial assets and are measured at fair value with gains and losses, including interest earned, recorded in the Statement of Operations. Transaction costs are recognized in the Statement of Operations as incurred.

FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

- Available for sale financial assets

The equity portfolio investments are designated as available for sale financial assets and are measured at fair value with unrealized gains and losses recognized in the net unrealized gains (losses) on equity portfolio in the Statement of Comprehensive Results of Operations. Accumulated net unrealized gains (losses) in the equity portfolio (“AUGL”) form part of the Equity on the Balance Sheet. The cumulative changes in the fair value of available for sale securities are removed from the AUGL and recorded in the Statement of Operations when the underlying security is either sold or there is a decline in value that is considered to be other than temporary. Available for sale assets are assessed on an individual security basis on a quarterly basis to determine whether there is objective evidence of impairment. If there is objective evidence of impairment and the decline in fair value is other than temporary, the accumulated loss is removed from the AUGL in the Balance Sheet equity section and recognized in the Statement of Operations.

Transaction costs are added to the fair value of the available for sale financial assets at acquisition.

- Held to maturity financial assets

No financial assets are designated as held to maturity.

- Loans and receivables

Amounts recoverable from builders are designated as loans and receivables. The carrying value is based on management’s best estimate of the recoverable value determined by considering past collection experience, the amount of security held and the existence of guarantees. Where there is evidence that there is impairment in these amounts, the impairment charge is recognized in the Statement of Operations to reduce the carrying value of the financial assets to their recoverable amounts.

- Other financial liabilities

Accounts payable and accrued liabilities, and funds held as security, are designated as other liabilities and are measured at amortized cost using the effective interest method.

The warranty liabilities are specifically excluded from the financial instruments accounting standards.

Revenue recognition

Home enrolment fees are remitted by builders during the year. These fees, net of refunds, are deferred and taken into revenue as earned based on expected claims experience over the warranty period. The deferred portion of home enrolment fees is included in warranty liabilities. If claims experience indicates that home enrolment fees collected will not be sufficient to discharge related liabilities, a provision for premium deficiency is included in the warranty liabilities.

Builders’ registration fees are recorded as revenue upon registration and renewal fees are recorded as revenue in the year in which they are due.

Dividend income is recognized as of the ex-dividend date. Interest income is recognized as earned. Net realized gains or losses on investments are recognized on a trade date basis. Unrealized gains or losses based on the fair value in effect at the balance sheet date on held for trading financial assets are recognized in investment income. Unrealized gains or losses on available for sale financial assets are recognized in the Accumulated net unrealized gains (losses) in the equity portfolio until they are realized or until they are considered “other than temporarily” impaired, at which time the losses are charged to the Statement of Operations.

FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Warranty liabilities

The warranty liabilities include deferred home enrolment fees and warranty claims liabilities. Deferred home enrolment fees represent the unearned portion of home enrolment fees remitted by builders. Warranty claims liabilities include estimates of costs for claims reported and in process of settlement, and provisions for claims incurred but not yet reported at the balance sheet date where it is anticipated that costs will be incurred by the Corporation.

The Corporation's warranty period spans seven years and significant periods of time can elapse between the incurrence of claims liabilities and their settlement. Accordingly, the estimation of the liabilities involves significant measurement uncertainty.

The liabilities are discounted to reflect the investment income expected to be earned over the period between the incurrence and settlement of claims. The discount rate reflects the expected future yield from the fixed interest investments. Provisions for adverse deviation are added to allow for the inherent measurement uncertainty that arises because actual investment yields may differ from the discount rate; the actual settlements may occur at amounts that differ from expected settlement amounts; and the timing of settlements may differ from expected timing.

Net claims incurred include claims recoveries and changes in the provisions for claims reported and in process of settlement and for claims incurred but not yet reported.

Claims recoveries include expected recoverable from builders on claims incurred during the current year and change in the estimate of amounts recoverable from builders from prior years. Estimated amounts recoverable from builders are presented on the Balance Sheet as an asset of the Corporation.

Equipment and leaseholds

Equipment and leaseholds are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are provided at the following rates and bases:

Computer equipment	– straight-line over four years
Computer equipment acquired under capital lease	– straight-line over four years or the term of lease if shorter than four years
Furniture and office equipment	– 20 per cent declining balance
Leasehold improvements	– straight-line over the term of the lease

Equipment and leaseholds are evaluated for impairment when events or changes in circumstances exist to indicate that the carrying value of these assets may not be recoverable. An impairment loss is recognized when the estimated undiscounted future net cash flow attributable to the asset is less than its net carrying amount and the loss recognized is equal to the amount by which the carrying amount exceeds the fair value. Fair value is determined using expected discounted cash flows when quoted market prices are not available.

Intangible assets

Intangible assets are amortized on a straight line basis over three years.

FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee future benefits

The Corporation accrues its obligations under employee benefit plans and the related costs, net of plan assets. The cost of pensions and other post-employment benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimates of expected plan investment performance, salary escalation, retirement ages of employees and expected health care costs. For the purpose of calculating the expected return on plan assets, those assets are valued at fair value. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service periods of eligible employees active at the date of amendment.

Currency translation

Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars at the period-end rate. Revenue and expense items in a foreign currency are translated into Canadian dollars at the transaction date rate.

Future accounting changes

International Financial Reporting Standards

Canadian publicly accountable enterprises and certain Government business enterprises are required to adopt International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011, with fiscal 2010 IFRS comparatives. The objective of the change is to move toward the use of a single set of international accounting standards to facilitate and improve the comparability and transparency of financial statements globally. Although there are many similarities between Canadian GAAP and IFRS, there are some significant GAAP differences which may impact the Corporation's financial statements. The Corporation will publish its first financial statements prepared in accordance with IFRS for the year ending December 31, 2011, with fiscal 2010 IFRS comparatives.

The Corporation's assessment of the impact of IFRS will be dependent on the IFRS standards in effect at the time of transition and the accounting elections made. Proposed changes to the IFRS accounting standards may also introduce additional accounting differences. The Corporation has elected to early adopt IFRS 9 – *Financial Instruments* at the date of transition even though it is effective beginning on or after January 1, 2013. The IFRS accounting standard for insurance contracts, IFRS 4 – Phase II which deals with recognition and measurement is still under development. The final standard is expected in June 2011, however the implementation not expected before 2014.

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4 AMOUNTS RECOVERABLE FROM BUILDERS

The amounts recoverable from builders is comprised of two types of receivables: the estimated amounts recoverable from builders in respect of outstanding warranty claims recognized under the warranty liabilities; and other receivables from builders representing the estimated realizable value of receivables from builders for warranty claims that the Corporation has paid out on the builder's behalf during the remediation process.

	2010	2009
	Carrying Value	Carrying Value
Amounts recoverable from builders	\$ 6,648	\$ 8,853
Other receivables from builders	2,143	2,760
	\$ 8,791	\$ 11,613

As at December 31, 2010, of the total amounts recoverable from builders, the balance greater than 30 days past due is \$1,826 (2009 - \$2,187) and is not considered to be impaired.

As described in Note 6(c), the Corporation obtains security from builders to minimize its financial losses from future warranty claims. At December 31, 2010, there is \$2,396 (2009 - \$4,254) of security held associated with amounts recoverable from builders.

5 INVESTMENTS

(a) Fair value of investments:

The Corporation has designated the fixed income portfolio as held for trading financial assets and the equity portfolio as available for sale financial assets. Both classes of assets are reported at fair value on the Balance Sheet.

The following table discloses details of the fair value of the Corporation's investment portfolio as at December 31:

	2010	2009
	Fair Value	Fair Value
Held for Trading Assets		
Bonds issued by federal, provincial and municipal governments	\$ 95,599	\$ 108,507
Financial institution bonds	54,087	30,049
Other corporate bonds	76,687	71,577
Treasury bills	8,788	12,297
	235,161	222,430
Available for Sale Assets		
Equity portfolio	104,346	90,011
	\$ 339,507	\$ 312,441

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(b) Investment income:

	2010	2009
Change in fair value on held for trading assets	\$ 13,819	\$ 16,341
Net realized gains on sale of available for sale assets	2,098	1,849
Writedown on available for sale assets	(101)	(2,578)
Dividends from available for sale assets	2,464	2,512
Interest expense – other financial liabilities	(163)	(355)
	<u>\$ 18,117</u>	<u>\$ 17,769</u>

(c) Impairment of available for sale assets:

In determining whether impairment is to be recognized, management considers factors including the extent of the unrealized losses, the length of time that the investment has been in an unrealized loss position, and the financial condition and near-term prospects of the issuer.

As of December 31, 2010, the available for sale equity portfolio was written down by \$101 (2009 - \$2,578). The remainder of the unrealized losses in the portfolio of \$843 (2009 - \$258) was recorded in the Accumulated net unrealized gains in the equity portfolio on the Balance Sheet as management determined these unrealized losses are temporary in nature or not significant. Management evaluates the impairment condition of all holdings on a quarterly basis to assess for any potential impairment write downs required.

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(d) Securities with interest rate exposure:

As at December 31, the scheduled maturities and fair values of the fixed income portfolio are as follows:

	Terms to Maturity ¹						Total
	Due within one year	Due one through five years	Due five through ten years	Due ten through twenty years	Due after twenty years		
2010							
Government							
Federal	\$ 11,799	\$ 48,416	\$ 2,023	\$ 6,488	\$ 7,938		76,664
Yield to Maturity ("YTM")	1.3%	1.8%	2.7%	3.4%	3.6%		2.0%
Provincial	–	3,405	9,018	5,563	–		17,986
YTM	0.0%	2.3%	3.3%	4.0%	0.0%		3.3%
Municipal	–	–	560	–	–		560
YTM	0.0%	0.0%	3.9%	0.0%	0.0%		3.9%
Treasury Bills	7,420	–	–	–	–		7,420
YTM	1.4%	0.0%	0.0%	0.0%	0.0%		1.4%
Total Government	19,219	51,821	11,601	12,051	7,938		102,630
YTM	1.3%	1.8%	3.2%	3.7%	3.6%		2.2%
Financial Institutions	–	29,364	16,241	–	8,148		53,753
YTM	0.0%	2.8%	3.6%	0.0%	4.8%		3.4%
Other Corporate	1,047	24,234	24,403	5,554	20,554		75,792
YTM	1.9%	2.7%	3.8%	4.7%	5.1%		3.8%
Debit Notes	1,361	–	–	–	–		1,361
YTM	1.4%	0.0%	0.0%	0.0%	0.0%		1.4%
Total Fixed Income	21,627	105,419	52,245	17,605	36,640		233,536
Accrued Interest	1,625	–	–	–	–		1,625
Total Fixed Income with Accrued Interest	\$ 23,252	\$ 105,419	\$ 52,245	\$ 17,605	\$ 36,640		\$ 235,161
YTM	1.4%	2.3%	3.6%	4.0%	4.7%		3.0%
2009							
Government							
Federal	\$ 3,674	\$ 49,209	\$ 2,553	\$ 7,017	\$ 12,687		75,140
Yield to Maturity ("YTM")	0.4%	2.0%	3.2%	4.2%	4.1%		2.5%
Provincial	–	7,408	10,789	9,177	4,993		32,367
YTM	0.0%	2.4%	3.5%	4.6%	4.8%		3.8%
Municipal	–	–	540	–	–		540
YTM	0.0%	0.0%	4.5%	0.0%	0.0%		4.5%
Treasury Bills	10,917	–	–	–	–		10,917
YTM	1.4%	0.0%	0.0%	0.0%	0.0%		1.4%
Total Government	14,591	56,617	13,882	16,194	17,680		118,964
YTM	1.1%	2.1%	3.5%	4.4%	4.3%		2.8%
Financial Institutions	–	6,801	18,266	–	4,767		29,834
YTM	0.0%	2.1%	3.7%	0.0%	4.5%		3.4%
Other Corporate	–	16,437	37,503	6,164	10,626		70,730
YTM	0.0%	2.3%	3.8%	5.0%	5.7%		3.9%
Debit Notes	1,379	–	–	–	–		1,379
YTM	1.6%	0.0%	0.0%	0.0%	0.0%		1.6%
Total Fixed Income	15,970	79,855	69,651	22,358	33,073		220,907
Accrued Interest	1,523	–	–	–	–		1,523
Total Fixed Income with Accrued Interest	\$ 17,493	\$ 79,855	\$ 69,651	\$ 22,358	\$ 33,073		\$ 222,430
YTM	1.2%	2.1%	3.7%	4.6%	4.8%		3.2%

¹ The timing of actual maturities may differ from the contractual maturities shown above, since borrowers may have the right to prepay obligations with or without prepayment penalties

FINANCIAL STATEMENTS

6 FINANCIAL INSTRUMENTS

(a) Fair value

Fair value represents the amount that would be exchanged in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Corporation's cash and investments are measured at fair value. The carrying value for funds held as security and, accounts payable and accrued liabilities approximates fair value due to their short term nature.

The fair value of the amounts recoverable from builders is not disclosed as the fair value cannot be measured reliably; there is no external active market for this type of asset and the inputs required to value these are not easily observable.

Fair value hierarchy

Section 3862 – *Financial Instruments – Disclosures* requires classifying of fair value measurements using a three-level fair value hierarchy, described below, for disclosure purposes. Each level reflects the inputs used to measure the fair values of financial assets and financial liabilities:

- Level 1 – inputs are unadjusted quoted prices of identical instruments in active markets.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – inputs used in a valuation technique are based on unobservable market data.

The fair value for both held for trading and available for sale assets are based on quoted bid prices in active markets and include accrued interest and dividends, respectively. The fair value of bonds and equities denominated in foreign currencies is translated into Canadian dollars at the exchange rate in effect at December 31. The following table presents the financial instruments measured at fair value classified by the fair value hierarchy described above:

	2010	2009
Level 1 Categorization		
Cash	\$ 2,163	\$ 2,815
Equity Portfolio	104,346	90,011
Level 2 Categorization		
Treasury Bills / Debit Notes	8,788	12,297
Bonds	226,373	210,133
Level 3 Categorization		
	–	–
Total	\$ 341,670	\$ 315,292

During the years ended December 31, 2010 and 2009, there were no transfers among Levels 1, 2 and 3.

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6 FINANCIAL INSTRUMENTS (continued)

(b) Market risk

To manage the risks in the investment portfolio, management regularly monitors the performance of the Corporation's investment managers who are required to operate within specific investment criteria related to credit quality, diversification and to maximize yield within those constraints.

Market risk is comprised of three risks that may impact the fair value of a financial instrument as described below.

- **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Corporation is exposed to interest rate risk on its fixed income portfolio and its funds held as security. As at December 31, 2010 and 2009, Corporation's fixed income portfolio with interest rate exposure are disclosed in Note 5(d).

- **Equity price risk**

Equity price risk is the risk that the value of a financial instrument will fluctuate due to changes in equity markets. The Corporation is exposed to equity price risk on its equity portfolio. As at December 31, 2010 and 2009, the Corporation's equity portfolio is diversified and invested in well established, active, liquid markets, the sector breakdown of which is presented in the table below.

	2010		2009	
Financials	\$ 30,930	30%	\$ 26,566	30%
Energy	23,126	22%	21,138	23%
Consumer Staples	11,025	10%	8,826	10%
Consumer Discretionary	9,827	9%	7,794	9%
Industrials	9,212	9%	7,628	8%
Telecommunication	7,007	7%	6,189	7%
Materials	3,772	4%	2,755	3%
Metals & Mining	2,190	2%	2,441	3%
Information Technology	2,805	3%	2,149	2%
Health Care	2,687	3%	2,493	3%
Utilities	1,295	1%	1,476	2%
Service	270	–	175	–
Other	200	–	381	–
Total	\$ 104,346	100%	\$ 90,011	100%

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6 FINANCIAL INSTRUMENTS (continued)

(b) Market risk (continued)

- **Foreign currency risk**

Foreign currency risk is the risk of loss due to adverse movements in foreign currency rates versus the Canadian dollar. The Corporation is exposed to currency risk on its foreign currency denominated fixed-income and equity investments. As at December 31, 2010, the Corporation had approximately 9.9% (2009 - 11.0%) of the fair value of its equity investments and approximately 0.03% (2009 - 0.01%) of the fair value of its securities with interest rate exposure denominated in U.S. dollars. The Corporation manages its foreign currency exposure by limiting the foreign content in its investment portfolio.

The tables below show the potential impact on the Statement of Operations and Balance Sheet equity as a result of specific stress scenarios applied to financial assets and financial liabilities (excluding warranty liabilities). The analysis reflects management's view of key sensitivities. The actual results may differ from this sensitivity analysis and the difference could be material.

The stress scenarios for 2010 are:

- Interest rate risk: a parallel shift of -75/+75 basis points in interest rates for all maturities. Funds held as Securities are credited at floating interest rates (Prime-2%) and are changed semi-annually to calculate the interest paid on security. The annual interest paid impact on a -75/+75 basis points change in interest rates is disclosed below.
- Equity price risk: an increase/decrease of 10% in equity market prices.
- Foreign currency risk: a strengthening/weakening of 5% in the Canadian dollar relative to the U.S. dollar.

	Carrying Amount (\$'000)	Interest Rate Risk		Equity Price Risk		Foreign Exchange Rate Risk	
		-75 BP	+75 BP	-10%	10%	-5%	5%
		Stmt of Operations (\$'000)	Stmt of Operations (\$'000)	Equity (\$'000)	Equity (\$'000)	Equity (\$'000)	Equity (\$'000)
Financial Assets							
Held for Trading investments	235,161	10,424	(9,410)	-	-	-	-
Available for Sale investments	104,346	-	-	(10,398)	10,398	543	(491)
Financial Liabilities							
Funds Held in Security	38,632	290	(290)	-	-	-	-

For the above scenarios, we have assumed that interest rates, equity prices, and currency moved independently of each other.

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6 FINANCIAL INSTRUMENTS (continued)

The stress scenarios for 2009 were:

- Interest rate risk: a parallel shift of -25/+50 basis points in interest rates for all maturities.
- Equity price risk: an increase/decrease of 10% in equity market prices.
- Foreign currency risk: a strengthening/weakening of 5% in Canadian dollars relative to US dollars.

	Carrying Amount (\$'000)	Interest Rate Risk		Equity Price Risk		Foreign Exchange Rate Risk	
		-25 BP	+50 BP	-10%	10%	-5%	5%
		Stmt of Operations (\$'000)	Stmt of Operations (\$'000)	Equity (\$'000)	Equity (\$'000)	Equity (\$'000)	Equity (\$'000)
Financial Assets							
Held for Trading investments	222,430	3,905	(5,637)	-	-	-	-
Available for Sale investments	90,011	-	-	(8,969)	8,969	520	(470)
Financial Liabilities							
Funds Held in Security	36,959	92	(185)	-	-	-	-

For the above scenarios, we have assumed that interest rates, equity prices, and currency moved independently of each other.

(c) Credit risk

Credit risk arises from the possibility of financial loss occurring as a result of a default by a counterparty on its obligation to the Corporation. Financial instruments that potentially subject the Corporation to concentration of credit risk consist of cash, investments and amounts recoverable from builders. The carrying value of financial assets, including cash, investments and amounts recoverable from builders, represents the maximum credit exposure. The Corporation has adopted the following strategies to mitigate this risk:

- The Corporation's investment policies limits the concentration in any one investee or related group of investees, except for financial instruments issued by the Government of Canada for which there is no limit.

The Corporation only deals with counterparties believed to be creditworthy and actively monitors credit exposure, requiring minimum credit ratings of "A" for debt securities at the time an investment is purchased. At December 31, 2010, 99.4% (2009 - 99.4%) of the debt securities have a rating of "A" or better, and 0.6% (2009 - 0.6%) of the debt securities have a rating of BBB.

- Cash and short-term investments are placed with governments, well-capitalized financial institutions and other creditworthy counterparties.
- The Corporation assesses the builders' risk profile including financial health during the registration and renewal processes. Based on the assessment, a builder may be licensed and as disclosed in Note 10, security is obtained in the form of cash, letters of credit, and other guarantees from the builder in order to reduce the risk of financial loss related to future warranty claims from homeowners.

FINANCIAL STATEMENTS

6 FINANCIAL INSTRUMENTS (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to daily cash requirements from settlement of claims, operating expenses and cash security releases. The settlement of claims have no fixed terms and is dependent on the timing of the repair work involved and the cash security release has no fixed terms and is contingent upon fulfilment of certain requirements (see Note 10). Liquidity risk is considered low as a significant percentage of the investment portfolio is traded in an active market and can be readily disposed of. The Corporation also has a \$3,000 (2009 - \$3,000) line of credit it can draw on of which the amount outstanding at December 31, 2010 is Nil (2009 - Nil).

7 EQUIPMENT AND LEASEHOLDS

	2010		2009	
	Cost	Accumulated Depreciation/ Amortization	Net Book Value	Net Book Value
Equipment and leaseholds:				
Computer and office equipment under capital lease	\$ 2,590	\$ 1,657	\$ 933	\$ 990
Leasehold improvements	3,105	2,476	629	1,696
Computer equipment	1,511	1,347	164	137
Furniture and office equipment	1,547	1,073	474	590
	\$ 8,753	\$ 6,553	\$ 2,200	\$ 3,413

The total depreciation and amortization expense for the year ended December 31, 2010 was \$1,003 (2009 - \$1,180).

The balance of the capital lease obligations arising from the acquisition of certain computer and office equipment was \$637 at December 31, 2010 (2009 - \$991). This obligation is reported on the Balance Sheet in accounts payable and accrued liabilities. Interest expense of \$108 was incurred during 2010 (2009 - \$165) on the capital leases which is reported in general and administrative expenses in the Statement of Operations.

In October 2010, the Corporation entered into an agreement with its landlord to relocate a portion of its current leased premises. As a result, the unamortized balance of leasehold improvements associated with the original lease has been written off and the Corporation has recorded an impairment charge of \$790 on its leasehold improvements. The impairment charge is included in the depreciation and amortization expense for the year.

8 INTANGIBLE ASSETS

The Corporation's intangible assets are comprised of externally purchased software and applications and internally developed software enhancements.

	2010		2009	
	Cost	Accumulated Depreciation/ Amortization	Net Book Value	Net Book Value
Finite-life Intangible Assets:				
Software and applications	\$ 6,822	\$ 5,378	\$ 1,444	\$ 689
Internal software enhancements	5,422	4,362	1,060	824
	\$ 12,244	\$ 9,740	\$ 2,504	\$ 1,513

The amortization of intangible assets recorded in operating expenses during the year ended December 31, 2010 was \$1,070 (2009 - \$1,135). There were no write-downs of intangible assets due to impairment during 2010 and 2009.

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9 WARRANTY LIABILITIES

The determination of the Corporation's warranty liabilities, which include deferred home enrolment fees and warranty claim liabilities, is dependent on the Corporation's claims handling practices, on actuarial assessments, on the judgment of its management, on historical precedents and trends, on prevailing legal, economic, social and regulatory environments and on expectations of future developments. Periodic reviews are performed by management and reviewed by the Corporation's appointed actuary to assess whether warranty claims liabilities recorded for homes and condominiums, and deferred home enrolment fees are adequate relative to future claims and related administration costs to administer claims.

In general, the longer the period of time between the incidence of loss and the settlement of the related claim, the greater the potential for actual settlement amounts to differ from the recorded estimates. Actual settlements may also differ significantly from the estimates of these liabilities due to the measurement uncertainty involved in establishing assumptions for such variables as future rates of claim frequency, severity, inflation, the ability of builders to fulfill their obligations to home buyers, recoveries from builders and administrative costs.

The following table summarizes the components of the warranty liabilities as at December 31.

	2010	2009
Deferred home enrolment fees, beginning of year	\$ 99,955	\$ 95,253
Fees received	47,542	33,885
Fees earned	(29,692)	(29,183)
Deferred home enrolment fees, end of year	117,805	99,955
Warranty claims liabilities, beginning of the year	64,296	73,657
Provisions for claims, net of reversals	(13,866)	11,616
Claims paid	(17,619)	(20,995)
Warranty claims liabilities, end of year	32,811	64,296
Warranty liabilities, end of year	\$ 150,616	\$ 164,251

The following table summarizes the components of net claims incurred presented in the Statement of Operations:

	2010	2009
Provisions for claims, net of reversals	\$ (13,866)	\$ 11,616
Less recoveries	(4,406)	(8,521)
Net claims incurred for the year	\$ (18,272)	\$ 3,095

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10 FUNDS HELD AS SECURITY

The Corporation receives security in the form of cash, letters of credit and other guarantees, from builders in order to reduce the risk of financial loss related to future warranty claims from homeowners. The funds held as security do not have any fixed contractual maturities and are to be returned to the builders or released only upon satisfactory completion of certain requirements, such as there being no or minimal deposit or financial loss risk and the completion of outstanding warranty obligations under the Ontario New Home Warranties Plan Act, the timing of completion of which cannot be reasonably estimated.

Security received in cash is invested as part of the Corporation's investment portfolio. The Funds held as security presented on the Balance Sheet as a liability are the potentially refundable security deposits received in cash, including cumulative accrued interest thereon of \$1,318 (2009 - \$1,917). The amounts of \$1,921 (2009 - \$3,306) of funds held as security are associated with amounts recoverable from builders in the Balance Sheet (Note 4). Letters of credit and other guarantees are recognized in the financial statements only to the extent they are expected to be drawn upon to settle known claims.

During the year, the Corporation incurred interest of \$163 (2009 - \$355) on cash security deposits.

11 EMPLOYEE FUTURE BENEFIT PLANS

The Corporation's Pension Plan is comprised of a defined benefit pension plan which is closed to further contributions, and a money purchase pension plan. The money purchase pension plan ("MPP") is open to all full-time employees of the Corporation, subject to meeting certain eligibility conditions. Under the terms of the MPP, employees contribute a percentage of eligible employee earnings per year. The Corporation makes contributions for each contributing employee in amounts that vary dependent upon the employee's age and the number of years of eligible service.

In addition, the Corporation provides other post-employment benefits ("OPEB"), primarily various health and dental coverage, on an unfunded basis.

The Corporation has a December 31 measurement date. A valuation of the accrued pension benefit obligation was performed as at January 1, 2010, and a valuation of the OPEB was performed as of December 31, 2008. The next valuation of the accrued pension benefit obligation is expected to be performed as at January 1, 2013 and the valuation of the OPEB will be performed as at December 31, 2011.

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11 EMPLOYEE FUTURE BENEFIT PLANS (continued)

As at December 31, the details of the Corporation's Pension Plan and OPEB Plan assets and accrued benefit obligations and other related information is as follows:

	2010		2009	
	Pension Plan	OPEB	Pension Plan	OPEB
Reconciliation and funded status				
Fair value of plan assets	\$ 17,101	\$ –	\$ 14,557	\$ –
Accrued benefit obligation	17,298	3,859	14,686	2,954
Funded status of plan – (deficit)	(197)	(3,859)	(129)	(2,954)
Unamortized transitional (asset)/obligation	(440)	68	(588)	86
Unamortized net actuarial losses (gains)	654	282	224	(194)
Unamortized past service cost	158	897	174	1,009
Accrued assets/(liability), net of valuation allowance	175	(2,612)	(319)	(2,053)
Transfers to other plans and benefits paid	\$ 743	\$ 17	\$ 411	\$ 13
Employee contributions	593	–	600	–
Employer contributions	1,470	17	938	13
Expense for the year	977	575	896	449

The total cash paid or payable in 2010 was \$1,487 (2009 – \$951).

The change in employer contribution to the pension plan from 2009 is due in part to the required funding of \$479 for the shortfall in the defined benefit plan assets

Significant Assumptions

	2010		2009	
	Pension Plan	OPEB	Pension Plan	OPEB
Accrued benefit obligation as of December 31				
Discount rate	5.50%	5.75%	6.50%	6.50%
Salary increase	3.50%	N/A	4.00%	N/A
General inflation	2.50%	2.50%	2.50%	2.50%
Benefit cost for the period:				
Discount rate	6.50%	6.50%	7.25%	7.50%
Salary increase	4.00%	N/A	4.00%	N/A
General inflation	2.50%	2.50%	2.50%	2.50%
Assumed health care cost trend rates at December 31				
Initial health care cost trend rate		7.50%		8.00%
Cost trend rate declines to		5.00%		5.00%
Year that the rate reaches the rate it is assumed to remain at		2016		2016

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11 EMPLOYEE FUTURE BENEFIT PLANS (continued)

Sensitivity Analysis for OPEB

Assumed health and dental care cost trend rates have a significant effect on the amounts reported for the health and dental care plans. A 1% change in assumed health and dental care cost trend rates would have the following impact on the Employee future benefits liabilities and the related costs for 2010:

2010	Valuation Assumptions	1% change	
		Increase	Decrease
Total of service and interest cost at 6.5 per cent per annum:	\$ 446	\$ 126	\$ (93)
Accrued benefit obligation as at December 31, 2010 at 5.75 per cent per annum	\$ 3,859	\$ 903	\$ (687)

2009	Valuation Assumptions	1% change	
		Increase	Decrease
Total of service and interest cost at 7.5 per cent per annum:	\$ 348	\$ 92	\$ (67)
Accrued benefit obligation as at December 31, 2009 at 6.5 per cent per annum	\$ 2,954	\$ 688	\$ (525)

12 CAPITAL MANAGEMENT

The Corporation's capital consists of the surplus and accumulated net unrealized gains (losses). Although there is no external regulatory requirements imposed on the Corporation's capital, management has adopted a capital management framework modeled after the framework used in the P&C insurance industry and modified to reflect the Corporation's circumstances including its inability to raise capital in traditional ways. This framework incorporates the business requirements for sufficient capital throughout the variations of the new home building cycle, including possible losses from a future catastrophic event. It also reflects the relatively high risk profile of the Corporation's warranty operations, including the high level of measurement uncertainty inherent in its warranty liabilities due to the long warranty period of up to seven years and to other factors explained in Note 9.

In applying the framework, the total equity of the Corporation as at December 31, 2010 and 2009 has been determined to be sufficient to cover possible losses from a future catastrophic event as determined by the dynamic capital adequacy testing performed by the Corporation's external actuary in 2010. The next dynamic capital adequacy test will be performed in 2011.

13 CONTINGENCIES, COMMITMENTS AND GUARANTEES

In the normal course of business, the Corporation is a party to a number of lawsuits as the administrator of the Ontario New Home Warranties Plan Act. To the extent that lawsuits relate to disputes of warranty coverage, provisions for loss are included in the warranty liabilities on the Balance Sheet. Other lawsuits are at various stages of legal proceedings, the outcome of which are currently not determinable and are not expected to have a significant impact on the Corporation's financial position.

FINANCIAL STATEMENTS

13 CONTINGENCIES, COMMITMENTS AND GUARANTEES (continued)

As at December 31, 2010, the Corporation has future minimum annual lease payments under operating leases for each of the next five years and thereafter as follows:

	Premises Leases	Computer and Office Equipment Leases	Total Leases
2011	\$ 753	\$ 516	\$ 1,269
2012	751	344	1,095
2013	754	137	891
2014	762	11	773
2015	764	–	764
2016 and thereafter	4,353	–	4,353
	\$ 8,137	\$ 1,008	\$ 9,145

In the normal course of operations, the Corporation executes agreements that provide for indemnification to third parties in transactions such as service agreements, leases and purchases of goods. Under these agreements, the Corporation agrees to indemnify the counterparty against loss or liability arising from the acts or omissions of the Corporation in relation to the agreement. In addition, the Corporation has also agreed to indemnify its directors and certain of its officers and employees in accordance with the Corporation's by-laws.

These indemnification provisions will vary based on the nature and terms of the agreements. The nature of these agreements precludes the possibility of making a reasonable estimate of the maximum potential amount the Corporation could be required to pay as the agreements often do not specify a maximum amount and the amounts are dependent on the outcome of future contingent events, the nature and likelihood of which cannot be determined. Historically, the Corporation has not made significant payments under such indemnification agreements. No amounts have been accrued related to these agreements.

14 RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Corporation provides a broad range of services to homeowners and builders based on its mandate to administer the Act. Accordingly, the Corporation may enter into transactions with builders related with the Corporation's Board of Directors through a relationship of principal, director, officer and/or guarantor.

As at December 31, 2010 and 2009, there are no collection and litigation account receivables and cash securities recognized from related parties. Letters of credit and other guarantees lodged by related parties are recognized in the financial statements only to the extent they are expected to be drawn upon to settle known claims.

Note 1

Tarion Warranty Corporation

EIN 980197825

Form 990

Tax Year Ended Dec 31, 2010

Foreign Currency Translation Rates:

a. All income statement figures are translated from Canadian dollars using the monthly averages for the 12 month period comprising the tax year (2010: 1.0301; 2009: 1.1415)

b. All balance sheet figure are translated from Canadian dollars using the closing exchange rate as of Dec 31, 2010 (2010: 0.9946; 2009: 1.0466)

Note 2

Tarion Warranty Corporation
EIN 980197825
Form 990
Tax Year Ended Dec 31, 2010

Unrelated Business Revenue:

<u>Reference</u>	<u>Description</u>	<u>Amount</u>
VIII(3)	Investment Income (dividends, interest):	10,636,274
VIII(7d)	Realized capital gain on sale of assets other than inventory.	3,377,984
VIII(11d)	Misc unrelated business revenue :	602,733
	Part 1(7a) / Part VIII(Column C)	<u>14,616,991</u>

Tarion Warranty Corporation
Consolidated Summary Investment Listing
As at December 31, 2010
(Market Values using Bid Prices)

Conversion at Dec 31, 2010

0.9946

	CANADIAN DOLLAR		US DOLLAR	
	Quantity	Market Value	Quantity	Market Value
Fixed Income Category				
Bonds				
Federal Gov	74,193,500	76,820,566	74,193,500	77,237,649
Provincial Gov	16,196,000	18,218,082	16,196,000	18,316,994
Municipal Gov	500,000	560,497	500,000	563,540
Total Government Issued Bonds	90,889,500	95,599,145	90,889,500	96,118,183
Financial Institution Bonds	51,794,000	54,087,394	51,794,000	54,381,052
Corporate Bonds (other than Utilities)	14,020,000	14,626,479	14,020,000	14,705,890
Corporate Utility's Bonds	55,211,000	62,060,628	55,211,000	62,397,575
Total Canadian Bonds	211,914,500	226,373,645	211,914,500	227,602,700
Short Term Securities				
(CANADIAN ISSUED NOTES IN CDN\$)	8,727,000	8,713,086	8,727,000	8,760,392
(CANADIAN ISSUED NOTES IN US\$)	75,000	74,574	75,000	74,574
Total Short Term Securities	8,802,000	8,787,660	8,802,000	8,834,966
Accrued Interest				0
TOTAL FIXED INCOME		235,161,305		236,437,666
Equity Portfolio				
<i>(Quantity = No of Shares or Units)</i>				
DOMESTIC Stock (CAD Denominated)				
AGRIUM	7,200	658,800	7,200	662,377
ATCO LTD CLASS 1 NON-VTG	11,505	680,521	11,505	684,216
ALTAGAS	21,300	461,784	21,300	464,291
BANK OF MONTREAL	11,790	677,689	11,790	681,369
BANK OF NOVA SCOTIA	80,545	4,593,481	80,545	4,618,421
BAYTEX	14,000	652,260	14,000	655,801
CAE	48,167	551,030	48,167	554,022
CAMECO CORP COMMON	55,000	2,213,750	55,000	2,225,769
CIBC	40,500	3,167,505	40,500	3,184,702
CANADIAN NATL RAILWAY CO	40,880	2,708,300	40,880	2,723,004
CANADIAN NATL RESOURCES	28,670	1,269,221	28,670	1,276,112
CANADIAN OILSANDS	30,900	816,996	30,900	821,432
CANADIAN PACIFIC	9,500	613,700	9,500	617,032
CANADIAN TIRE LTD CL A	30,510	2,080,172	30,510	2,091,466
CANFOR CORP	13,194	146,190	13,194	146,983
CENOVUS	78,853	2,612,400	78,853	2,626,583
ENBRIDGE INC	32,840	1,846,593	32,840	1,856,619
ENCANA	62,953	1,828,155	62,953	1,838,081
ENSIGN ENERGY	39,000	585,780	39,000	588,960
FINNING	27,300	737,646	27,300	741,651
GOLDCORP	10,355	474,155	10,355	476,730
GREAT-WEST LIFE CO INC	98,285	2,590,793	98,285	2,604,859
IGM FINANCIAL	16,600	719,942	16,600	723,851
IMPERIAL OIL LTD	21,486	870,613	21,486	875,340
JEAN COUTU GRP(PJC)	19,734	189,841	19,734	190,872
KINROSS GOLD	90,975	1,715,789	90,975	1,725,104
LOBLAW COMPANIES LTD	27,244	1,097,385	27,244	1,103,343
MAGNA	25,800	1,339,278	25,800	1,346,549
MANULIFE FINANCIAL CORP	189,914	3,247,530	189,914	3,265,161
METRO INC	28,385	1,283,002	28,385	1,289,968
MOLSON INC	41,000	2,050,000	41,000	2,061,130
NEXEN INC COMMON	54,160	1,234,306	54,160	1,241,008
POTASH CORP OF SASK INC	11,255	1,736,759	11,255	1,746,188
POWER FINANCIAL CORP COM	19,350	593,271	19,350	596,492
QUEBECOR INC CL B	51,575	1,939,220	51,575	1,949,749
RESEARCH IN MOTION	16,440	954,671	16,440	959,854
ROGERS COMMUN CL B	64,875	2,238,836	64,875	2,250,992
ROYAL BANK	101,330	5,289,426	101,330	5,318,144
SNC-LAVALIN GROUP INC	37,750	2,256,318	37,750	2,268,568
SHAW COMMUNICATIONS INC	43,050	916,965	43,050	921,943
SHOPPERS DRUG MART	52,040	2,055,580	52,040	2,066,740
SUNLIFE	25,753	773,105	25,753	777,302

SUNCOR	41,250	1,574,925	41,250	1,583,476
TALISMAN ENERGY INC	171,800	3,798,498	171,800	3,819,121
TELUS	50,600	2,300,782	50,600	2,313,274
THOMSON CORP COMMON	61,720	2,292,281	61,720	2,304,726
TIM HORTONS	9,199	378,079	9,199	380,132
TORONTO-DOMINION BANK	82,400	6,105,840	82,400	6,138,991
TRANSCANADA CORP	32,677	1,241,399	32,677	1,248,139
WEST FRASER TIMBER CO LTD	13,346	624,059	13,346	627,447
WESTON LTD	5,750	482,713	5,750	485,333
JF SPECIAL EQUITY FUND	118,011	2,839,478	118,011	2,854,895
TOTAL DOMESTIC Stock	2,318,716	86,106,811	2,318,716	86,574,312
FOREIGN Stock (CAD Denominated)				
BEUTEL GOODMAN POOLED FUNDS	681,043	7,551,931	681,043	7,592,933
FOREIGN Stock (US Denominated)				
ABBOT LABS INC	2,840	135,929	2,840	135,929
APPLE COMPUTERS	490	158,062	490	158,062
AUTOMATIC DATA	2,180	100,807	2,180	100,807
BANK OF NEW YORK CO	3,826	115,550	3,826	115,550
BB&T	2,500	65,728	2,500	65,728
BECTON DICKENSON	1,370	115,770	1,370	115,770
CVS CORP	3,060	106,401	3,060	106,401
CHEVRON COMMON	2,830	258,252	2,830	258,252
CISCO SYSTEMS INC	6,175	124,929	6,175	124,929
COLGATE PALMOLIVE	1,840	147,685	1,840	147,685
COMCAST	4,835	98,929	4,835	98,929
EMERSON ELECTRONIC	2,490	142,361	2,490	142,361
EOG RESOURCES	1,380	126,153	1,380	126,153
EXXON MOBIL	1,840	134,548	1,840	134,548
FISERV INC COM	2,540	148,750	2,540	148,750
FLOUR CORP	490	32,273	490	32,273
GENERAL ELECTRIC	3,940	72,067	3,940	72,067
GILEAD SCIENCES	1,610	57,978	1,610	57,978
HALLIBURTON	3,850	157,204	3,850	157,204
HARTFORD FINANCIAL	1,990	52,718	1,990	52,718
JP MORGAN CHASE	1,860	78,906	1,860	78,906
JOHNSON & JOHNSON	2,410	149,065	2,410	149,065
KIMBERLY-CLARK CORP	1,020	64,181	1,020	64,181
LINCOLN NATIONAL CORP	2,760	76,264	2,760	76,264
M&T BANK	1,030	89,666	1,030	89,666
MCCORMICK	2,770	128,784	2,770	128,784
METLIFE	2,950	131,105	2,950	131,105
MONSANTO	1,970	137,198	1,970	137,198
NIKE	1,430	121,599	1,430	121,599
PEPISCO	1,670	108,605	1,670	108,605
PFIZER INC COM	6,880	120,476	6,880	120,476
PHILIP MORRIS	2,770	161,664	2,770	161,664
QUEST	1,690	91,130	1,690	91,130
PROCTER & GAMBLE	2,380	153,018	2,380	153,018
ROYAL DUTCH SHELL	1,520	101,511	1,520	101,511
SCRIPPS NETWORK	1,200	61,479	1,200	61,479
SPECTRA	2,260	56,480	2,260	56,480
3M COMPANY	1,510	130,320	1,510	130,320
TEXAS INSTRUMENTS	4,440	144,130	4,440	144,130
TIME WARNER CABLE	364	24,022	364	24,022
TRANSOCEAN	500	34,657	500	34,657
US BANCORP	5,050	136,207	5,050	136,207
VERISK ANALYTICS	1,780	60,148	1,780	60,148
WALGREEN CO	3,350	130,524	3,350	130,524
WASHINGTON POST	70	30,767	70	30,767
WELLS FARGO	4,213	130,567	4,213	130,567
ZIMMER HOLDINGS	1,905	102,152	1,905	102,152
JF INT'L EQUITY FUND	261,662	5,267,508	261,662	5,267,508
Total US Denominated Stock (in US\$)	375,490	10,374,229	375,490	10,374,229
Premium @ 0.9946 (Q4)		-56,021		0
Unrealized Exchange on USD				
Total US Denominated Stock (in CAD\$)	375,490	10,318,208	375,490	10,374,229
TOTAL FOREIGN Stock (in CAD\$)		17,870,139		17,967,162
Dividend Receivables		369,099		371,103
TOTAL STOCK PORTFOLIO		104,346,048		104,912,577
TOTAL INVESTMENT PORTFOLIO		339,507,353		341,350,243

Note 3					
Tarion Warranty Corporation					
EIN: 98-0197825					
IRS 990 - 2010					
Part VII-A - List of Officers, Directors, Trustees & Key Employees					
				Conversion Rate (avg 2010)	1.0301
	Name & Title	Avg hrs /wk	Attendance Record to Meetings	Position	Total (US\$) Column D Reportable compensation from the organization
1	Harry Herskowitz Board of Directors, (voting rights)	n/a	(18/18 attendance)	Director	44,996 00
2	Brian Johnston Board of Directors, (voting rights)	n/a	(20/21 attendance)	Director	24,172 00
3	Dick Brouwer Board of Directors, (voting rights)	n/a	(10/12 attendance)	Director	17,959 00
4	Robert Cooper Board of Directors, (voting rights)	n/a	(16/18 attendance)	Director	22,194 00
5	Peter Satumo Board of Directors, (voting rights)	n/a	(19/19 attendance)	Director	24,172 00
6	Deborah Brown Board of Directors, (voting rights)	n/a	(13/14 attendance)	Director	-
7	Frank Giannone Board of Directors, (voting rights)	n/a	(10/10 attendance)	Director	14,076 00
8	Christopher Spiteri Board of Directors, (voting rights)	n/a	(18/18 attendance)	Director	25,908 00
9	Michael Lio Board of Directors, (voting rights)	n/a	(24/24 attendance)	Director	26,842 00
10	Mark Bsciano Board of Directors (voting rights)	n/a	(16/18 attendance)	Director	20,386 00
11	Bob Aaron Board of Directors, (voting rights)	n/a	(11/11 attendance)	Director	18,493 00
12	Harold Levy Board of Directors, (voting rights)	n/a	(16/17 attendance)	Director	16,054 00
13	Peter Oakes Board of Directors, (voting rights)	n/a	(18/21 attendance)	Director	20,823 00
14	Lea Ray Board of Directors, (voting rights) effective Apr/10	n/a	(12/12 attendance)	Director	15,011 00
15	Sandy Ewen Board of Directors, (voting rights) effective Apr/10	n/a	(12/12 attendance)	Director	15,144 00
16	Robert Finnigan Board of Directors, (voting rights) effective Oct/10	n/a	(3/3 attendance)	Director	7,196 00
17	Howard Bogach President, CEO Registrar, (voting rights)	37.5	(32/32 attendance)	Director/Officer	584,598 00
18	James Bazely Board of Directors, (voting rights)	n/a	(4/4 attendance) left 10/1/10	Director (former)	11,297 00
19	Bob Ridley Board of Directors, (voting rights)	n/a	(5/6 attendance) left 4/26/10	Director (former)	6,152 00
20	Peter Smith Board of Directors, (voting rights)	n/a	(5/5 attendance) left 4/26/10	Director (former)	5,728 00
21	Scott Cameron Board of Directors, (voting rights)	n/a	(3/4 attendance) left 4/26/10	Director (former)	5,728 00
22	Alex McFarlane Corporate Secretary	37.5	n/a	Officer	157,787 00
23	John Becevello Vice President, L & U (Deputy Registrar)	37.5	n/a	Officer	305,347 00
24	David Guiney Senior Vice President, Operations, (Deputy Registrar)	37.5	n/a	Officer	427,927 00
25	Mike Cote Vice President, Builder Relations, (Deputy Registrar)	37.5	n/a	Officer	242,069 00
26	Patrick Varcoe Vice President & Senior Advisor	37.5	n/a	Officer	275,394 00
27	Timothy Schumacher Vice President & General Counsel, (Deputy Registrar)	37.5	n/a	Officer	359,804 00
28	Edmond Lee Vice President, Finance, CFO (Deputy Registrar)	37.5	n/a	Officer	206,242 00
29	Janice Mandel Vice President, Corporate Affairs	37.5	n/a	Key Employee	266,617 00
30	Bill Wallace Vice President, Information Systems	37.5	n/a	Key Employee	298,964 00
31	Eileen Holden Vice President, Human Resources	37.5	n/a	Key Employee	249,424 00
32	Suzanne Tiffin Vice President, Customer Services	37.5	n/a	Key Employee	231,505 00
33	Peter Balasubramanian Vice President, Claims	37.5	n/a	Key Employee	292,329 00
34	Girish Sharma Director L&U	37.5	n/a	Highest Comp	152,147 00
35	John Linney Director Contact Center	37.5	n/a	Highest Comp	152,766 00
36	John Hynes	37.5	n/a	Highest Comp	160,970 00
37	Adil Darr	37.5	n/a	Highest Comp	155,281 00
38	Kevin Brodie	37.5	n/a	Highest Comp	151,631 00
				2010	5,013,133 00